

UNITED WAY OF NORTHEASTERN MINNESOTA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED MARCH 31, 2025 AND 2024



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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of Northeastern Minnesota
Chisholm, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the United Way of Northeastern Minnesota (the Organization), which comprise the statements of financial position as of March 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of March 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program services are presented for purposes of additional analysis and are not required parts 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 audits 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 GAAS. In our opinion, the schedules of program services are fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Monticello, Minnesota
October 20, 2025

**UNITED WAY OF NORTHEASTERN MINNESOTA
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025 AND 2024**

	2025	2024
ASSETS		
Cash	\$ 418,459	\$ 531,593
Cash - Deposits Held for Others	39,871	45,144
Investments	1,306,308	1,056,311
Contributions Receivable, Less Allowance for Uncollectibles of \$75,000 for 2025 and 2024	381,486	770,941
Prepaid Expenses	6,758	5,071
Property and Equipment, Net	972,347	1,032,562
Funds Held by Foundation	1,380,387	1,388,649
Funds Held by Bottoms Financial	56,414	55,650
Total Assets	\$ 4,562,030	\$ 4,885,921
LIABILITIES AND NET ASSETS		
LIABILITIES		
Allocation and Designations Payable	\$ 564,000	\$ 489,500
Deposits Held for Others	39,871	45,144
Retirement Plan	2,478	3,131
Accounts Payable	9,938	19,921
Total Liabilities	616,287	557,696
NET ASSETS		
Without Donor Restrictions - Designated:		
Property and Equipment	972,347	1,032,562
Funds Held by Foundation	1,380,387	1,388,649
Without Donor Restrictions - Undesignated	1,591,743	1,892,576
With Donor Restrictions	1,266	14,438
Total Net Assets	3,945,743	4,328,225
Total Liabilities and Net Assets	\$ 4,562,030	\$ 4,885,921

See accompanying Notes to Financial Statements.

**UNITED WAY OF NORTHEASTERN MINNESOTA
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2025 AND 2024**

	2025	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS		
PROGRAM SUPPORT AND REVENUE		
Gross Campaign Results	\$ 904,233	\$ 1,073,130
Less: Provision for Uncollected Accounts	(125,710)	(46,684)
Net Campaign Revenue	778,523	1,026,446
Contribution Income	433,117	161,984
Initiative Contributions	986,562	1,268,665
Gifts in Kind - Good 360	49,165	107,708
Special Events and Other Income	410,023	344,545
Total Public Support	2,657,390	2,909,348
Investment Income	54,495	26,701
Funds Held by Foundation - Investment Income	49,198	104,247
Release from Restrictions	13,172	22,000
Total Revenue	2,774,255	3,062,296
ALLOCATIONS AND EXPENSES		
Allocations and Program Services:		
Gross Allocations to Agencies for Programs	676,482	607,100
Initiative Distributions	1,359,354	1,107,385
Gifts in Kind Distributions	49,504	109,770
Program Services	647,130	560,569
Total Allocations and Program Services	2,732,470	2,384,824
Supporting Services:		
Management and General	152,764	141,845
Fundraising	258,331	229,752
Total Allocations and Expenses	3,143,565	2,756,420
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(369,310)	305,876
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	-	14,438
Release from Restrictions	(13,172)	(22,000)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(13,172)	(7,562)
CHANGE IN NET ASSETS	(382,482)	298,314
Net Assets - Beginning of Year	4,328,225	4,029,911
NET ASSETS - END OF YEAR	\$ 3,945,743	\$ 4,328,225

See accompanying Notes to Financial Statements.

