

**UNITED WAY OF OLMSTED COUNTY, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED MARCH 31, 2022**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
United Way of Olmsted County, Inc.  
Rochester, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of United Way of Olmsted County, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of United Way of Olmsted County, Inc. as of March 31, 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Olmsted County, Inc. 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 Olmsted County, Inc.'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 United Way of Olmsted County, Inc.'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 Olmsted County, Inc.'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 previously audited the United Way of Olmsted County, Inc. 2021 financial statements, and our report dated July 14, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

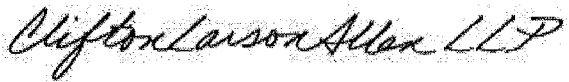
***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional internal initiative program service expenses 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Information Included in the Annual Report***

Management is responsible for the other information included in the annual report. The other information comprises the 2022 financial report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



**CliftonLarsonAllen LLP**

Austin, Minnesota  
August 9, 2022

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**UNITED WAY OF OLMSTED COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 745,431	\$ 997,882
Investments	2,061,562	2,168,646
Accounts Receivable	72,183	91,662
Pledges Receivable, Net	1,745,058	1,803,245
Prepaid Expenses and Other Assets	42,472	48,109
Total Current Assets	4,666,706	5,109,544
<b>PROPERTY AND EQUIPMENT</b>		
Land	77,525	77,525
Buildings and Improvements	1,786,121	1,764,152
Furniture and Equipment	146,133	146,133
Total	2,009,779	1,987,810
Less: Accumulated Depreciation	(1,436,311)	(1,390,413)
Total Property and Equipment	573,468	597,397
Total Assets	\$ 5,240,174	\$ 5,706,941
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 77,207	\$ 63,441
Community Program Distributions Payable	292,368	312,475
Donor Designations Payable	482,973	505,839
Deferred Revenue	37,997	1,704
Refundable Advance - PPP Loan	-	239,120
Total Current Liabilities	890,545	1,122,579
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	946,367	1,012,797
Designated - Operating Reserve	450,000	450,000
Designated - Future Building and Grounds Needs	106,222	99,777
Designated - Future Grants	25,000	75,000
Invested in Property and Equipment, Net of Related Debt	573,468	597,397
Total Without Donor Restrictions	2,101,057	2,234,971
With Donor Restrictions	2,248,572	2,349,391
Total Net Assets	4,349,629	4,584,362
Total Liabilities and Net Assets	\$ 5,240,174	\$ 5,706,941

See accompanying Notes to Financial Statements.



**UNITED WAY OF OLMSTED COUNTY, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	2021 Totals
<b>REVENUE, SUPPORT, AND GAINS</b>				
Current Campaign to Date	\$ -	\$ 2,858,799	\$ 2,858,799	\$ 2,916,128
Prior Campaign	189,184	-	189,184	136,554
Less: Donor Designations	(640)	(495,992)	(496,632)	(598,855)
Less: Estimated Uncollectible Pledges	-	(114,235)	(114,235)	(116,650)
Net Campaign Contributions	<u>188,544</u>	<u>2,248,572</u>	<u>2,437,116</u>	<u>2,337,177</u>
Uncollected Pledges Adjustments	8,185	-	8,185	37,608
Grant Income	569,830	-	569,830	628,282
Other Contributions	-	-	-	99,016
In-Kind Contributions	28,376	-	28,376	22,917
Special Events	1,811	-	1,811	61,578
Net Investment Income (Loss)	37,709	-	37,709	481,897
Other Income	3,167	-	3,167	2,870
Endowment Distribution	25,520	-	25,520	25,700
Building Rental Income, Net	(14,805)	-	(14,805)	4,208
Net Assets Released from Restrictions	<u>2,349,391</u>	<u>(2,349,391)</u>	<u>-</u>	<u>-</u>
Total Revenue, Support, and Gains	<u>3,197,728</u>	<u>(100,819)</u>	<u>3,096,909</u>	<u>3,701,253</u>
<b>EXPENSES AND LOSSES</b>				
Program Services Expense:				
Advocacy, Grant Making, and Result Tracking	1,847,443	-	1,847,443	1,861,363
Internal Community Initiatives	<u>651,347</u>	<u>-</u>	<u>651,347</u>	<u>692,103</u>
Total Program Expenses	2,498,790	-	2,498,790	2,553,466
Supporting Services Expense:				
Management and General	310,530	-	310,530	353,261
Fundraising	<u>522,322</u>	<u>-</u>	<u>522,322</u>	<u>385,688</u>
Total Supporting Services Expenses	<u>832,852</u>	<u>-</u>	<u>832,852</u>	<u>738,949</u>
Total Expenses and Losses	<u>3,331,642</u>	<u>-</u>	<u>3,331,642</u>	<u>3,292,415</u>
<b>CHANGE IN NET ASSETS</b>	(133,914)	(100,819)	(234,733)	408,838
Net Assets - Beginning of Year	<u>2,234,971</u>	<u>2,349,391</u>	<u>4,584,362</u>	<u>4,175,524</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,101,057</u>	<u>\$ 2,248,572</u>	<u>\$ 4,349,629</u>	<u>\$ 4,584,362</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

