UNITED WAY OF WASHINGTON COUNTY-EAST
STILLWATER, MINNESOTA

FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

SMITH SCHAFER
CPAs + Advisors

UNITED WAY OF WASHINGTON COUNTY-EAST

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Washington County-East
Stillwater, Minnesota

Opinion

We have audited the financial statements of United Way of Washington County-East (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of Washington County-East as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Washington County-East 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 United Way of Washington County-East's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 auditor's 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.

Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

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 United Way of Washington County-East’s internal control. 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 United Way of Washington County-East’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.

Report on Summarized Comparative Information

We have previously audited the United Way of Washington County-East's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 4, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Smith, Schafer and Associates, Ltd.

Minneapolis, Minnesota
January 29, 2026

UNITED WAY OF WASHINGTON COUNTY-EAST

STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	**$ 754,350**	$ 688,741
Certificates of deposit maturing in less than one year	**67,445**	70,495
Promises to give, less uncollectible allowance of $17,038 in 2025 and $17,148 in 2024	**55,471**	92,762
Other current receivable	**5,942**	469
Prepaid expenses and other current assets	**5,605**	9,755
Total Current Assets	**888,813**	862,222
Property and Equipment		
Equipment	**64,059**	61,211
Less: Accumulated depreciation	**59,936**	58,686
Total Property and Equipment, net of depreciation	**4,123**	2,525
Operating lease right-of-use asset	**66,000**	6,059
Total Property and Equipment, net	**70,123**	8,584
Other Assets		
Certificates of deposit maturing in more than one year	**33,517**	27,439
Market value of Legacy Endowment Fund	**29,184**	27,166
Total Other Assets	**62,701**	54,605
TOTAL ASSETS	**$ 1,021,637**	$ 925,411

See Notes to Financial Statements

LIABILITIES AND NET ASSETS	2025	2024
Current Liabilities		
Current portion of operating lease liability	**$ 30,726**	$ 3,140
Accounts payable and accrued expenses	**37,908**	39,462
Fund distribution payable	**249,716**	251,733
Total Current Liabilities	**318,350**	294,335
Long-Term Liabilities		
Operating lease liability, net of current portion	**38,958**	2,919
Total Liabilities	**357,308**	297,254
Net Assets		
Without Donor Restrictions		
Undesignated	**243,403**	197,199
Designated reserve	**383,783**	386,555
Total Without Donor Restrictions	**627,186**	583,754
With Donor Restrictions		
Kay Clint	**2,500**	7,051
Women United	**13,609**	12,341
Youth United Way	**1,034**	5,011
Legacy Endowment Fund	**20,000**	20,000
Total With Donor Restrictions	**37,143**	44,403
Total Net Assets	**664,329**	628,157
TOTAL LIABILITIES AND NET ASSETS	**$ 1,021,637**	$ 925,411

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UNITED WAY OF WASHINGTON COUNTY-EAST

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2025
With Comparative Totals For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals 2025	Totals 2024
Public Support and Revenue				
Campaign Support				
Annual fall campaign	$ 444,621	$ -	$ 444,621	$ 454,657
Youth United Way and Women United	-	9,626	9,626	4,370
Estimated uncollectible pledges	(19,135)	-	(19,135)	(14,145)
Net Campaign Support	425,486	9,626	435,112	444,882
Specific grants	2,254	5,449	7,703	10,659
General operating grants	406,308	-	406,308	302,209
Fundraisers and events, net direct benefit to donors	257,196	-	257,196	292,384
Gifts in kind	2,558	-	2,558	3,635
Investment return, net	12,027	-	12,027	9,826
Net Assets Released From Restrictions	22,335	(22,335)	-	-
Total Public Support and Revenue	1,128,164	(7,260)	1,120,904	1,063,595
Net Functional Expenses				
Services to members	1,726	-	1,726	2,175
Community education	5,446	-	5,446	4,879
Community building	91,666	-	91,666	63,991
Fund distribution	831,608	-	831,608	613,112
Management and general	80,928	-	80,928	131,390
Fundraising	73,358	-	73,358	155,338
Total Net Functional Expenses	1,084,732	-	1,084,732	970,885
Increase (Decrease) in Net Assets	43,432	(7,260)	36,172	92,710
NET ASSETS – BEGINNING OF YEAR	583,754	44,403	628,157	535,447
NET ASSETS – END OF YEAR	$ 627,186	$ 37,143	$ 664,329	$ 628,157