**UNITED WAY OF NORTHEASTERN MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2025**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Gross Allocations to Agencies for Programs	\$ 676,482	\$ -	\$ -	\$ 676,482
Special Events	-	-	105,567	105,567
Initiative Distributions	1,359,354	-	-	1,359,354
Gifts in Kind - Good 360 Distributions	49,504	-	-	49,504
Salaries and Related Expenses:				
Salaries	343,639	80,856	80,856	505,351
Payroll Taxes	27,194	6,399	6,399	39,992
Employee Benefits	60,464	14,227	14,227	88,918
Total Salaries and Related Expenses	<u>431,297</u>	<u>101,482</u>	<u>101,482</u>	<u>634,261</u>
Telephone	5,724	1,347	1,347	8,418
Supplies	3,184	749	749	4,682
Travel	5,171	1,217	1,217	7,605
Postage	1,308	308	308	1,924
Campaign Supplies	25,960	6,108	6,108	38,176
Professional Fees	25,246	5,940	5,940	37,126
Equipment Maintenance	3,905	919	919	5,743
Occupancy	22,909	5,390	5,390	33,689
Business and Special Meetings	2,536	597	597	3,730
Training	56,346	13,258	13,258	82,862
Miscellaneous	9,012	2,618	2,618	14,248
Membership Dues	11,614	2,733	2,733	17,080
Depreciation	<u>42,918</u>	<u>10,098</u>	<u>10,098</u>	<u>63,114</u>
Total Allocations and Expenses	<u>\$ 2,732,470</u>	<u>\$ 152,764</u>	<u>\$ 258,331</u>	<u>\$ 3,143,565</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF NORTHEASTERN MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Gross Allocations to Agencies for Programs	\$ 607,100	\$ -	\$ -	\$ 607,100
Special Events	-	-	87,907	87,907
Initiative Distributions	1,107,385	-	-	1,107,385
Gifts in Kind - Good 360 Distributions	109,770	-	-	109,770
Salaries and Related Expenses:				
Salaries	310,931	73,160	73,160	457,251
Payroll Taxes	24,633	5,796	5,796	36,225
Employee Benefits	53,088	12,491	12,491	78,070
Total Salaries and Related Expenses	<u>388,652</u>	<u>91,447</u>	<u>91,447</u>	<u>571,546</u>
Telephone	5,870	1,381	1,381	8,632
Supplies	962	226	226	1,414
Travel	3,531	831	831	5,193
Postage	1,286	303	303	1,892
Campaign Supplies	20,480	4,819	4,819	30,118
Professional Fees	14,955	3,519	3,519	21,993
Equipment Maintenance	3,609	849	849	5,307
Occupancy	19,733	4,643	4,643	29,019
Equipment Purchase	1,926	453	453	2,832
Training	55,628	24,854	24,854	105,336
Miscellaneous	4,073	958	958	5,989
Membership Dues	6,913	502	502	7,916
Depreciation	<u>32,951</u>	<u>7,060</u>	<u>7,060</u>	<u>47,071</u>
Total Allocations and Expenses	<u><u>\$ 2,384,824</u></u>	<u><u>\$ 141,845</u></u>	<u><u>\$ 229,752</u></u>	<u><u>\$ 2,756,420</u></u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF NORTHEASTERN MINNESOTA
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (382,482)	\$ 298,314
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	63,114	47,071
Provision for Uncollectible Accounts	125,710	46,684
Change in Beneficial Interest in Assets Held by Others	(49,962)	(57,357)
Unrealized Gain on Investments	(16,462)	(12,231)
(Increase) Decrease in Contributions Receivable	263,745	(307,481)
Increase in Prepaid Expenses	(1,687)	(132)
Increase (Decrease) in Liabilities:		
Allocation and Designations Payable	74,500	74,900
Accounts Payable	1,507	(8,293)
Retirement Plan	(653)	147
Deposits Held for Others	(5,273)	4,064
Net Cash Provided by Operating Activities	72,057	85,686
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(942,255)	(400,000)
Proceeds on Sale of Investments	708,720	-
Distributions of Beneficial Interest in Assets Held by Others	57,460	-
Purchase of Property and Equipment	(14,389)	(78,734)
Net Cash Used by Investing Activities	(190,464)	(478,734)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease	-	(625)
NET DECREASE IN CASH	(118,407)	(393,673)
Cash - Beginning of Year	576,737	970,410
CASH - END OF YEAR	\$ 458,330	\$ 576,737
SUPPLEMENTAL DISCLOSURES		
Cash	\$ 418,459	\$ 531,593
Cash - Deposits Held for Others	39,871	45,144
Total Cash	\$ 458,330	\$ 576,737
Property and Equipment Purchased through Accounts Payable	\$ -	\$ 11,490

See accompanying Notes to Financial Statements.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization

United Way of Northeastern Minnesota (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 a separate advisory board in Koochiching County. A summary of the Organization's significant accounting policies follows:

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. Receipts are recorded as an increase in net assets with or without donor restriction 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:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for equipment and funds held by foundation.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and release from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Released from Restrictions.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Cash and Cash Equivalents

The Organization considers cash in demand deposit accounts. The Organization maintains its cash with high credit quality financial institutions.

Investments

Investments consist of certificates of deposit which are recorded at 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 and interest and dividends, is included in the statements of activities as increases or decreases in net assets without donor restriction unless the income is restricted by donor or law.

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.

Property and 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 \$1,000. Property and equipment are 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 net assets without donor restriction.

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.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment and Depreciation (Continued)

Depreciation is determined using the straight-line method over the estimated useful lives, which range from 5 to 30 years.