	Program Services			Totals	
	Advocacy, Grant Making, and Result Tracking	Internal Community Initiatives (Pages 19-20)	Total	2022	2021
Impact Grants and Awards	\$ 1,763,960	\$ -	\$ 1,763,960	\$ 1,763,960	\$ 2,023,457
Less: Donor Designations	(496,632)	-	(496,632)	(496,632)	(598,855)
Impact Grants and Awards, Net	1,267,328	-	1,267,328	1,267,328	1,424,602
Salaries and Wages	356,618	315,688	672,306	177,629	1,060,045
Employee Benefits	78,421	37,398	115,819	42,908	207,316
Payroll Taxes	26,648	24,387	51,035	12,966	77,419
Total	461,687	377,473	839,160	233,503	1,344,780
Program Expense	18,756	182,823	201,579	-	174,458
Fees for Professional Services	-	500	500	30,874	31,782
Advertising	5,965	4,117	10,082	879	44,537
Donor Relationship Management	-	-	-	82	10,604
Supplies	1,826	11,852	13,678	4,333	14,664
Technology	15,882	31,320	47,202	13,057	72,313
Occupancy	7,439	20,649	28,088	3,678	37,391
Equipment Rental	2,112	6,106	8,218	1,238	9,382
Conferences, Conventions, and Training	15,939	5,371	21,310	1,121	35,332
Meetings and Food	1,350	992	2,342	124	339
Travel	-	509	509	-	1,950
Insurance	983	1,428	2,411	10,142	12,269
Special Events	-	-	-	776	12,269
Depreciation	-	-	-	2,333	7,555
Membership Dues and Subscriptions	44,345	-	44,345	2,677	14,091
Interest	-	-	-	4,546	48,431
Miscellaneous	3,831	8,207	12,038	2,031	1,216
Total	\$ 1,847,443	\$ 651,347	\$ 2,498,790	\$ 310,530	\$ 3,292,415
				\$ 522,322	\$ 3,331,642
				\$ 17,410	\$ 3,292,415

See accompanying Notes to Financial Statements.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (234,733)	\$ 408,838
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	45,898	56,622
Uncollected Pledges Adjustment	106,050	79,042
Realized and Unrealized (Gain) Loss on Investments	16,181	(412,357)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	19,479	(86,943)
Promises to Give, Net	(47,863)	50,562
Prepaid Expenses and Other Assets	5,637	(63)
Accounts Payable	13,766	17,081
Community Program Distributions Payable	(20,107)	(57,508)
Donor Designations Payable	(22,866)	(83,430)
Deferred revenue	36,293	(22,013)
Refundable Advance - PPP Loan	(239,120)	239,120
Net Cash Provided (Used) by Operating Activities	(321,385)	188,951
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(544,895)	(357,625)
Proceeds from Sales of Investments	635,798	485,337
Purchases of Property and Equipment	(21,969)	(64,675)
Net Cash Provided by Investing Activities	68,934	63,037
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(252,451)	251,988
Cash and Cash Equivalents - Beginning of Year	997,882	745,894
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 745,431	\$ 997,882
 <b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>		
Contributed Supplies Received	\$ 28,376	\$ 22,917

See accompanying Notes to Financial Statements.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The United Way of Olmsted County, Inc. (the Organization) is a 501(c)(3) nonprofit organization organized under the laws of the state of Minnesota. It is a community building organization, founded in 1925, governed by a volunteer board of directors, with a mission of "United people and resources to improve lives in our community," to advance the common good in the areas of education, health, and financial stability.

