

UNITED WAY OF NORTHEASTERN MINNESOTA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED MARCH 31, 2024 AND 2023



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**UNITED WAY OF NORTHEASTERN MINNESOTA
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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, 2024 and 2023, 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, 2024 and 2023, 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
November 18, 2024

**UNITED WAY OF NORTHEASTERN MINNESOTA
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2024 AND 2023**

	2024	2023
ASSETS		
Cash	\$ 531,593	\$ 929,330
Cash - Deposits Held for Others	45,144	41,080
Investments	1,056,311	644,080
Contributions Receivable, Less Allowance for Uncollectibles of \$75,000 for 2024 and 2023	770,941	510,144
Prepaid Expenses	5,071	4,939
Property and Equipment, Net	1,032,562	988,888
Funds Held by Foundation	1,388,649	1,340,303
Funds Held by Lincoln Financial	55,650	46,639
Right-of-Use Asset - Financing Lease	-	521
	\$ 4,885,921	\$ 4,505,924
LIABILITIES AND NET ASSETS		
LIABILITIES		
Allocation and Designations Payable	\$ 489,500	\$ 414,600
Deposits Held for Others	45,144	41,080
Retirement Plan	3,131	2,984
Accounts Payable	19,921	16,724
Financing Lease Payable	-	625
Total Liabilities	557,696	476,013
NET ASSETS		
Without Donor Restrictions - Designated:		
Property and Equipment	1,032,562	988,888
Funds Held by Foundation	1,388,649	1,340,303
Without Donor Restrictions - Undesignated	1,892,576	1,678,720
With Donor Restrictions	14,438	22,000
Total Net Assets	4,328,225	4,029,911
Total Liabilities and Net Assets	\$ 4,885,921	\$ 4,505,924

See accompanying Notes to Financial Statements.

**UNITED WAY OF NORTHEASTERN MINNESOTA
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2024 AND 2023**

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
PROGRAM SUPPORT AND REVENUE		
Gross Campaign Results	\$ 1,073,130	\$ 947,586
Less: Provision for Uncollected Accounts	(46,684)	(21,632)
Net Campaign Revenue	1,026,446	925,954
Contribution Income	161,984	159,500
Initiative Contributions	1,268,665	548,589
Gifts in Kind - Good 360	107,708	139,530
Special Events and Other Income	344,545	342,188
Total Public Support	2,909,348	2,115,761
Investment Income	26,701	3,606
Funds Held by Foundation - Investment Income (Loss)	104,247	(66,267)
Release from Restrictions	22,000	21,142
Total Revenue	3,062,296	2,074,242
ALLOCATIONS AND EXPENSES		
Allocations and Program Services:		
Gross Allocations to Agencies for Programs	607,100	550,669
Initiative Distributions	1,107,385	698,915
Gifts in Kind Distributions	109,770	145,262
COVID Distributions	-	2,815
Program Services	560,569	507,913
Total Allocations and Program Services	2,384,824	1,905,574
Supporting Services:		
Management and General	141,845	119,508
Fundraising	229,752	212,411
Total Allocations and Expenses	2,756,420	2,237,493
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	305,876	(163,251)
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	14,438	22,000
Release from Restrictions	(22,000)	(21,142)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(7,562)	858
CHANGE IN NET ASSETS	298,314	(162,393)
Net Assets - Beginning of Year	4,029,911	4,192,304
NET ASSETS - END OF YEAR	\$ 4,328,225	\$ 4,029,911

See accompanying Notes to Financial Statements.

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

	Program Services	Management and General	Fundraising	Total
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	32,951	7,060	7,060	47,071
Total Allocations and Expenses	<u>\$ 2,384,824</u>	<u>\$ 141,845</u>	<u>\$ 229,752</u>	<u>\$ 2,756,420</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF NORTHEASTERN MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2023**