See Notes to Financial Statements

UNITED WAY OF WASHINGTON COUNTY-EAST

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025

	Program Services				
	Services to Members	Community Education	Community Building	Fund Distribution	Total
Fund Distribution of Campaign Support					
Basic needs	$ -	$ -	$ -	$ 137,698	**$ 137,698**
Self-sufficiency	-	-	-	114,650	**114,650**
Youth	-	-	-	106,168	**106,168**
Health	-	-	-	104,608	**104,608**
Designations and special allocations	-	-	-	33,023	**33,023**
Total Fund Distribution of Campaign Support	-	-	-	496,147	**496,147**
Salaries and Related					
Salaries and wages	1,057	3,332	45,621	178,523	**228,533**
Employee benefits	156	495	6,763	16,287	**23,701**
Payroll taxes	115	364	4,987	14,046	**19,512**
Total Salaries and Related	1,328	4,191	57,371	208,856	**271,746**
Fundraising event expense	-	-	14,945	70,292	**85,237**
Professional fees	-	-	500	7,848	**8,348**
Office rent	152	478	6,550	18,450	**25,630**
Technology support	83	263	3,655	10,148	**14,149**
Printing and publications	-	-	63	-	**63**
Supplies	54	170	2,332	6,570	**9,126**
Bank fees	-	-	49	-	**49**
Postage	-	-	-	11	**11**
Paid to affiliates	33	102	1,407	3,963	**5,505**
Other expense	24	76	2,072	2,941	**5,113**
Dues and subscriptions	-	-	349	-	**349**
Equipment rent and maintenance	17	56	764	2,152	**2,989**
Insurance	17	55	749	2,112	**2,933**
Conferences and meetings	-	-	41	-	**41**
Telephone and utilities	12	36	497	1,399	**1,944**
Depreciation	6	19	255	719	**999**
Travel and mileage reimbursements	-	-	67	-	**67**
Total Other Expenses	398	1,255	34,295	126,605	**162,553**
Total Functional Expenses	1,726	5,446	91,666	831,608	**930,446**
Direct Benefit to Donors	-	-	-	-	**-**
FUNCTIONAL EXPENSES, NET OF DIRECT BENEFIT TO DONORS	$ 1,726	$ 5,446	$ 91,666	$ 831,608	**$ 930,446**

See Notes to Financial Statements

Supporting Services			
Management and General	Fund Raising	Total	Totals
$ -	$ -	**$ -**	**$ 137,698**
-	-	**-**	**114,650**
-	-	**-**	**106,168**
-	-	**-**	**104,608**
-	-	**-**	**33,023**
-	-	**-**	**496,147**
24,299	19,417	**43,716**	**272,249**
2,413	1,592	**4,005**	**27,706**
2,052	1,657	**3,709**	**23,221**
28,764	22,666	**51,430**	**323,176**
552	33,078	**33,630**	**118,867**
32,926	500	**33,426**	**41,774**
3,524	2,883	**6,407**	**32,037**
1,938	1,482	**3,420**	**17,569**
-	14,289	**14,289**	**14,352**
1,255	1,027	**2,282**	**11,408**
-	11,343	**11,343**	**11,392**
2,366	7,047	**9,413**	**9,424**
757	620	**1,377**	**6,882**
614	461	**1,075**	**6,188**
3,522	-	**3,522**	**3,871**
463	337	**800**	**3,789**
403	330	**733**	**3,666**
3,123	9	**3,132**	**3,173**
267	218	**485**	**2,429**
137	114	**251**	**1,250**
317	51	**368**	**435**
52,164	73,789	**125,953**	**288,506**
80,928	96,455	**177,383**	**1,107,829**
-	(23,097)	**(23,097)**	**(23,097)**
$ 80,928	$ 73,358	**$ 154,286**	**$ 1,084,732**