Working together with organizations and individuals throughout Olmsted County, the Organization is changing and improving lives not only in the moment of need but for the long-term. The majority of revenues come from the annual campaign. The campaign raises both restricted and unrestricted funds. The unrestricted funds are awarded to local projects and organizations by local volunteers who serve on funding review teams of the Organization and are approved by the board of directors.

**Advocacy, Grant Making, and Result Tracking**

This program service category includes convening the community to address key issues, assess community needs, provide outcome measurement training to various entities in the community, provide program assessment, review and selection of programs, administer grants, provide financial and stewardship oversight of grant recipients, provide capacity building for agencies, advocate for causes, and participate in community partnerships to advance common goals.

**Internal Community Initiatives**

This program service category includes focus on several internal initiatives, managed by United Way staff and/or contracted to outside vendors, to further our work and create measurable impact on our community.

**Comparative Financial Information**

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended March 31, 2021, from which the summarized information was derived.

**Cash and Cash Equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Investments**

The Organization records investment purchases at cost, or if donated, at the fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment returns and losses are reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments (Continued)**

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to level of risk associated with certain investments securities, it is reasonably possible that changes in the fair value of the investments will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

**Pledges Receivable**

Pledges receivable are due within one campaign collection cycle. Pledges are recorded as receivables and allowances are provided for amounts estimated to be uncollectible. The provision for uncollectible pledges is computed based upon historical averages, adjusted by management's estimate of current economic factors applied to the gross campaign.

**Property and Equipment**

The Organization records property and equipment additions over \$1,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 2 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

**Community Program Distributions Payable**

Specific commitments to fund Community Programs on a monthly basis through a specific future date are recorded as community program distributions payable.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets 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 an operating reserve, future building and grounds needs, and future grants.

*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.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets (Continued)**

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. 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 net assets released from restrictions.

**Revenue and Revenue Recognition**

Revenue is recognized when earned. Deferred revenue consists of fees or presold tickets deemed to be exchange transactions that relate to future periods, as well as sponsorships received in advance of future special events, which the resource provider is receiving commensurate value in return or a right of return exists if the event does not occur. The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met.

Annual campaigns are conducted to raise support for pressing community needs. Amounts collected in current campaigns for future awards are recognized as net assets with donor restrictions in the statement of activities until the period of award. All other support is considered available for use unless specifically restricted by the donor.

**Donated Services and In-Kind Contributions**

Contribution of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The contributions presented on the accompanying statement of activities includes contributed materials and services valued at \$28,376 and \$22,917 for the years ended March 31, 2022 and 2021, respectively.

**Advertising Costs**

Advertising costs are expensed as incurred and totaled \$17,486 and \$44,537 during the years ended March 31, 2022 and 2021, respectively.

**Designation Processing and Membership Requirement M Compliance**

Designations to other charitable organizations are charged a handling fee to cover the cost of fundraising and administration of these gifts.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Designation Processing and Membership Requirement M Compliance (Continued)**

United Way of Olmsted County, Inc. follows costs deduction standards for membership requirement M. issued by United Way Worldwide to ensure uniformity of designation processing across the entire United Way system. This standard requires that designations paid to other charitable organizations are charged no more than the actual cost incurred to process and transfer gifts and that no additional processing fees will be charged against designations received from the United Ways. Handling fees do not exceed the established maximum of a three-year average of fundraising and management and general cost as a percentage of total revenue taken from the three most recent Internal Revenue Service forms 990. The United Way Board of Directors reviews the handling fee on an annual basis.

**Functional Allocation of Expenses**

The Organization allocates its expenses on a functional basis among program, management and general, and fundraising. Direct personnel costs and other direct expenses that can be identified are allocated directly according to their natural expense classification. Salary, indirect personnel costs and other indirect expenses that are common to several functions are allocated to each functional expense category based on employee time records.

