

SOURIS VALLEY UNITED WAY
STATEMENTS OF FINANCIAL POSITION
JANUARY 31, 2025 AND 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,459,169	\$ 1,464,566
Pledges receivable		
Outstanding pledges	53,461	112,742
Less: allowance for uncollectible pledges	(22,000)	(22,000)
Pledges receivable, net	31,461	90,742
Inventory	17,464	19,957
Other receivables	2,365	-
Other current assets	18,389	18,910
Total current assets	1,528,848	1,594,175
Other assets		
Finance lease right-of-use asset	1,881	3,934
Operating lease right-of-use asset	129,659	143,556
Beneficial interest in assets held by others	494,509	449,133
Total other assets	626,049	596,623
Property and equipment		
Office equipment	217	6,015
Computer equipment	19,820	32,243
Total property and equipment	20,037	38,258
Less: accumulated depreciation	(13,309)	(28,870)
Property and equipment, net	6,728	9,388
Total assets	\$ 2,161,625	\$ 2,200,186
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 2,190	\$ 3,503
Accrued payroll liabilities	11,053	8,895
Accrued vacation payable	7,997	6,788
Current portion of operating lease liability	33,190	28,163
Current portion of finance lease liability	1,912	2,054
Due to designated beneficiaries	689	3,649
Grants payable	285,861	273,185
Total current liabilities	342,892	326,237
Long-term liabilities		
Long-term operating lease liability	96,469	115,394
Long-term finance lease liability	-	1,912
Total long-term liabilities	96,469	117,306
Total liabilities	439,361	443,543
Net assets		
Without donor restrictions	666,271	457,463
With donor restrictions	1,055,993	1,299,180
Total net assets	1,722,264	1,756,643
Total liabilities and net assets	\$ 2,161,625	\$ 2,200,186

SEE NOTES TO THE FINANCIAL STATEMENTS

SOURIS VALLEY UNITED WAY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JANUARY 31, 2025

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Public support			
Contributions	\$ -	\$ 448,006	\$ 448,006
Less: designations by donors to specific organizations	-	(17,850)	(17,850)
Less: provision for uncollectible pledges	-	(28,192)	(28,192)
Total public support	<u>-</u>	<u>401,964</u>	<u>401,964</u>
Other operating revenue (expense)			
Other collections	46,621	50,957	97,578
In-kind contributions	13,435	-	13,435
Special events	167,466	-	167,466
Net assets released from restriction	741,484	(741,484)	-
Total other operating revenue (expense)	<u>969,006</u>	<u>(690,527)</u>	<u>278,479</u>
Total public support and other operating revenue (expense)	<u>969,006</u>	<u>(288,563)</u>	<u>680,443</u>
Functional expense allocations			
Program services:			
Agency allocations	298,211	-	298,211
Community services	234,894	-	234,894
Total program services	<u>533,105</u>	<u>-</u>	<u>533,105</u>
Supporting services:			
Fundraising / fund drive	163,151	-	163,151
Administration	109,747	-	109,747
Total supporting services	<u>272,898</u>	<u>-</u>	<u>272,898</u>
Total expenses	<u>806,003</u>	<u>-</u>	<u>806,003</u>
Other non-operating revenue (expense):			
Net investment income (loss)	45,805	-	45,805
Increase (decrease) in beneficial interest in assets held by others	-	45,376	45,376
Total other non-operating revenue (expense)	<u>45,805</u>	<u>45,376</u>	<u>91,181</u>
Change in net assets	208,808	(243,187)	(34,379)
Net assets, beginning of year	<u>457,463</u>	<u>1,299,180</u>	<u>1,756,643</u>
Net assets, end of year	<u>\$ 666,271</u>	<u>\$ 1,055,993</u>	<u>\$ 1,722,264</u>