UNITED WAY OF WASHINGTON COUNTY-EAST

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Program Services				
	Services to Members	Community Education	Community Building	Fund Distribution	Total
Fund Distribution of Campaign Support					
Youth	$ -	$ -	$ -	$ 106,803	**$ 106,803**
Basic needs	-	-	-	140,001	**140,001**
Health	-	-	-	98,198	**98,198**
Self-sufficiency	-	-	-	115,000	**115,000**
Designations and special allocations	-	-	-	23,284	**23,284**
Total Fund Distribution of Campaign Support	-	-	-	483,286	**483,286**
Salaries and Related					
Salaries and wages	1,555	3,273	43,449	107,960	**156,237**
Payroll taxes	134	282	3,744	8,729	**12,889**
Employee benefits	148	396	5,247	10,791	**16,582**
Total Salaries and Related	1,837	3,951	52,440	127,480	**185,708**
Fundraising event expense	-	-	231	-	**231**
Professional fees	-	-	-	-	**-**
Office rent	143	393	4,774	989	**6,299**
Technology support	38	103	1,252	259	**1,652**
Printing and publications	-	-	-	-	**-**
Supplies	-	-	43	-	**43**
Bank fees	-	-	-	-	**-**
Postage	-	-	-	-	**-**
Paid to affiliates	71	196	2,383	493	**3,143**
Other expense	-	-	-	4	**4**
Dues and subscriptions	-	-	-	-	**-**
Equipment rent and maintenance	21	59	714	148	**942**
Insurance	18	49	594	123	**784**
Conferences and meetings	-	-	-	-	**-**
Telephone and utilities	41	112	1,361	282	**1,796**
Depreciation	6	16	199	41	**262**
Travel and mileage reimbursements	-	-	-	7	**7**
Total Other Expenses	338	928	11,551	2,346	**15,163**
Total Functional Expenses	2,175	4,879	63,991	613,112	**684,157**
Direct Benefit to Donors	-	-	-	-	**-**
FUNCTIONAL EXPENSES, NET OF DIRECT BENEFIT TO DONORS	$ 2,175	$ 4,879	$ 63,991	$ 613,112	**$ 684,157**

See Notes to Financial Statements

Supporting Services			
Management and General	Fund Raising	Total	Totals
$ -	$ -	**$ -**	**$ 106,803**
-	-	**-**	**140,001**
-	-	**-**	**98,198**
-	-	**-**	**115,000**
-	-	**-**	**23,284**
-	-	**-**	**483,286**
49,659	31,187	**80,846**	**237,083**
4,198	2,613	**6,811**	**19,700**
5,264	4,474	**9,738**	**26,320**
59,121	38,274	**97,395**	**283,103**
-	84,110	**84,110**	**84,341**
40,658	4,000	**44,658**	**44,658**
7,923	9,462	**17,385**	**23,684**
588	3,716	**4,304**	**5,956**
389	11,637	**12,026**	**12,026**
4,353	68	**4,421**	**4,464**
5,756	13,713	**19,469**	**19,469**
1,868	6,264	**8,132**	**8,132**
-	4,723	**4,723**	**7,866**
554	-	**554**	**558**
2,953	-	**2,953**	**2,953**
1,246	1,416	**2,662**	**3,604**
1,035	1,176	**2,211**	**2,995**
1,485	496	**1,981**	**1,981**
2,372	2,697	**5,069**	**6,865**
529	394	**923**	**1,185**
560	-	**560**	**567**
72,269	143,872	**216,141**	**231,304**
131,390	182,146	**313,536**	**997,693**
-	(26,808)	**(26,808)**	**(26,808)**
$ 131,390	$ 155,338	**$ 286,728**	**$ 970,885**