	2025	2024
Equipment	\$ 114,814	\$ 111,915
Building	493,550	493,550
Vehicles	78,734	78,734
Building Improvements	630,817	630,817
Less: Accumulated Depreciation	(345,568)	(282,454)
Net Property and Equipment	\$ 972,347	\$ 1,032,562

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. 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, which reduces the liability.

Revenue Recognition

Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and the Organization does not believe they are required to provide additional goods or services to the client.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets.

Contributed Nonfinancial Assets – Good 360

Gifts in kind consist of donated materials which are reflected as in-kind contributions at their estimated fair value based on the cost to purchase similar goods on the date of receipt. Contributed goods consist of items donated from various retailers and are not restricted for a specific purpose. The goods contributed consist of the following:

	2025	2024
Household	\$ 29,499	\$ 64,625
Clothing	17,208	37,698
School Supplies	2,458	5,385
Total	\$ 49,165	\$ 107,708

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Nonfinancial Assets – Good 360 (Continued)

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. Donated services are valued based on the hourly rate of similar services. There were no services contributed during the years ended March 31, 2025 and 2024 that met the criteria to be recognized in the accompanying financial statements. 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.

Special Events

Special events revenue is comprised of contributions related to special events. We recognize the contribution of special event revenue immediately, unless there is a right of return if the special event does not take place.

Functionalized Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries, employee benefits, payroll taxes, professional fees, and other expenses, which are allocated on the basis of estimate of time, effort, and percentage of total revenues under the category of which the expenditures are coded.

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.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 20, 2025, the date the financial statements were available to be issued.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Related Party Transactions

The Organization receives contributions throughout the year from members of the board of directors. During the years ended March 31, 2025 and 2024, the Organization received \$42,824 and \$45,258, respectively.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

NOTE 2 FUNDS HELD BY FOUNDATION

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

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.

NOTE 3 ALLOCATION AND DESIGNATIONS PAYABLE

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, 2025 and 2024, the Organization did not raise any donor-designated pledges.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	<u>2025</u>	<u>2024</u>
Social Connectedness	\$ -	\$ 13,172
Ford Expedition	1,266	1,266
Total Net Assets With Donor Restrictions	<u>\$ 1,266</u>	<u>\$ 14,438</u>

Net assets released during the year were for the following purposes:

	<u>2025</u>	<u>2024</u>
Buddy Backpack	\$ -	\$ 22,000
Social Connectedness	13,172	-
Total Release from Restrictions	<u>\$ 13,172</u>	<u>\$ 22,000</u>

NOTE 5 ALLOCATIONS TO AGENCIES

Allocations awarded and payable to agencies were as follows:

	<u>2025</u>	<u>2024</u>
Advocates for Family Peace	\$ 15,000	\$ 10,000
Angel Fund	1,282	-
Aurora-Biwabik Food Shelf	2,500	2,500
Bois Forte Band of Chippewa	50,000	-
Bois Forte Food Shelf	2,500	2,500
Boy Scouts/Voyageur Area Council	-	12,000
Boys & Girls Club of Hibbing	35,000	85,000
Camp Chicagami	19,000	42,000
Care Partners	29,000	35,000
Check & Connect	13,000	18,900
Children's Dental Services	23,000	-
Chisholm Food Shelf	3,000	2,500
Cook Community Food Shelf	1,250	1,250
Ely Community Health Center	25,000	20,000
Ely Community Resource	20,000	15,000
Ely Food Shelf	2,500	2,250
Floodwood Food Shelf	1,250	1,500
Girl Scouts of MN & WI Lakes & Pines	7,500	10,000
Head of the Lakes United Way	-	2,600
Hibbing Blue Jackets Wrestling Fan Club	480	-
Iron Range Partnership for Sustainability	5,000	-
Justice North	20,000	10,000
Koochiching County Food Access	3,500	2,500

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 5 ALLOCATIONS TO AGENCIES (CONTINUED)

	2025	2024
Lake of the Woods Food Shelf	\$ 1,000	\$ 1,000
Mesabi Fit Coalition	7,500	-
Neighbors Helping Neighbors Food Shelf	1,250	1,500
Northern Star Council, Boy Scouts of America	10,000	-
Northwoods Care Partners	35,000	35,000
NSLC Habitat for Humanity	30,000	30,000
Precious Paws Humane Society	260	-
Project Care	25,000	25,000
Quad Cities Food Shelf	12,000	10,500
Range Transitional Housing	30,000	25,000
Salvation Army - Hibbing	17,000	21,600
Salvation Army - Virginia	6,000	6,500
Second Harvest N. Lake Food Bank	40,000	40,000
Servants of Shelter	240	-
Serve MN	12,000	12,000
Sexual Assault Program of NSLC	30,000	25,000
Star of the North Maternity Home	40,000	40,000
Support Within Reach (Itasca AASA)	2,500	2,500
The Promise Is You	-	5,000
Tower Food Shelf	1,250	1,500
Volunteers in Education	25,000	20,000
Wounded Warrior Project	720	-
Local Library Summer Reading Program	35,000	-
Iron Range Allocations	641,482	577,600
	2025	2024
Citizens for Backus/AB Inc	\$ -	\$ 6,000
Friends Against Abuse	10,000	10,000
Koochiching Aging Options	5,000	3,500
Koochiching County Food Access	-	10,000
Salvation Army - Koochiching County	20,000	-
Koochiching Allocations	35,000	29,500
Total Community Care Allocations	676,482	607,100