**Income Taxes**

The Organization is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. As such, it is subject to federal and state income taxes on net unrelated business income.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions and files as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the Internal Revenue Service.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Concentration of Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and unsecured receivables. Management believes the Organization's cash balances are maintained with quality financial institutions in order to offset the risk of loss that may occur when balances exceed the Federal Deposit Insurance Corporation limits on each account of \$250,000. The ability to collect pledges resulting from resource recruitment efforts is affected by general economic conditions in Olmsted County.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

The Organization has evaluated subsequent events through August 9, 2022, the date the financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program-related activities as well as the conduct of services undertaken to support those programs to be general expenditures.

At March 31, 2022 and 2021, the following financial assets could be readily made available within one year of the statement of financial position date to meet general expenditures:

	2022	2021
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 745,431	\$ 997,882
Investments	2,061,562	2,168,646
Accounts Receivable	72,183	91,662
Promises to Give, Net	1,745,058	1,803,245
Total Financial Assets at Year-End	4,624,234	5,061,435
Less: Amount Not Available to Meet General Expenditures Within One Year:		
Restricted Usage of PPP Funds	-	(239,120)
Board Designated Assets	(581,222)	(624,777)
Restricted by Donors	(2,248,572)	(2,349,391)
Financial Assets Available to Meet General Expenditures Within One Year	\$ 1,794,440	\$ 1,848,147

**NOTE 3 INVESTMENTS**

The following is a summary of investments at March 31, 2022:

	Cost	Fair Value
U.S. Equity Funds	\$ 344,511	\$ 416,878
International Equity Funds	163,829	198,077
Fixed Income Funds	1,298,080	1,274,502
Other, Fixed Income	126,552	130,597
Other Investments	34,830	41,508
Total	\$ 1,967,802	\$ 2,061,562
Investment Return is Summarized as Follows:		
Interest, Dividends, and Capital Gains, Net		\$ 53,890
Realized and Unrealized Net Loss		(16,181)
Total		\$ 37,709



**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

**NOTE 3 INVESTMENTS (CONTINUED)**

The following is a summary of investments at March 31, 2021:

	<u>Cost</u>	<u>Fair Value</u>
U.S. Equity Funds	\$ 358,602	\$ 502,278
International Equity Funds	181,920	271,427
Fixed Income Funds	642,532	648,387
Other Fixed Income	642,521	655,832
Other Investments	96,277	90,722
Total	<u>\$ 1,921,852</u>	<u>\$ 2,168,646</u>

Investment Return is Summarized as Follows:

Interest, Dividends, and Capital Gains, Net	\$ 62,466
Realized and Unrealized Net Gain	419,431
Total	<u>\$ 481,897</u>

**NOTE 4 FAIR VALUE MEASUREMENTS AND DISCLOSURES**

The Organization reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

*Level 3* – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

**NOTE 4 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

The following table presents assets and liabilities measured at fair value on a recurring basis at March 31, 2022 and 2021:

	Level 1	Level 2	Level 3	Total
<u>March 31, 2022</u>				
U.S. Equity Funds	\$ 416,878	\$ -	\$ -	\$ 416,878
International Equity Funds	198,077	-	-	198,077
Fixed Income Funds	1,274,502	-	-	1,274,502
Other Fixed Income	-	130,597	-	130,597
Other Investments	41,508	-	-	41,508
Total	<u>\$ 1,930,965</u>	<u>\$ 130,597</u>	<u>\$ -</u>	<u>\$ 2,061,562</u>
	Level 1	Level 2	Level 3	Total
<u>March 31, 2021</u>				
U.S. Equity Funds	\$ 502,278	\$ -	\$ -	\$ 502,278
International Equity Funds	271,427	-	-	271,427
Fixed Income Funds	648,387	-	-	648,387
Other Fixed Income	-	655,832	-	655,832
Other Investments	90,722	-	-	90,722
Total	<u>\$ 1,512,814</u>	<u>\$ 655,832</u>	<u>\$ -</u>	<u>\$ 2,168,646</u>

**NOTE 5 PLEDGES RECEIVABLE**

Pledges receivable at March 31, 2022 and 2021 are summarized as follows:

	2020 Campaign Without Donor Restrictions	2021 Campaign With Donor Restrictions	Total
<u>Year Ended March 31, 2022</u>			
Pledges Receivable	\$ 55,619	\$ 1,853,125	\$ 1,908,744
Less: Allowance for Uncollectible Pledges	(50,236)	(113,450)	(163,686)
Total	<u>\$ 5,383</u>	<u>\$ 1,739,675</u>	<u>\$ 1,745,058</u>
	2019 Campaign Without Donor Restrictions	2020 Campaign With Donor Restrictions	Total
<u>Year Ended March 31, 2021</u>			
Pledges Receivable	\$ 48,450	\$ 1,914,605	\$ 1,963,055
Less: Allowance for Uncollectible Pledges	(47,630)	(112,180)	(159,810)
Total	<u>\$ 820</u>	<u>\$ 1,802,425</u>	<u>\$ 1,803,245</u>

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

**NOTE 5 PLEDGES RECEIVABLE (CONTINUED)**

At March 31, 2022, one donor accounted for 23% of total pledges receivable. One contributor accounted for approximately 15% of total campaign contribution revenue for the year ended March 31, 2022.

At March 31, 2021, one donor accounted for 21% of total pledges receivable. One contributor accounted for approximately 14% of total campaign contribution revenue for the year ended March 31, 2021.

**NOTE 6 LEASES**

The United Way Services Building, which is owned by the Organization, is approximately 75% occupied by various nonprofit agencies and 25% by the Organization. The nonprofit agency leases are generally for a two to five-year period and expire between July 2021 and September 2023.

Future base rental income from the leases are as follows:

<u>Year Ending March 31,</u>	<u>Operating Leases</u>
2023	\$ 101,111
2024	78,961
2025	36,254
Total	<u>\$ 216,326</u>

All agencies, including the Organization, are charged rent based on space occupied. In addition to the monthly base rental income, all building operating costs are allocated and charged to all agencies, including the Organization. The Organization's share of rent and operating costs are recorded as expenses and allocated to the programs and supporting services in the statement of functional expenses. Following is a summary of rental activities for the years ended March 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Revenue:		
Rental Income and Expense Reimbursements	\$ 161,402	\$ 161,338
Expenses:		
Insurance	5,400	5,400
Utilities	38,186	31,102
Care of Building and Grounds	81,600	70,298
Interest Expense	-	38
Management Fees	7,800	7,762
Total Expenses Before Depreciation	<u>132,986</u>	<u>114,600</u>
Depreciation Expense	43,221	42,530
Total Expenses	<u>176,207</u>	<u>157,130</u>
Net Rental Income	<u>\$ (14,805)</u>	<u>\$ 4,208</u>

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

**NOTE 7 ENDOWMENT FUND**

The United Way of Olmsted County Endowment was organized to support the charitable and human care activities consistent with the mission of United Way of Olmsted County. The endowment assets are held by the Rochester Area Foundation and are not reflected in the financial statements of the Organization. The balance of the endowment was \$535,390 at March 31, 2022.

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods.

	2022	2021
Subject to the Passage of Time:		
Community Grant Making and Operations for the Next Year	\$ 2,248,572	\$ 2,299,741
Subject to Purpose Restriction:		
Advance Diverse Communities	-	39,000
Born Learning Trail	-	10,650
Total Net Assets with Donor Restrictions	\$ 2,248,572	\$ 2,349,391

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended March 31:

	2022	2021
Expiration of Time Restrictions	\$ 2,299,741	\$ 2,400,596
Satisfaction of Purpose Restrictions:		
Advance Diverse Communities	39,000	-
Born Learning Trail	10,650	-
Total Net Assets Released from Donor Restrictions	\$ 2,349,391	\$ 2,400,596

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

**NOTE 9 DONATED PROFESSIONAL SERVICES AND MATERIALS**

The Organization received donated professional services and materials as follows during the years ended March 31:

	Advocacy, Grant Making, and Result Tracking	Internal Community Initiatives	Management and General	Fundraising and Development	Total
<u>March 31, 2022</u>					
Conferences, Conventions, and Training	\$ -	\$ -	\$ -	\$ 1,395	\$ 1,395
Program Expenses	-	26,981	-	-	26,981
Total	<u>\$ -</u>	<u>\$ 26,981</u>	<u>\$ -</u>	<u>\$ 1,395</u>	<u>\$ 28,376</u>
	Advocacy, Grant Making, and Result Tracking	Internal Community Initiatives	Management and General	Fundraising and Development	Total
<u>March 31, 2021</u>					
Program Expenses	\$ -	\$ 22,917	\$ -	\$ -	\$ 22,917
Total	<u>\$ -</u>	<u>\$ 22,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,917</u>