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UNITED WAY OF WASHINGTON COUNTY-EAST

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in Net Assets	**$ 36,172**	$ 92,710
Adjustments to reconcile change in net assets to net cash from operations:		
Depreciation	**1,250**	1,185
Net investment return retained in Legacy Endowment Fund	**(3,184)**	(3,218)
Grant paid from Legacy Endowment Fund	**1,166**	1,110
Noncash rent expense	**3,684**	(402)
Provision for uncollectible pledges	**(110)**	(6,176)
Interest income retained in certificates of deposit	**(3,028)**	(2,115)
(Increase) Decrease in:		
Promises to give receivable	**37,401**	45,581
Other current receivable	**(5,473)**	19,232
Prepaid expenses and other current assets	**4,150**	(1,619)
Increase (Decrease) in:		
Accounts payable and accrued expenses	**(1,554)**	20,107
Fund distribution payable	**(2,017)**	8,360
Net Cash Provided By Operating Activities	**68,457**	174,755
Cash Flows From Investing Activities		
Purchase of fixed assets	**(2,848)**	(846)
Increase in Cash and Cash Equivalents	**65,609**	173,909
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**688,741**	514,832
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 754,350**	$ 688,741

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	**$ 23,204**	$ 24,423
Right-of-use assets obtained in exchange for lease obligations		
Operating lease	**$ 84,061**	$ -

See Notes to Financial Statements

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1. Organization and Summary of Significant Accounting Policies

Description of Organization

United Way of Washington County-East, Inc. (the Organization) is a nonprofit organization incorporated under the laws of the state of Minnesota, organized to utilize the diverse skills and capabilities of volunteers, serving east-central Washington County (ISD No. 834). The Organization in its present state is the result of a reorganization of the Washington County Community Chest, Inc., in June 1961. The Washington County Community Chest, Inc. was formed in February 1949.

United Way of Washington County- East, Inc.'s *mission is to unite our communities and local resources to give each person the opportunity to build a better life.*

The Organization maintains the following programs:

> Services to members – consists of services to funded agencies, including special mailings, conferences, collaborative assistance, and arrangements for in-kind donations.
>
> Community education – consists of brochures and publications to the community describing agency programs, promotion of collaboration between local government, schools, and not-for-profit social service agencies and development of new community programs and agencies.
>
> Community Building – assesses community assets and needs and identifies appropriate roles for the Organization in addressing them. Community Building also works with community partners in addressing changes or emerging service needs, delivery systems and population groups. The program researches and recommends better and more effective ways of assuring efficient delivery of quality services to people in need of them. Community Building also enhances the capabilities of funded and unfunded agencies to be responsive to local community needs and to effectively manage their organizations. The program serves as a facilitator, convener, and collaborator when necessary in order to meet the needs of the communities that are served.
>
> Fund distribution – consists of assessing community needs and reviewing funded agencies' financial records, programs, and other records to determine distribution of funds from the annual fundraising campaign to best meet community health and social service needs.

Basis of Accounting and Support and Revenue Recognition

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). All income and expenses are recorded as they are earned or incurred.

1. Organization and Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Financial statement presentation follows FASB ASC 958. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities, based on the existence or absence of donor imposed restrictions as either:

> *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and unemployment claims.
>
> *Net Assets With Donor Restrictions* – Net assets subject to donor 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.

Donor-Designated Campaign Contributions

The Organization accounts for donor-designated campaign contributions to member agencies, nonmember agencies and targeted care as part of total campaign contribution revenue and not as an agency transaction in the Statement of Activities. Management believes that including these donor-designated campaign contributions as revenue better reflects total campaign results.

The member agencies are requested to utilize the contributions in areas outlined in the Organization’s fund distribution guidelines; however, the member agencies have the final decision-making authority as to the ultimate use of these contributions. These designated campaign contributions are included in fund distribution of campaign support in the Statement of Activities.