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 5 ALLOCATIONS TO AGENCIES (CONTINUED)

	<u>2025</u>	<u>2024</u>
Smiles Across Minnesota	\$ 20,043	\$ 22,086
Imagination Library	71,827	68,361
Buddy Backpack	269,555	300,268
United for Veterans	100,659	45,391
Meet Up and Chow Down	65,958	38,659
Live United Crisis Fund	655	-
Child Care Program	700,897	560,555
Community Education Series	-	33,582
Comforts of Home	23,784	30,655
Forever Fund	-	1,000
Kids Hygiene Kits	180	-
Volunteer Get Connected	10,737	6,828
Day of Action	5,411	-
Flood/Disaster Relief Disbursement	85,534	-
Step Into School	4,114	-
Total Initiatives Distributions	<u>1,359,354</u>	<u>1,107,385</u>
Total Agency Allocations	<u>\$ 2,035,836</u>	<u>\$ 1,714,485</u>

These amounts do not include contributions that donors have designated for a specific beneficiary. In addition, conditional allocations have been entered into with the agencies below. The Organization is not liable as of March 31, 2025 and 2024 for these allocations as the conditions underlying the allocations have not been met. Once the conditions are met, these amounts will be considered payable and subsequent distributions will be made.

	<u>2025</u>	<u>2024</u>
Boys and Girls Club of Hibbing	\$ 15,000	\$ -
Bois Forte Band of Chippewa	6,000	24,000
Ely's Historic State Theatre	-	9,000
Salvation Army - Virginia	-	5,000
Mesabi Fit	2,000	5,500
Laurentian Arts and Culture Alliance	-	5,000
Total Conditional Allocations	<u>\$ 23,000</u>	<u>\$ 48,500</u>

NOTE 6 RETIREMENT PLAN

On January 1, 2022, the Organization elected to use a 401(k) plan. Current and future staff will have a 3% contribution and the Organization will match 50% of the first 6% that an employee contributes with the maximum match of 3%, which is paid out yearly at December 31. The Organization contributed \$36,486 and \$33,950 to the plan during the years ended March 31, 2025 and 2024, respectively.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 7 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 accounting principles generally accepted in the United States of America, 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 Organization’s investments at fair value, which is comprised of Funds Held by Bottoms Financial and Funds Held by Foundation, as of March 31, 2025 and 2024 are as follows:

	2025			
	Level 1	Level 2	Level 3	Total
Cash	\$ -	\$ -	\$ -	\$ 8,727
Equities	47,687	-	-	47,687
Funds Held by Foundation	-	-	1,380,387	1,380,387
	2024			
	Level 1	Level 2	Level 3	Total
Cash	\$ -	\$ -	\$ -	\$ 7,435
Equities	48,215	-	-	48,215
Funds Held by Foundation	-	-	1,388,649	1,388,649
Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2025	2024	FMV of Investments	Value of Underlying Assets
Funds Held by Foundation	\$ 1,380,387	\$ 1,388,649		

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

For the year ended March 31, 2025, there were transfers into the Foundation of \$- and \$57,460 of transfers out of the Foundation. For the year ended March 31, 2024, there were transfers into the Foundation of \$1,000 and \$55,901 of transfers out of the Foundation.

The Investments line on the statements of financial position all pertains to certificates of deposit.

NOTE 8 LEASE – ASC 842

The following tables provide quantitative information concerning the Organization’s leases:

	<u>2025</u>	<u>2024</u>
Lease Costs:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ -	\$ 521
Short-Term Lease Cost	<u>2,338</u>	<u>1,898</u>
Total Lease Costs	<u>\$ 2,338</u>	<u>\$ 2,419</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Financing Cash Flows from Finance Leases	\$ -	\$ 625
Weighted Average Discount Rate:		
Operating Leases	N/A	8.01%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current.

