

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED MARCH 31, 2018 AND 2017

**UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
TABLE OF CONTENTS
YEARS ENDED MARCH 31, 2018 AND 2017**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
PROGRAM SERVICES	16

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, 2018 and 2017, 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 audits. We conducted our audits 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.

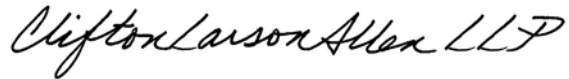
Board of Directors
United Way of Northeastern Minnesota, Inc.

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, 2018 and 2017, 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 audits were 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 12, 2018

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash	\$ 564,328	\$ 701,081
Cash - Deposits Held for Others	42,355	29,958
Investments	426,483	423,418
Accounts Receivable	-	2,600
Contributions Receivable, Less Allowance for Uncollectibles of \$50,000 and \$30,000 for 2018 and 2017, Respectively	585,967	618,371
Prepaid Expenses	512	-
Property and Equipment, Net	631,068	25,328
Funds Held by Foundation	1,275,305	1,213,314
Funds Held by Lincoln Financial	30,254	26,865
Other Assets	88,446	-
	\$ 3,644,718	\$ 3,040,935
LIABILITIES AND NET ASSETS		
LIABILITIES		
Allocation and Designations Payable	\$ 466,334	\$ 510,341
Deposits Held for Others	42,355	29,958
Accounts Payable	118,958	20,759
Capital Lease Payable	2,212	4,388
Retirement Plan Liability	1,299	-
Total Liabilities	631,158	565,446
NET ASSETS		
Unrestricted - Designated:		
Property and Equipment	628,856	20,940
Funds Held by Foundation	1,275,305	1,213,314
Unrestricted - Undesignated	1,017,099	865,869
Temporarily Restricted (Note 4)	92,300	375,366
Total Net Assets	3,013,560	2,475,489
Total Liabilities and Net Assets	\$ 3,644,718	\$ 3,040,935

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2018 AND 2017

	2018	2017
UNRESTRICTED NET ASSETS		
PROGRAM SUPPORT AND REVENUE		
Gross Campaign Results	\$ 1,096,041	\$ 1,164,720
Less: Donor Designations	(9,555)	(19,145)
Less: Provision for Uncollected Accounts	(66,195)	(38,007)
Net Campaign Revenue	1,020,291	1,107,568
Contribution Income	193,266	-
Initiative Contributions (Net of Disbursements)	170,199	141,351
Gifts in Kind - Good 360	226,232	200,272
Special Events	254,638	261,886
Total Public Support	1,864,626	1,711,077
Investment Income	6,516	15,467
Change in Funds Held by Foundation	111,408	129,572
Release from Restrictions	486,927	-
Total Revenue	2,469,477	1,856,116
ALLOCATIONS AND EXPENSES		
Allocations and Program Services:		
Gross Allocations to Agencies for Programs	478,857	622,632
Less: Donor Designations	(9,555)	(19,145)
Net Allocations Awarded	469,302	603,487
Initiative Distributions	347,634	367,706
Gifts in Kind Distributions	235,248	204,590
Program Services	351,873	282,068
Total Allocations and Program Services	1,404,057	1,457,851
Supporting Services:		
Management and General	78,796	66,369
Fundraising	165,487	156,891
Total Allocations and Expenses	1,648,340	1,681,111
CHANGE IN UNRESTRICTED NET ASSETS	821,137	175,005
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	181,275	300,000
Initiative Contributions	22,586	15,426
Release from Restrictions	(486,927)	-
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	(283,066)	315,426
CHANGE IN NET ASSETS	538,071	490,431
NET ASSETS		
Beginning of Year	2,475,489	1,985,058
End of Year	\$ 3,013,560	\$ 2,475,489