**NOTE 10 FUNCTIONALIZED 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. Direct allocation: if an expense can be directly attributed to an initiative, it is posted to that initiative or function. Indirect allocation based on usage: Certain copier machines allow for counts. Costs for these machines are allocated based on usage. Indirect allocation based on time: Overhead expenses are allocated to departments based on time spent working within these departments or initiatives. These expenses include, but are not limited to, wage, benefits, rent, insurance, and office supplies.

**NOTE 11 RETIREMENT PLAN**

The Organization sponsors a defined contribution retirement plan covering substantially all employees. The Organization contributes twice the employee's contribution up to a maximum of 9% of the employee's gross income. Employer contributions for the years ended March 31, 2022 and 2021 was \$73,939 and \$58,115, respectively.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)

**NOTE 12 FUNDRAISING CAMPAIGN RESULTS**

All unconditional promises to give which were received during the campaign period are recorded in the statement of activities as campaign contributions unless the donor used the Organization to facilitate its contribution to a specified third-party beneficiary for which the Organization acts as an intermediary. When the Organization acts as the intermediary, promises to give are recorded as pledges receivable offset by a liability entitled donor designations payable in the statement of financial position. All unconditional promises to give are due in less than one year.

The campaign results for the five previous years are as follows:

<u>Year Ended March 31,</u>	<u>Amount</u>
2021	\$ 2,858,639
2020	3,064,592
2019	3,235,480
2018	3,259,008
2017	3,477,263

\*2021 results are based on information available as of March 31, 2022.

**NOTE 13 RELATED PARTIES**

There are members of the board of directors of the Organization who hold management positions within the organizations that receive community program distributions from the Organization. Board members of the Organization declare conflicts of interest annually and before any decision related to their conflict. These declarations are recorded in the organizational documents and board minutes. Total grant expense to these organizations totaled \$794,000 and \$294,146 for the years ended March 31, 2022 and 2021, respectively. Total community program distributions payable at March 31, 2022 and 2021 were \$208,026 and \$84,220, respectively.

**NOTE 14 PAYCHECK PROTECTION PROGRAM LOAN**

On April 13, 2020, the Organization received proceeds in the amount of \$214,500 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan). As of March 31, 2021, the PPP loan was forgiven by the U.S. Small Business Administration (SBA) as the loan was subject to certain performance barriers, as outlined in the loan agreement and the CARES Act, which had been met. Forgiveness of the loan was recognized as grant income in the statement of activities.

Additionally, the Organization received a second draw of funds in the amount of \$239,120 on March 15, 2021. The second draw has the same requirements in that the loan may be forgiven by the SBA subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. On January 20, 2022, the Organization received full forgiveness from SBA. Forgiveness of the loan was recognized as grant income in the statement of activities.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS AS OF MARCH 31, 2021)**