	Program Services	Management and General	Fundraising	Total
Gross Allocations to Agencies for Programs	\$ 550,669	\$ -	\$ -	\$ 550,669
Special Events	-	-	92,903	92,903
Initiative Distributions	698,915	-	-	698,915
Gifts in Kind - Good 360 Distributions	145,262	-	-	145,262
COVID Distributions	2,815	-	-	2,815
Salaries and Related Expenses:				
Salaries	280,088	65,903	65,903	411,894
Payroll Taxes	23,144	5,446	5,446	34,036
Employee Benefits	49,162	11,568	11,568	72,298
Total Salaries and Related Expenses	<u>352,394</u>	<u>82,917</u>	<u>82,917</u>	<u>518,228</u>
Telephone	5,930	1,395	1,395	8,720
Supplies	2,112	497	497	3,106
Travel	2,847	670	670	4,187
Postage	1,163	274	274	1,711
Campaign Supplies	26,282	6,184	6,184	38,650
Professional Fees	12,709	2,990	2,990	18,689
Equipment Maintenance	2,135	502	502	3,139
Occupancy	24,107	5,672	5,672	35,451
Equipment Purchase	1,593	375	375	2,343
Business and Special Meetings	6,381	1,501	1,501	9,383
Training	20,168	4,745	4,745	29,658
Miscellaneous	7,950	1,870	1,870	11,690
Membership Dues	9,638	2,268	2,268	14,174
Depreciation	32,504	7,648	7,648	47,800
Total Allocations and Expenses	<u>\$ 1,905,574</u>	<u>\$ 119,508</u>	<u>\$ 212,411</u>	<u>\$ 2,237,493</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF NORTHEASTERN MINNESOTA
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 298,314	\$ (162,393)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	47,071	47,800
Provision for Uncollectible Accounts	46,684	21,632
Change in Beneficial Interest in Assets Held by Others	(57,357)	124,176
Unrealized Gain on Investments	(12,231)	(10,596)
Increase in Contributions Receivable	(307,481)	(162,212)
(Increase) Decrease in Prepaid Expenses	(132)	5,754
Increase (Decrease) in Liabilities:		
Allocation and Designations Payable	74,900	21,900
Accounts Payable	(8,293)	(6,365)
Retirement Plan	147	476
Deposits Held for Others	4,064	(4,583)
Net Cash Provided (Used) by Operating Activities	85,686	(124,411)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(400,000)	(300,000)
Purchase of Property and Equipment	(78,734)	-
Net Cash Used by Investing Activities	(478,734)	(300,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease	(625)	(2,377)
NET DECREASE IN CASH	(393,673)	(426,788)
Cash - Beginning of Year	970,410	1,397,198
CASH - END OF YEAR	\$ 576,737	\$ 970,410
SUPPLEMENTAL DISCLOSURES		
Cash	\$ 531,593	\$ 929,330
Cash - Deposits Held for Others	45,144	41,080
Total Cash	\$ 576,737	\$ 970,410
Property and Equipment Purchased through Accounts Payable	\$ 11,490	\$ -

See accompanying Notes to Financial Statements.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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 THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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.

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.

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

	2024	2023
Equipment	\$ 111,915	\$ 100,425
Building	493,550	483,144
Vehicles	78,734	-
Building Improvements	630,817	630,817
Less: Accumulated Depreciation	(282,454)	(225,498)
Net Property and Equipment	<u>\$ 1,032,562</u>	<u>\$ 988,888</u>

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

During the fiscal year ended March 31, 2024, the Organization received a federal grant of \$1,200,000 from the United States Department of Agriculture to support the expansion of childcare services in the Iron Range area and St. Louis County. As of March 31, 2024, approximately \$668,000 of expenses have yet to be incurred pertaining to the childcare expansion grant.

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:

	<u>2024</u>	<u>2023</u>
Household	\$ 64,625	\$ 97,671
Clothing	37,698	27,906
School Supplies	5,385	13,953
Total	<u>\$ 107,708</u>	<u>\$ 139,530</u>

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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, 2024 and 2023 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 event. 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 November 18, 2024, the date the financial statements were available to be issued.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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, 2024 and 2023, the Organization received \$45,258 and \$55,674, respectively.

Adoption of New Accounting Standards

The Organization has adopted Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Organization's financial position or change in net assets.

NOTE 2 FUNDS HELD BY FOUNDATION

The Organization, 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 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.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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, 2024 and 2023, the Organization did not raise any donor-designated pledges.