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2018

	Program Services	Management and General	Fundraising	Total
Gross Allocations to Agencies for Programs	\$ 478,857	\$ -	\$ -	\$ 478,857
Less: Donor Designations	(9,555)	-	-	(9,555)
Net Allocation Awarded	469,302	-	-	469,302
Special Events	-	-	86,694	86,694
Initiative Distributions	347,634	-	-	347,634
Gifts in Kind - Good 360 Distributions	235,248	-	-	235,248
Salaries	200,173	47,100	47,100	294,373
Payroll Taxes	15,526	3,653	3,653	22,832
Employee Benefits	46,169	10,863	10,863	67,895
Total Salaries and Related Expenses	261,868	61,616	61,616	385,100
Telephone	4,330	1,019	1,019	6,368
Supplies	1,244	293	293	1,830
Travel	5,502	1,295	1,295	8,092
Postage	1,198	282	282	1,762
Campaign Supplies	10,998	2,588	2,588	16,174
Professional Fees	10,203	2,401	2,401	15,005
Equipment Maintenance	1,995	469	469	2,933
Occupancy	10,479	2,466	2,466	15,411
Equipment Purchase	4,763	1,121	1,121	7,005
Business and Special Meetings	3,819	899	899	5,617
Training	1,183	278	278	1,739
Miscellaneous	18,503	354	351	19,208
Membership Dues	12,401	2,918	2,918	18,237
Depreciation	3,202	753	753	4,708
Interest Expense	185	44	44	273
Total Allocations and Expenses	<u>\$ 1,404,057</u>	<u>\$ 78,796</u>	<u>\$ 165,487</u>	<u>\$ 1,648,340</u>

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2017

	Program Services	Management and General	Fundraising	Total
Gross Allocations to Agencies for Programs	\$ 622,632	\$ -	\$ -	\$ 622,632
Less: Donor Designations	(19,145)	-	-	(19,145)
Net Allocation Awarded	603,487	-	-	603,487
Special Events	-	-	90,521	90,521
Initiative Distributions	367,706	-	-	367,706
Gifts in Kind - Good 360 Distributions	204,590	-	-	204,590
Salaries	175,982	41,408	41,408	258,798
Payroll Taxes	13,529	3,183	3,183	19,895
Employee Benefits	41,610	9,791	9,791	61,192
Total Salaries and Related Expenses	231,121	54,382	54,382	339,885
Telephone	4,038	950	950	5,938
Supplies	753	177	177	1,107
Travel	4,579	1,077	1,077	6,733
Postage	1,650	388	388	2,426
Campaign Supplies	3,940	927	926	5,793
Professional Fees	9,905	2,331	2,331	14,567
Equipment Maintenance	755	178	178	1,111
Occupancy	7,000	1,647	1,647	10,294
Equipment Purchase	862	203	203	1,268
Training	1,596	376	376	2,348
Miscellaneous	1,410	331	332	2,073
Membership Dues	10,922	2,570	2,570	16,062
Depreciation	3,202	753	754	4,709
Interest Expense	335	79	79	493
Total Allocations and Expenses	<u>\$ 1,457,851</u>	<u>\$ 66,369</u>	<u>\$ 156,891</u>	<u>\$ 1,681,111</u>

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 538,071	\$ 490,431
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	4,709	4,709
Change in Beneficial Interest in Assets Held by Others	(65,380)	(94,936)
Noncash Fixed Asset Additions	(193,550)	-
Gift of Stock	-	(10,581)
(Increase) Decrease in Assets:		
Contributions Receivable	32,404	41,195
Other Receivables	2,600	(2,600)
Prepaid Expenses	(512)	1,204
Increase (Decrease) in Liabilities:		
Allocations Payable and Designated Pledges	(44,007)	(49,006)
Accounts Payable	1,124	3,812
Retirement Plan Liability	1,299	-
Deposits Held for Others	12,397	3,365
Restricted Contributions for Use on Fixed Assets	-	(300,000)
Net Cash Provided by Operating Activities	289,155	87,593
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(3,065)	(3,032)
Increase in Construction in Process	(114,846)	(2,990)
Purchase of Property and Equipment	(204,978)	-
Purchase of Other Assets	(88,446)	-
Net Cash Used by Investing Activities	(411,335)	(6,022)
CASH FLOWS FROM FINANCING ACTIVITIES		
Restricted Contributions for Use on Fixed Assets	-	300,000
Payments on Capital Lease	(2,176)	(2,009)
Net Cash Provided (Used) by Financing Activities	(2,176)	297,991
NET INCREASE (DECREASE) IN CASH	(124,356)	379,562
Cash - Beginning of Year	731,039	351,477
CASH - END OF YEAR	\$ 606,683	\$ 731,039
SUPPLEMENTAL DISCLOSURES		
Cash	\$ 564,328	\$ 701,081
Cash - Deposits Held for Others	42,355	29,958
Total Cash	\$ 606,683	\$ 731,039

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

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 a 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.

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 and 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, 2018 AND 2017

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 \$400. 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 – 30 years.

	2018	2017
Equipment	\$ 48,550	\$ 53,170
Building	493,550	-
Building Improvements	2,053	-
Construction in Process	117,836	2,990
Less: Accumulated Depreciation	(30,921)	(30,832)
Net Property and Equipment	\$ 631,068	\$ 25,328

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, 2018 AND 2017

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.

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.

**UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017**

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

Effect of Economic Conditions on Contributions (continued)

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 12, 2018, the date the financial statements were available to be issued.

The Organization entered into a Memorandum of Understanding with the Minnesota Assistance Council for Veterans (MACV) on May 3, 2018. The purpose of this Memorandum is to detail the terms the Organization will use to transfer the ownership of the United for Veterans home to MACV. The property is included in Other Assets on the March 31, 2018 financial statements.

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.

	2018	2017
Beginning of Year	\$ 1,213,314	\$ 1,130,762
Distributions	(49,417)	(47,020)
Investment Return Earned	111,408	129,572
End of Year	<u>\$ 1,275,305</u>	<u>\$ 1,213,314</u>

NOTE 3 ALLOCATIONS AND DESIGNATIONS PAYABLE

	2018	2017
Community Care Allocation Payable	\$ 456,779	\$ 491,196
Donor Designated Pledges	9,555	19,145
Total	<u>\$ 466,334</u>	<u>\$ 510,341</u>

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

NOTE 3 ALLOCATIONS AND DESIGNATIONS PAYABLE (CONTINUED)

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, 2018 and 2017, the Organization raised \$9,555 and \$19,145, 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:

	2018	2017
Child Care Expansion	\$ 3,701	\$ 44,481
Crisis Fund	31,135	30,885
Building Fund Income	57,464	300,000
Total Temporarily Restricted Net Assets	\$ 92,300	\$ 375,366

NOTE 5 ALLOCATIONS TO AGENCIES

Allocations awarded and payable to agencies were as follows:

	2018	2017
Advocates for Family Peace	\$ 20,000	\$ 20,000
AEOA Elder Services Network	4,000	\$ 4,000
American Red Cross	5,000	1,500
Angel Fund	6,000	4,000
ARC Range Chapter	7,500	7,500
Area Food Banks	32,500	30,000
Arrowhead Center - Adolescent Meals	10,000	5,000
Boy Scouts/Voyageur Area Council	2,000	7,500
Camp Chicagami	16,000	12,000
Care Partners	20,000	20,000
East Range DAC	7,500	12,500
Ely Community Health Center	7,000	10,400
Ely Community Resource	10,400	11,400
Floodwood Services and Training	5,000	15,000
Foster Grandparent Program	2,500	5,000
Girl Scouts Leadership Pathways	6,600	-
Habitat for Humanity - NSLC	25,000	15,000
Hibbing Kinship Mentoring Program	8,800	8,550
Homeless Youth Project - RMH	9,000	15,000
LSS Family Resource Center	40,000	40,000
Mesabi Family YMCA	7,500	7,500

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

NOTE 5 ALLOCATIONS TO AGENCIES (CONTINUED)

	2018	2017
Northwoods Care Partners	25,000	26,600
Project Care	25,000	35,000
Range Transitional Housing	35,000	35,000
RMHC - LEAP	-	10,000
Salvation Army - Hibbing	12,000	15,000
Salvation Army - Virginia	7,000	25,000
Second Harvest N. Lake Food Bank	15,000	20,000
Serve MN	6,500	7,410
Sexual Assault Program of NSLC	30,000	30,000
Support Within Reach (Itasca AASA)	2,500	2,500
Volunteers in Education	14,000	13,680
American Red Cross Blankets	1,200	-
Salvation Army - Hibbing Refridgerator	2,500	-
Other Distributions	8,497	-
Iron Range Allocations	436,497	472,040
Falls Hunger Coalition	5,000	5,000
Friends Against Abuse	10,000	8,000
Koochiching Aging Options	4,000	3,000
Salvation Army	23,360	19,458
Koochiching Allocations	42,360	35,458
Total Community Care Allocations	478,857	507,498
Smiles Across Minnesota	26,274	24,095
Imagination Library	71,763	66,032
Buddy Backpack	158,413	138,393
Transition Fund for Families in Crisis	600	4,230
United for Veterans	28,512	47,986
Bright Beginnings	-	13,789
Bright Beginnings - Parent Aware	(1,500)	9,500
Bright Beginnings - Childcare Expansion Grants	30,429	21,769
Volunteer Portal Disbursement	2,500	2,500
Crisis Fund 2016	(250)	33,986
Meet Up and Chow Down	12,807	5,426
Child Care Program	1,038	-
EFSP Emergency Shelter	4,415	-
Bridges Out of Poverty	11,042	-
Child Care Technical Assistance Fund	1,463	-
Read for the Record	128	-
Total Initiatives Distributions	347,634	367,706
Total Agency Allocations	\$ 826,491	\$ 875,204