**NOTE 14 PAYCHECK PROTECTION PROGRAM LOAN (CONTINUED)**

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

**UNITED WAY OF OLMSTED COUNTY, INC.**  
**SCHEDULE OF FUNCTIONAL INTERNAL INITIATIVE PROGRAM SERVICE EXPENSES**  
**YEAR ENDED MARCH 31, 2022**  
 (SEE INDEPENDENT AUDITORS' REPORT)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Running Start for School	211	Get Connected	Imagination Library	Free Tax Preparation	Community Schools	Cradle to Career	Total	
Salaries and Wages	\$ 5,390	\$ 6,213	\$ 8,929	\$ 4,346	\$ 6,967	\$ 64,109	\$ 219,734	\$ 315,688
Employee Benefits	1,117	890	989	632	908	3,132	29,730	37,398
Payroll Taxes	409	485	704	338	547	5,342	16,562	24,387
<b>Total</b>	<b>6,916</b>	<b>7,588</b>	<b>10,622</b>	<b>5,316</b>	<b>8,422</b>	<b>72,583</b>	<b>266,026</b>	<b>377,473</b>
Program Expense	46,227	-	-	93,459	10,781	300	32,056	182,823
Fees for Professional Services	-	-	-	-	-	-	500	500
Advertising	200	1,898	400	-	-	-	1,619	4,117
Supplies	351	75	-	-	-	-	11,426	11,852
Technology	1,049	1,004	4,413	996	1,009	7,957	14,892	31,320
Occupancy	1,074	1,110	1,621	1,088	1,122	2,100	12,534	20,649
Equipment Rental	825	840	828	824	830	853	1,106	6,106
Conferences, Conventions, and Training	-	-	-	-	-	220	5,151	5,371
Meetings and Food	-	-	-	-	-	-	992	992
Travel	-	-	-	-	-	-	509	509
Insurance	20	24	33	22	26	185	1,118	1,428
Miscellaneous	24	1	67	-	5	29	8,081	8,207
<b>Total</b>	<b>\$ 56,686</b>	<b>\$ 12,540</b>	<b>\$ 17,984</b>	<b>\$ 101,705</b>	<b>\$ 22,195</b>	<b>\$ 84,227</b>	<b>\$ 356,010</b>	<b>\$ 651,347</b>



**UNITED WAY OF OLMSTED COUNTY, INC.**  
**SCHEDULE OF FUNCTIONAL INTERNAL INITIATIVE PROGRAM SERVICE EXPENSES (CONTINUED)**  
**YEAR ENDED MARCH 31, 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

Program Descriptions:

- (1) Running Start for School mobilizes the community to collect backpacks and school supplies through the summer months and then distributes the donated supplies to local schools for children who are eligible for free or reduced lunch.
- (2) 211 is a free, confidential, and multilingual human service information and referral resource available by phone, text, online chat, and online self-search. Information is available 24 hours a day on a variety of topics including childcare, counseling, food, health services, housing, legal assistance, transportation, volunteering, and more.
- (3) Get Connected, United Way's online tool to connect volunteers to opportunities and events, allows people to volunteer with local organizations that fit the volunteer's schedule and interests.
- (4) Imagination Library provides children living in Olmsted County the opportunity to receive a free, age-appropriate book in the mail each month from birth to their fifth birthday. Each book is selected for the developmental benefits it brings.
- (5) The VITA free tax preparation initiative connects low- to moderate-income families to opportunities to file their taxes for free.
- (6) A community school is both a place and set of collective partnerships between Rochester Public Schools, United Way of Olmsted County, the individual school site, and other community resources. United Way of Olmsted County serves as a lead partner with Rochester Public Schools to facilitate the partnership and organize community resources to support student success at seven sites, Gage Elementary, Riverside Central Elementary, Franklin Elementary, John Adams Middle School, Phoenix Academy, John Marshall High School and Rochester Alternative Learning Center. Each site has goals established in the areas of Attendance, Behavior and Curriculum improvements and utilizes Results Based Accountability to track growth.
- (7) Cradle 2 Career is a community wide Initiative that utilizes the nationally recognized Strive Together model to implement a multi-year, multi-phase program to improve educational outcomes in our community and ensure every child and young adult succeeds cradle to career, through shared purpose, alignment and accountability among community partners. United Way of Olmsted County is one of several partner organizations and serves a variety of roles within the community wide initiative, including administrative support, data support and leadership.



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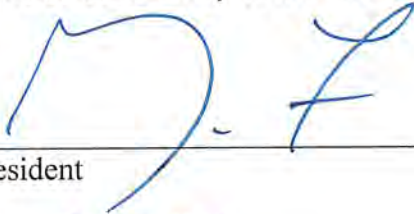
### Audit Certification

#### CEO/CFO Financial Statement Certification

#### CERTIFICATION

I hereby certify that:

1. I have read the audited financial statements of United Way of Olmsted County, Inc. for the year ended March 31, 2022.
2. Based on my knowledge, these financial statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present, in all material respects, the financial condition, results of operations and cash flows of United Way of Olmsted County, Inc. as of and for the year ended March 31, 2022.



\_\_\_\_\_  
President

Date 8-16-22



\_\_\_\_\_  
Chief Financial Officer

Date 8-16-22