SEE NOTES TO THE FINANCIAL STATEMENTS

SOURIS VALLEY UNITED WAY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JANUARY 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Public support			
Contributions	\$ -	\$ 591,749	\$ 591,749
Less: designations by donors to specific organizations	-	(16,910)	(16,910)
Less: provision for uncollectible pledges	-	(21,376)	(21,376)
Total public support	<u>-</u>	<u>553,463</u>	<u>553,463</u>
Other operating revenue (expense)			
Other collections	20,557	108,386	128,943
In-kind contributions	26,193	-	26,193
Grant revenue	58,000	-	58,000
Special events	123,936	-	123,936
Net assets released from restriction	776,626	(776,626)	-
Total other operating revenue (expense)	<u>1,005,312</u>	<u>(668,240)</u>	<u>337,072</u>
Total public support and other operating revenue (expense)	<u>1,005,312</u>	<u>(114,777)</u>	<u>890,535</u>
Functional expense allocations			
Program services:			
Agency allocations	263,885	-	263,885
Community services	240,523	-	240,523
Total program services	<u>504,408</u>	<u>-</u>	<u>504,408</u>
Supporting services:			
Fundraising / fund drive	174,264	-	174,264
Administration	136,312	-	136,312
Total supporting services	<u>310,576</u>	<u>-</u>	<u>310,576</u>
Total expenses	<u>814,984</u>	<u>-</u>	<u>814,984</u>
Other non-operating revenue (expense):			
Net investment income (loss)	46,613	-	46,613
Increase (decrease) in beneficial interest in assets held by others	-	18,923	18,923
Total other non-operating revenue (expense)	<u>46,613</u>	<u>18,923</u>	<u>65,536</u>
Change in net assets	236,941	(95,854)	141,087
Net assets, beginning of year	<u>220,522</u>	<u>1,395,034</u>	<u>1,615,556</u>
Net assets, end of year	<u>\$ 457,463</u>	<u>\$ 1,299,180</u>	<u>\$ 1,756,643</u>

SEE NOTES TO THE FINANCIAL STATEMENTS

SOURIS VALLEY UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JANUARY 31, 2025

	Program Services		Supporting Services		Total
	Agency Allocations	Community Services	Fundraising / Fund Drive	Administration	
Agency allocation payments	\$ 316,061	\$ -	\$ -	\$ -	\$ 316,061
Less: allocations funded through donor designations	(17,850)	-	-	-	(17,850)
Salaries	-	34,247	99,347	43,211	176,805
Employee benefits	-	2,058	5,971	2,597	10,626
Dolly Parton Imagination Library books	-	25,194	-	-	25,194
Backpack Buddies food	-	106,694	-	-	106,694
Blessing Bank supplies	-	46,764	-	-	46,764
Rent	-	7,414	21,507	9,355	38,276
Professional fees	-	-	-	25,802	25,802
Dues - United Fund National	-	-	-	5,087	5,087
Telephone	-	459	1,332	579	2,370
Travel and meeting	-	-	-	6,007	6,007
Advertising, printing, and postage	-	6,117	17,744	7,718	31,579
Office equipment and maintenance	-	2,873	8,334	3,625	14,832
Dues and subscriptions	-	1,370	3,973	1,728	7,071
Insurance	-	782	2,269	987	4,038
Bank service charges	-	-	-	1,888	1,888
Depreciation and amortization	-	913	2,648	1,152	4,713
Interest	-	9	26	11	46
Total expenses	\$ 298,211	\$ 234,894	\$ 163,151	\$ 109,747	\$ 806,003

SEE NOTES TO THE FINANCIAL STATEMENTS

SOURIS VALLEY UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JANUARY 31, 2024