Distributions of donor-designated campaign contributions that are unpaid as of year-end are included as part of the fund distribution payable.

Fund Distribution

Fund distribution represents dollars set aside for other not-for-profit agencies. The fund distribution payable represents the allocations that have not been distributed at year-end. Fund distribution of campaign support represents the distribution of funds directly related to the ongoing campaign.

Noncampaign contribution distributions represent the distribution of funds received such as bequests and memorials, which are not a part of the ongoing campaign.

1. Organization and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all demand deposits and investments with an original maturity of three months or less to be cash and cash equivalents.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interests and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investments reported in the Organization's statements of financial position consist of certificates of deposit and the Legacy Endowment Fund.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise is made and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the condition on which they depend are substantially met. Management expects to collect all promises to give due within one year of the date of the statement of financial position.

The Organization uses the reserve method to record a provision for doubtful promises. The amount of the reserve is based on management's estimate of uncollectible promises to give based on historical collections and management's knowledge of its contributors. Promises to give balances that are still outstanding after management has used reasonable collection efforts are written off. The allowance for doubtful promises was $17,038 and $17,148 as of June 30, 2025 and 2024, respectively.

Property and Equipment

The Organization capitalizes acquisitions of equipment at cost or fair value at the date of gift for donations using a capitalization threshold of $500. Depreciation of equipment is computed using the straight-line method over useful lives of three to ten years.

1. Organization and Summary of Significant Accounting Policies (Continued)

Leases

When, at inception of an agreement, it is concluded an agreement includes a lease component, the Organization records an operating lease or finance lease based on the agreement. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if they have obtained substantially all of the rights to the underlying asset through exclusivity, if they can direct the use of the asset by making decisions about how and what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Operating leases are included in property and equipment as operating lease right-of-use (ROU) assets and current and long-term operating lease liabilities on the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made prior to the commencement date and excludes any lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization has elected to use the risk-free rate based on information available at the commencement date for the lease term when determining the present value of lease payments.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization elected to apply the short-term lease exemption to one class of underlying assets: storage space. In 2025 and 2024, there was a lease within this class of underlying assets that qualified for the exemption. See Note 5 for information about the short-term lease cost recognized in 2025 and 2024.

1. Organization and Summary of Significant Accounting Policies (Continued)

Donated Services

Many individuals have contributed a significant amount of time to the activities of the Organization. The Organization does not recognize these contributed services as revenues unless 1) the services received create or enhance existing facilities; or 2) require specialized skills and are provided by individuals possessing those skills. See Note 13 for additional information regarding the Organization's donated services.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is nonreciprocal, does not contain a barrier that must be overcome, and there is no right of return of assets transferred or release of a promisor's obligation to transfer assets present.

Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

All other contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Tax Status

The Organization is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statement or related disclosures.

The Organization's federal information returns are subject to examination by the IRS, generally for three years after they were filed.

1. Organization and Summary of Significant Accounting Policies (Continued)

Unemployment Insurance

The Organization has elected to self-insure its Minnesota unemployment claims. Amounts incurred, if any, will be recorded as an expense when payable.

Fair Value of Financial Instruments

The carrying amount for substantially all assets and liabilities approximates fair value due to the immediate or short-term maturity of these financial instruments. See Note 8 for discussion of fair value regarding the Organization's certificates of deposit and Legacy Endowment Fund.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, certificates of deposit and promises to give. The Organization places its cash and temporary cash investments, including certificates of deposit, with high quality financial institutions and limits the amount of credit exposure to any one financial institution. At various times throughout the year, cash balances at a specific financial institution may be in excess of the federally insured limit. The Organization had cash balances in excess of the federally insured limit of approximately $297,000 and $261,000 as of June 30, 2025 and 2024, respectively.