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Social Connectedness	\$ 13,172	\$ -
Ford Expedition	1,266	-
Buddy Backpack, Time Restricted	-	22,000
Total Net Assets With Donor Restrictions	<u>\$ 14,438</u>	<u>\$ 22,000</u>

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

	<u>2024</u>	<u>2023</u>
Building Fund	\$ -	\$ 1,142
Buddy Backpack	22,000	-
Time Restricted	-	20,000
Total Release from Restrictions	<u>\$ 22,000</u>	<u>\$ 21,142</u>

NOTE 5 ALLOCATIONS TO AGENCIES

Allocations awarded and payable to agencies were as follows:

	<u>2024</u>	<u>2023</u>
Advocates for Family Peace	\$ 10,000	\$ 10,000
Aurora-Biwabik Food Shelf	2,500	-
Angel Fund	-	5,000
Arrowhead Center - Adolescent Meals	-	15,000
Bois Forte Food Shelf	2,500	-
Boy Scouts/Voyageur Area Council	12,000	19,000
Boys & Girls Club of Hibbing	85,000	50,000
Camp Chicagami	42,000	-
Care Partners	35,000	25,000
Check & Connect	18,900	9,000
Chrisholm Food Shelf	2,500	3,000
Cook Community Food Shelf	1,250	-

UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

NOTE 5 ALLOCATIONS TO AGENCIES (CONTINUED)

	2024	2023
Ely Community Health Center	\$ 20,000	\$ 23,000
Ely Community Resource	15,000	15,000
Ely Food Shelf	2,250	-
Floodwood Food Shelf	1,500	-
Girl Scouts of MN & WI Lakes & Pines	10,000	3,500
Head of the Lakes United Way	2,600	-
Justice North	10,000	-
Northwoods Care Partners	35,000	30,000
Koochiching County Food Access	2,500	-
Lake of the Woods Food Shelf	1,000	-
Neighbors Helping Neighbors Food Shelf	1,500	-
NSLC Habitat for Humanity	30,000	40,000
Project Care	25,000	25,000
Quad Cities Food Shelf	10,500	7,500
Range Transitional Housing	25,000	25,000
Salvation Army - Hibbing	21,600	21,900
Salvation Army - Virginia	6,500	9,000
Second Harvest N. Lake Food Bank	40,000	25,000
Serve MN	12,000	12,000
Sexual Assault Program of NSLC	25,000	30,000
Star of the North Maternity Home	40,000	60,000
Support Within Reach (Itasca AASA)	2,500	5,000
The Promise Is You	5,000	5,000
Tower Food Shelf	1,500	-
Volunteers in Education	20,000	14,000
Local Library Summer Reading Program	-	17,550
Other Distributions	-	11,719
Iron Range Allocations	577,600	516,169
Citizens for Backus/AB Inc	6,000	6,000
Falls Hunger Coalition/Koochiching County Food Access	-	5,000
Friends Against Abuse	10,000	7,000
Koochiching Aging Options	3,500	3,000
Koochiching County Food Access	10,000	-
Salvation Army - International Falls	-	13,500
Koochiching Allocations	29,500	34,500
Total Community Care Allocations	607,100	550,669

UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

NOTE 5 ALLOCATIONS TO AGENCIES (CONTINUED)

	<u>2024</u>	<u>2023</u>
Smiles Across Minnesota	\$ 22,086	\$ 22,753
Imagination Library	68,361	64,945
Buddy Backpack	300,268	328,798
United for Veterans	45,391	186,655
Volunteer Portal	-	4,700
Meet Up and Chow Down	8,644	3,211
Child Care Technical Assistance Fund	25,000	25,000
Child Care Provider Training	650	-
Live United Crisis Fund	-	12,049
Childcare Program Expense	2,860	-
Child Care Program	532,045	-
Community Education Series	33,582	-
Comforts of Home	30,655	-
Forever Fund	1,000	-
Food Disbursements	30,015	37,394
Kids Hygiene Kits	-	210
RangerSpiel	-	13,200
Volunteer Get Connected	6,828	-
Total Initiatives Distributions	<u>1,107,385</u>	<u>698,915</u>
Total Agency Allocations	<u>\$ 1,714,485</u>	<u>\$ 1,249,584</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, 2024 and 2023 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>2024</u>	<u>2023</u>
Boys and Girls Club of Hibbing	\$ -	\$ 50,000
Bois Forte Band of Chippewa	24,000	-
Ely's Historic State Theatre	9,000	-
Salvation Army - Virginia	5,000	-
Mesabi Fit	5,500	-
Laurentian Arts and Culture Alliance	5,000	-
Camp Chicagami	-	20,000
Total Conditional Allocations	<u>\$ 48,500</u>	<u>\$ 70,000</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 \$33,950 and \$31,411 to the plan during the years ended March 31, 2024 and 2023, respectively.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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 Lincoln Financial and Funds Held by Foundation, as of March 31, 2024 and 2023 are as follows:

	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
	2023			
	Level 1	Level 2	Level 3	Total
Cash	\$ -	\$ -	\$ -	\$ 2,081
Equities	44,558	-	-	44,558
Funds Held by Foundation	-	-	1,340,303	1,340,303
	Fair Value		Principal Valuation Technique	Unobservable Inputs
Instrument	2024	2023	FMV of Investments	Value of Underlying Assets
Funds Held by Foundation	\$ 1,388,649	\$ 1,340,303		

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

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. For the year ended March 31, 2023, there were transfers into the Foundation of \$-0- and \$55,313 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:

	2024	2023
Lease Costs:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 521	\$ 1,560
Interest on Lease Liabilities	-	154
Short-Term Lease Cost	1,898	-
Total Lease Costs	\$ 2,419	\$ 1,714
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	\$ -	\$ 154
Financing Cash Flows from Finance Leases	625	2,377
Weighted Average Remaining Lease Term:		
Operating Leases	-	.25 Years
Weighted Average Discount Rate:		
Operating Leases	8.01%	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 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.

Two organizations account for approximately 61% of gross campaign results revenue for the year ended March 31, 2023.

Two organizations account for approximately 63% of net contributions receivable as of March 31, 2023.

**UNITED WAY OF NORTHEASTERN MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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 Minnesota Community 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, 2024 and 2023 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>2024</u>	<u>2023</u>
Cash	\$ 531,593	\$ 929,330
Contributions Receivable, Net	770,941	510,144
Funds Held by Lincoln Financial	55,650	46,639
Investments	<u>1,056,311</u>	<u>644,080</u>
Total Financial Assets	2,414,495	2,130,193
Net Assets With Donor Restriction	<u>(14,438)</u>	<u>(22,000)</u>
Total Financial Assets, Net	<u><u>\$ 2,400,057</u></u>	<u><u>\$ 2,108,193</u></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>

**UNITED WAY OF NORTHEASTERN MINNESOTA
PROGRAM SERVICES
YEAR ENDED MARCH 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Allocating</u>	<u>Planning</u>	<u>Other</u>	<u>Total</u>
Salaries and Related Expenses:				
Salaries	\$ 89,628	\$ 89,628	\$ 100,832	\$ 280,088
Payroll Taxes	7,406	7,406	8,332	23,144
Employee Benefits	15,732	15,732	17,698	49,162
Total Salaries and Related Expenses	<u>112,766</u>	<u>112,766</u>	<u>126,862</u>	<u>352,394</u>
Telephone	1,898	1,898	2,134	5,930
Supplies	676	676	760	2,112
Travel	911	911	1,025	2,847
Postage	372	372	419	1,163
Campaign Supplies	8,410	8,410	9,462	26,282
Professional Fees	4,067	4,067	4,575	12,709
Equipment Maintenance	683	683	769	2,135
Occupancy	7,714	7,714	8,679	24,107
Equipment Purchase	510	510	573	1,593
Business and Special Meetings	2,042	2,042	2,297	6,381
Training	6,454	6,454	7,260	20,168
Miscellaneous	2,544	2,543	2,863	7,950
Membership Dues	3,084	3,084	3,470	9,638
Depreciation	10,401	10,401	11,702	32,504
	<u>10,401</u>	<u>10,401</u>	<u>11,702</u>	<u>32,504</u>
Total	<u>\$ 162,532</u>	<u>\$ 162,531</u>	<u>\$ 182,850</u>	<u>\$ 507,913</u>



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