	Program Services		Supporting Services		Total
	Agency Allocations	Community Services	Fundraising / Fund Drive	Administration	
Agency allocation payments	\$ 280,795	\$ -	\$ -	\$ -	\$ 280,795
Less: allocations funded through donor designations	(16,910)	-	-	-	(16,910)
Salaries	-	38,583	77,288	60,064	175,935
Employee benefits	-	1,570	3,144	2,443	7,157
Dolly Parton Imagination Library books	-	31,195	-	-	31,195
Backpack Buddies food	-	100,630	-	-	100,630
Blessing Bank supplies	-	49,543	-	-	49,543
Rent	-	11,653	23,344	18,141	53,138
Professional fees	-	-	-	23,591	23,591
Dues - United Fund National	-	-	-	8,949	8,949
Telephone	-	653	1,307	1,016	2,976
Travel and meeting	-	-	-	6,221	6,221
Advertising, printing, and postage	-	266	56,281	418	56,965
Office equipment and maintenance	-	4,404	8,821	6,855	20,080
Dues and subscriptions	-	508	1,017	791	2,316
Licenses and fees	-	-	22	-	22
Insurance	-	838	1,679	1,305	3,822
Bank service charges	-	-	-	2,259	2,259
Miscellaneous	-	-	-	3,200	3,200
Depreciation and amortization	-	658	1,318	1,025	3,001
Interest	-	22	43	34	99
Total expenses	\$ 263,885	\$ 240,523	\$ 174,264	\$ 136,312	\$ 814,984

SEE NOTES TO THE FINANCIAL STATEMENTS

SOURIS VALLEY UNITED WAY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JANUARY 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (34,379)	\$ 141,087
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	4,713	3,001
Non-cash rent	-	3,667
Operating lease right-of-use assets	13,897	-
Provision for uncollectible pledges	28,192	21,376
Net decrease (increase) in beneficial interest in assets held by others	(45,376)	(18,923)
Effects on operating cash flows due to changes in:		
Pledges receivable	31,089	(39,424)
Inventory	2,493	(2,449)
Other receivables	(2,365)	-
Other current assets	521	32,269
Accounts payable	(1,313)	1,111
Accrued payroll liabilities	2,158	(6,242)
Accrued vacation payable	1,209	(846)
Operating lease liability	(13,898)	-
Due to designated beneficiaries	(2,960)	(621)
Grants payable	12,676	61,670
Net cash provided (used) by operating activities	(3,343)	195,676
Cash flows from investing activities		
Purchase of property and equipment	-	(6,088)
Net cash provided (used) by investing activities	-	(6,088)
Cash flows from financing activities		
Principal payments on finance lease liabilities	(2,054)	(2,020)
Net cash provided (used) by financing activities	(2,054)	(2,020)
Change in cash and cash equivalents	(5,397)	187,568
Cash and cash equivalents, beginning of year	1,464,566	1,276,998
Cash and cash equivalents, end of year	\$ 1,459,169	\$ 1,464,566
Supplemental cash flow information		
Cash paid during the year for interest	\$ 46	\$ 98
Schedule of noncash items		
Right-of-use asset obtained in exchange for new operating lease liabilities	\$ 16,853	\$ 149,803
In-kind revenue	\$ 13,435	\$ 26,193

SEE NOTES TO THE FINANCIAL STATEMENTS

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Souris Valley United Way (the "Organization") is a non-profit organization governed and monitored by local citizens. The net funds collected are used in the Minot, North Dakota area. The Organization solicits pledges, collects pledges, and makes payments to selected qualifying beneficiaries. The vision of Souris Valley United Way is to fulfill basic human needs by bringing the community together for the purpose of assisting those in need with food, shelter, wellness, dignity, self-worth, and to encourage their development on the road to being self-sufficient.

The Organization's most significant programs are the Dolly Parton Imagination Library, which provides books to children in the surrounding communities; Backpack Buddies, which provides food for children who might not otherwise have food over the weekend; and the Magic City Blessing Bank, whereby the Organization collects donated baby and adult personal care items and distributes them to individuals in the greater community of Minot, North Dakota.

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as codified by the Financial Accounting Standards Board ("FASB").