Management believes concentrations of credit risk with respect to promises to give are limited due to the nature and dollar amount of the promises. Promises to give consist of various amounts owed from local individuals and corporations. As of June 30, 2025 and 2024, management believed the Organization had no significant concentrations of credit risk related to promises to give.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. The allocation of expenses between programs is based on actual expenditures and allocations based on staff time records.

1. Organization and Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from the estimates.

Prior Year Summarized Information

The financial statements include certain prior year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2024 financial statements to conform to those used in the 2025 financial statements. There were no changes to net assets or changes in total net assets as a result of the reclassifications for the years ended June 30, 2025 and 2024.

Subsequent Events

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through January 29, 2026, the date the financial statements were available to be issued.

2. Liquidity and Availability

The following reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual, donor-imposed or board-imposed restrictions. Balances not available include amounts set aside by the board that could be drawn upon with board approval.

	2025	2024
Financial assets, end of year	**$ 945,909**	$ 907,072
Less those unavailable for general expenditures within one year due to:		
Certificates of deposit maturing in more than one year	**(33,517)**	(27,439)
Restricted in perpetuity	**(20,000)**	(20,000)
Restricted by donor for purpose	**(17,143)**	(24,403)
Designated by the board for:		
Operating reserves	**(353,783)**	(356,555)
Unemployment claims	**(30,000)**	(30,000)
Financial assets available to meet cash needs for general expenditures within one year	**$ 491,466**	$ 448,675

In addition, as of June 30, 2025 and 2024, the Organization had allocated $249,716 and $251,733, respectively, to be paid to other nonprofit agencies.

As part of the Organization's liquidity management plan, financial assets are structured to be available as its general expenditures, liabilities and other obligations come due. The Organization's board designated funds may be drawn upon in the event of unemployment claims or an immediate liquidity need.

The Organization has a goal to maintain financial assets, consisting of cash and short-term investments on hand to meet at least 90 days of normal operating expenses, which do not include payments to other nonprofit agencies and are on average approximately $100,000.

3. Designated Reserve

The designated reserve fund was established to be used primarily for emergency and other unanticipated needs. The Board of Directors has designated a portion of the reserve for Minnesota unemployment claims. Disbursements under $1,000 from this reserve can be approved by the Executive Director. Disbursements from this reserve over $1,000 require the Executive Committee or Board of Directors' approval.

4. Net Assets

Net assets with donor restrictions as of June 30, 2025 and 2024 consisted of the following:

	2025	2024
Restricted for programs:		
Kay Clint	$ 2,500	$ 7,051
Women United	13,609	12,341
Youth United Way	1,034	5,011
Endowment funds	20,000	20,000
Total Net Assets with Donor Restrictions	$ 37,143	$ 44,403

Net assets released from restriction for the years ended June 30, 2025 and 2024 consisted of the following:

	2025	2024
Satisfaction of purpose restrictions:		
Kay Clint	$ 10,000	$ -
Women United	2,375	-
Youth United Way	9,960	2,960
Total Net Assets Released from Restrictions	$ 22,335	$ 2,960

5. Leases

The Organization leased office space in Stillwater, Minnesota at the monthly rate of $1,929 through May 2024. The Organization entered into a new lease agreement commencing September 1, 2024 and expiring October 31, 2027. The new agreement can be extended twice for thirty-six months each and requires monthly payments of $2,500 through the term of the lease.

The Organization has also entered into an operating lease for office equipment at a monthly rate of $267 through March 2026 and rents storage space on a month-to-month basis.

5. Leases (Continued)

The components of rent expense for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Operating lease cost	**$ 26,888**	$ 24,021
Variable lease cost	**8,518**	3,057
Short-term lease cost	**420**	210
Total Rent Expense	**$ 35,826**	$ 27,288

The weighted average remaining lease term for operating leases as of June 30, 2025 and 2024 was 2.3 years and 1.9 years, respectively. The weighted average discount rate for operating leases as of June 30, 2025 and 2024 was 4.16% and 1.99%, respectively.