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, 2018 AND 2017

NOTE 6 RETIREMENT PLAN

The Organization has a Simple IRA plan qualified under Section 408 of the Internal Revenue Code (IRC) for all employees who meet certain eligibility requirements. The Organization contributed \$17,809 and \$17,247 to the Plan during the years ended March 31, 2018 and 2017, 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 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 Organization's investments at fair value, which is comprised of Funds held at Lincoln Financial and Minnesota Community Foundation, as of March 31, 2018 and 2017 are as follows:

	2018			
	Level 1	Level 2	Level 3	Total
Funds Held at Lincoln Financial	\$ 30,254	\$ -	\$ -	\$ 30,254
Minnesota Community Foundation	-	-	1,275,305	1,275,305
	2017			
	Level 1	Level 2	Level 3	Total
Funds Held at Lincoln Financial	\$ 26,865	\$ -	\$ -	\$ 26,865
Minnesota Community Foundation	-	-	1,213,314	1,213,314

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

NOTE 8 COMMITMENTS

The Organization leases office space based upon a verbal agreement renewed annually. Total office space rent expense was \$8,700 for both the years ended March 31, 2018 and 2017.

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 \$8,000 and \$6,000 at March 31, 2018 and 2017, 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>
2019	\$ 2,304
2019	<u>-</u>
Total Minimum Lease Payments	2,304
Less: Amount Representing Interest on Capital Lease Payable	<u>(92)</u>
Net Minimum Capital Lease Payable	<u><u>\$ 2,212</u></u>

NOTE 9 CONCENTRATIONS

Three organizations account for approximately 73% of gross campaign results revenue for the year ended March 31, 2018.

Two organizations account for approximately 63% of net contributions receivable as of March 31, 2018.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
PROGRAM SERVICES
YEAR ENDED MARCH 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Allocating</u>	<u>Planning</u>	<u>Other</u>	<u>Total</u>
Salaries	\$ 64,055	\$ 64,055	\$ 72,063	\$ 200,173
Payroll Taxes	4,968	4,968	5,590	15,526
Employee Benefits	14,774	14,774	16,621	46,169
Total Salaries and Related Expenses	<u>83,797</u>	<u>83,797</u>	<u>94,274</u>	<u>261,868</u>
Telephone	1,386	1,386	1,558	4,330
Supplies	398	398	448	1,244
Travel	1,761	1,761	1,980	5,502
Postage	383	383	432	1,198
Campaign Supplies	3,519	3,519	3,960	10,998
Professional Fees	3,265	3,265	3,673	10,203
Equipment Maintenance	638	638	719	1,995
Occupancy	3,353	3,353	3,773	10,479
Equipment Purchase	1,524	1,524	1,715	4,763
Business and Special Meetings	1,222	1,222	1,375	3,819
Training	379	379	425	1,183
Miscellaneous	5,921	5,921	6,660	18,503
Membership Dues	3,968	3,968	4,465	12,401
Depreciation	1,025	1,025	1,152	3,202
Interest Expense	<u>59</u>	<u>59</u>	<u>67</u>	<u>185</u>
Total	<u>\$ 112,598</u>	<u>\$ 112,598</u>	<u>\$ 126,676</u>	<u>\$ 351,873</u>

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
PROGRAM SERVICES
YEAR ENDED MARCH 31, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Allocating</u>	<u>Planning</u>	<u>Other</u>	<u>Total</u>
Salaries	\$ 56,314	\$ 56,314	\$ 63,354	\$ 175,982
Payroll Taxes	4,329	4,329	4,871	13,529
Employee Benefits	13,315	13,315	14,980	41,610
Total Salaries and Related Expenses	<u>73,958</u>	<u>73,958</u>	<u>83,205</u>	<u>231,121</u>
Telephone	1,292	1,292	1,454	4,038
Supplies	241	241	271	753
Travel	1,465	1,465	1,649	4,579
Postage	528	528	594	1,650
Campaign Supplies	1,261	1,261	1,418	3,940
Professional Fees	3,170	3,170	3,565	9,905
Equipment Maintenance	242	242	271	755
Occupancy	2,240	2,240	2,520	7,000
Equipment Purchase	276	276	310	862
Training	511	511	574	1,596
Miscellaneous	451	451	508	1,410
Membership Dues	3,495	3,495	3,932	10,922
Depreciation	1,025	1,025	1,152	3,202
Interest Expense	107	107	121	335
Total	<u>\$ 90,262</u>	<u>\$ 90,262</u>	<u>\$ 101,544</u>	<u>\$ 282,068</u>