NOTE 9 CONCENTRATIONS

Two organizations account for approximately 52% of gross campaign results revenue for the year ended March 31, 2025.

Three organizations account for approximately 69% of net contributions receivable as of March 31, 2025.

Two organizations account for approximately 64% of gross campaign results revenue for the year ended March 31, 2024.

Three organizations account for approximately 67% of net contributions receivable as of March 31, 2024.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 10 INFORMATION REGARDING LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover 180 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds, and the United Way of Northeastern Minnesota Forever Fund at the Saint Paul and Minnesota Foundation.

Investments with liquidity horizons greater than one year include funds invested in certificates of deposit and the United Way of Northeastern Minnesota Forever Fund. The Organization has access to the certificates of deposit if needed, but would pay a penalty for early withdrawal. The funds held at the United Way of Northeastern Minnesota Forever Fund can be withdrawn up to 20% per year if needed, however the Organization's intention is to only withdraw the earnings and interest each year.

The following table reflects the Organization's financial assets as of March 31, 2025 and 2024 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions.

	<u>2025</u>	<u>2024</u>
Cash	\$ 418,459	\$ 531,593
Contributions Receivable, Net	381,486	770,941
Funds Held by Bottoms Financial	56,414	55,650
Investments	<u>1,306,308</u>	<u>1,056,311</u>
Total Financial Assets	2,162,667	2,414,495
Net Assets With Donor Restriction	<u>(1,266)</u>	<u>(14,438)</u>
Total Financial Assets, Net	<u><u>\$ 2,161,401</u></u>	<u><u>\$ 2,400,057</u></u>

**UNITED WAY OF NORTHEASTERN MINNESOTA
PROGRAM SERVICES
YEAR ENDED MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Allocating</u>	<u>Planning</u>	<u>Other</u>	<u>Total</u>
Salaries and Related Expenses:				
Salaries	\$ 109,965	\$ 109,964	\$ 123,710	\$ 343,639
Payroll Taxes	8,703	8,702	9,789	27,194
Employee Benefits	19,348	19,348	21,768	60,464
Total Salaries and Related Expenses	<u>138,016</u>	<u>138,014</u>	<u>155,267</u>	<u>431,297</u>
Telephone	1,830	1,832	2,062	5,724
Supplies	1,019	1,019	1,146	3,184
Travel	1,654	1,655	1,862	5,171
Postage	419	419	470	1,308
Campaign Supplies	8,308	8,307	9,345	25,960
Professional Fees	8,079	8,079	9,088	25,246
Equipment Maintenance	1,249	1,250	1,406	3,905
Occupancy	7,332	7,331	8,246	22,909
Business and Special Meetings	811	812	913	2,536
Training	18,030	18,031	20,285	56,346
Miscellaneous	2,884	2,884	3,244	9,012
Membership Dues	3,717	3,716	4,181	11,614
Depreciation	13,734	13,734	15,450	42,918
	<u>138,016</u>	<u>138,014</u>	<u>155,267</u>	<u>431,297</u>
Total	<u>\$ 207,082</u>	<u>\$ 207,083</u>	<u>\$ 232,965</u>	<u>\$ 647,130</u>

**UNITED WAY OF NORTHEASTERN MINNESOTA
PROGRAM SERVICES
YEAR ENDED MARCH 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Allocating</u>	<u>Planning</u>	<u>Other</u>	<u>Total</u>
Salaries and Related Expenses:				
Salaries	\$ 99,498	\$ 99,498	\$ 111,935	\$ 310,931
Payroll Taxes	7,883	7,883	8,867	24,633
Employee Benefits	16,988	16,988	19,112	53,088
Total Salaries and Related Expenses	<u>124,369</u>	<u>124,369</u>	<u>139,914</u>	<u>388,652</u>
Telephone	1,878	1,878	2,114	5,870
Supplies	308	308	346	962
Travel	1,130	1,130	1,271	3,531
Postage	412	412	462	1,286
Campaign Supplies	6,554	6,554	7,372	20,480
Professional Fees	4,786	4,786	5,383	14,955
Equipment Maintenance	1,155	1,155	1,299	3,609
Occupancy	6,315	6,315	7,103	19,733
Equipment Purchase	616	616	694	1,926
Training	17,801	17,801	20,026	55,628
Miscellaneous	1,303	1,303	1,467	4,073
Membership Dues	2,212	2,212	2,489	6,913
Depreciation	10,985	10,983	10,983	32,951
	<u>10,985</u>	<u>10,983</u>	<u>10,983</u>	<u>32,951</u>
Total	<u>\$ 179,824</u>	<u>\$ 179,822</u>	<u>\$ 200,923</u>	<u>\$ 560,569</u>



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