The future minimum base rental commitments under the operating leases as of June 30, 2025 were as follows:

Year Ending June 30,	
2026	$ 32,937
2027	30,000
2028	10,000
Total	72,937
Less: imputed interest	3,253
Total operating lease liability	$ 69,684

6. Designated Grant Payable

The Organization occasionally enters into written or oral agency agreements with other entities to raise funds for a specific fundraising project or event. The Organization holds these funds until a payment request is received and verified. As such, the funds collected are not the property of the Organization and are therefore included under the caption designated grant payable on the statement of financial position. There were no designated grants payable as of June 30, 2025 or 2024.

7. Retirement Plan

The United Way of Washington County-East's retirement plan is based on employees' calendar year wages and the Organization may in its discretion contribute a portion of eligible employees' wages. Employees are eligible if they have performed services for the Organization in at least one year during the preceding five-year period. Retirement plan expense was $8,548 and $3,782 for the years ended June 30, 2025 and 2024, respectively.

8. Fair Value Measurements

Accounting standards establish a framework for measurement fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

8. Fair Value Measurements (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Certificates of Deposit: Certificates of deposit are valued based on comparisons to certificates of deposit with similar yields and maturities as reported by the Organization's financial institutions.

Legacy Endowment Fund: The Organization's Legacy Endowment Fund is reported at fair value based on the quoted market price of the investments in the fund, as reported by the third-party organization which administers the fund.

The methods described above may produce fair values that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables reflect the Organization's investments within the fair value hierarchy at June 30, 2025 and 2024:

	As of June 30, 2025			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Certificates of deposit	$ 100,962	$ -	$ 100,962	$ -
Legacy Endowment Fund	29,184	29,184	-	-
Total	$ 130,146	$ 29,184	$ 100,962	$ -

	As of June 30, 2024			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Certificates of deposit	$ 97,934	$ -	$ 97,934	$ -
Legacy Endowment Fund	27,166	27,166	-	-
Total	$ 125,100	$ 27,166	$ 97,934	$ -

9. Funds Held by Others

In March 1999, the Organization was named a beneficiary of an agency endowment fund at the St. Croix Valley Foundation. Pursuant to the terms of the agreement establishing this fund, contributions to the St. Croix Valley Foundation are held as a separate fund designated for the benefit of the United Way of Washington County-East In accordance with its spending policy, the St. Croix Valley Foundation makes distributions from the fund to the Organization. The fund is not included in these financial statements, as all contributions are the assets of St. Croix Valley Foundation. The fair value of the fund assets was $123,646 and $115,182 at June 30, 2025 and 2024, respectively. Distributions received from the fund, if any, are unrestricted. The Organization received distributions in the amount of $6,828 and $4,855 from this fund for the years ended June 30, 2025 and 2024, respectively.

In March 2017, the Organization was named a beneficiary of an agency endowment fund at the Saint Paul & Minnesota Foundation. Pursuant to the terms of the agreement establishing this fund, contributions to the Saint Paul & Minnesota Foundation are held as a separate fund designated for the benefit of the United Way of Washington County-East, Inc. In accordance with its spending policy, the Foundation makes distributions from the fund to the Organization. The fund is not included in these financial statements, as all contributions are the assets of the Saint Paul & Minnesota Foundation. The fair value of the fund assets was $1,352,205 and $1,314,174 as of June 30, 2025 and 2024, respectively. Distributions received from the fund, if any, are without donor restrictions and are included in general operating grants on the Statement of Activities and Changes in Net Assets. The Organization received distributions in the amount of $66,308 and $56,434 from this agency endowment fund for the years ended June 30, 2025 and 2024, respectively.

10. Fundraisers and Events

Net fundraisers and events revenue for the year ended June 30, 2025 was comprised of the following:

Year Ended June 30, 2025				
Fundraisers and events	Revenue	Fundraising expenses	Direct benefit expenses	Net Revenue
Community events	$ 29,705	$ 20,603	$ 3,538	$ 5,564
Fish United	27,985	10,632	-	17,353
Gala	222,603	64,535	19,559	138,509
	$ 280,293	$ 95,770	$ 23,097	$ 161,426

10. Fundraisers and Events (Continued)

Net fundraisers and events revenue for the year ended June 30, 2024 was comprised of the following:

Year Ended June 30, 2024				
Fundraisers and events	Revenue	Fundraising expenses	Direct benefit expenses	Net Revenue
Community events	$ 26,630	$ 7,080	$ 3,630	$ 15,920
Fish United	15,219	5,368	4,876	4,975
Jubilee	277,343	45,085	18,302	213,956
	$ 319,192	$ 57,533	$ 26,808	$ 234,851

11. Endowment Fund

At the direction of a donor, the Organization established the Pillars Legacy Society Endowment with an initial investment of $20,000 in June 2015. The assets of this fund are owned by the Organization and are held and administered by a third-party organization. The purpose of the Pillars Legacy Society Endowment Fund is to allow leadership givers the opportunity to continue their philanthropic commitment to the community for future generations. This program allows the donor the security of a managed endowment with a trusted United Way for the purpose of sustaining philanthropy for the continued needs of the community when the donor is no longer present.

The Organization's endowment consists of cash equivalent funds, equity mutual funds, fixed income mutual funds, and equity exchange traded funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

The Organization's Board has interpreted the Minnesota's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

11. Endowment Fund (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund,
2. The purposes of the organization and the donor-restricted endowment fund,
3. General economic conditions,
4. The possible effect of inflation and deflation,
5. The expected total return from income and the appreciation of investments,
6. Other resources of the organization,
7. The investment policies of the organization.

The Organization has adopted a balanced investment strategy for the endowment fund. The investments of the endowment fund are rebalanced by the investment manager, at the direction of the finance committee.

It is the policy of the Organization for earnings over the basis in the endowment of $20,000 as of June 30, 2025 and 2024, to be available for unrestricted spending on normal operations.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a balance for perpetual duration (underwater endowments). Management has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments as of June 30, 2025 and 2024.

12. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort.

13. In-Kind Contributions

The Organization's financial statements include the following in-kind contributions and associated expense:

Fund Distribution of Campaign Support – The Organization receives donated supplies as part of its annual campaign. These items are recognized as in-kind contributions at fair value, with a corresponding expense as they are used.

Bank Fees – The Organization's primary bank waives the monthly fees that would be charged against the Organization's bank accounts. These fees would typically be paid directly if not provided as an in-kind contribution. The fair value of these fees is provided by the bank, who estimates the fair value based on its typical monthly fee structure.

Conferences and meetings – The Organization receives donated conference and meeting fees that would typically be paid directly if not provided as an in-kind contribution. These fees are recognized as in-kind contributions at fair value when the pledge is made and are expensed when the conference or meeting are held.

Technology Support – The Organization receives donated technology support services that would typically be paid directly if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value when the pledge is made and are expensed when the services are rendered. The estimated fair value of these professional services is provided by the service provider, who estimates the fair value based on the date, time, and market in which each service is rendered. The Organization also receives donated technology support supplies, which are recognized as in-kind contributions at fair value, with a corresponding expense as they are used.

The Organization did not monetize any contributed nonfinancial assets and contributed non-financial assets did not have donor restrictions during the years ended June 30, 2025 and 2024.

13. In-Kind Contributions (Continued)

In-kind contributions included in the statement of activities for the years ended June 30, 2025 and 2024 consisted of the following:

	2025	2024
Fund Distribution of Campaign Support		
Program services	**$ -**	$ 2,233
Bank Fees		
Management and general	**1,163**	1,291
Conferences and meetings		
Management and general	**1,395**	-
Technology Support		
Management and general	**-**	111
Total In-kind Contributions and Related Expenses	**$ 2,558**	$ 3,635