Basis of Accounting

The financial statements of Souris Valley United Way have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other assets and liabilities. Using this method, revenues are recognized when earned rather than received and expenses are recognized when incurred rather than paid.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization and are allocated based on the time of where efforts are made. Those expenses include program expenses, fundraising/fund drive expenses, and administration expenses. All program costs are allocated based on actual time spent furthering the mission of the Organization. All fundraising/fund drive costs are allocated based on actual time spent fundraising for the Organization and its mission. All administration costs are allocated based on actual time spent for indirect activities that support program activities.

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been consolidated into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The assets, liabilities, and fund balances of the Organization are reported in two self-balancing fund types as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions include unrestricted resources and are subject to self-imposed limits by action of the governing board. Board designated net assets may be earmarked for future programs, investment, operating reserves, purchase of fixed assets, or other uses. The governing board may delegate designation decisions to internal management. Such designations are considered to be included in board-designated net assets.

Net Assets with Donor Restrictions

Net assets with donor restrictions represent net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, stipulating that resources are to be used after a specified date, for particular programs or services, or to acquire fixed assets. Other donors impose restrictions that are perpetual in nature, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources.

Revenue Recognition

Under ASU Topic 958, the Organization recognizes contributions when cash, an unconditional promise to give, or notification of a beneficial interest is received. Depending on the absence or existence and nature of any restrictions, contributions received are recorded as support with donor restrictions or support without donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a donor-imposed stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported on the statements of activities and changes in net assets as net assets released from restrictions.

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all cash on hand, checking accounts, savings accounts, and certificates of deposit with maturities of three months or less to be cash and cash equivalents.

Pledges Receivable

Pledges receivable includes outstanding pledges from current and prior fund drives. Pledges from prior fund drives determined to be uncollectible have been charged off and are an offset to revenue on the statement of activities and changes in net assets. Management determines the allowance for uncollectible pledges by identifying troubled accounts and by using historical experience applied to the accounts. All pledges are considered donor-restricted by time for use in the upcoming fiscal year.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. Donated items are valued at fair market value at the date of donation.

Other Current Assets

Other current assets consists of gift cards and store credit for local grocery stores. The gift cards and store credits are restricted for the Backpack Buddies program.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation or amortization computed on the straight-line method. The Organization capitalizes property and equipment over \$1,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Contributed property and equipment are recorded at fair value at the date of contribution. The estimated useful lives used to compute depreciation are as follows:

Office equipment	5 – 7 years
Computer equipment	3 – 7 years

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense totaled \$14,466 and \$30,604 for the years ended January 31, 2025 and 2024, respectively.

In-kind Contributions

Contributed facilities are recorded at their estimated fair value at the date of contribution. The Organization reports gifts of advertising, professional services, and other nonmonetary contributions as revenue without donor restrictions in the accompanying statements of activities and changes in net assets.

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

Fair Value Measurements

Professional standards establish a framework for measuring fair value, which 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 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under professional standards are described below:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

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.

Beneficial Interest in Assets Held by Others

Beneficial interest in assets held by others consists of a fund established by Souris Valley United Way with the North Dakota Community Foundation (the "Foundation"), naming Souris Valley United Way as beneficiary. Beneficial interest in assets held by others is stated at fair value of the Organization's share of the Foundation's investment pool as of the measurement date. Distributions and changes in fair value are recognized in the statements of activities and changes in net assets.

The Organization and Foundation are in agreement that the bylaws of the Foundation and applicable tax laws require the Foundation's board of directors to have variance power over the assets donated to the Souris Valley United Way Foundation Fund (the "Fund"). The Foundation retains the power to modify any restriction or condition on any distribution from the Fund for any specified charitable purpose or organization, if it is in the sole judgment of the Foundation, such restriction or condition becomes, in effect, unnecessarily incapable of fulfillment, or inconsistent with the charitable needs of the community of the area in which the Foundation serves.

The Fund is subject to the Foundation's investment and spending policies which currently results in a distribution to the Organization of 4% of the average quarterly value over the previous twelve quarters. It is also agreed that no restrictions or conditions may be imposed upon the administration of the Fund that will hinder the Foundation from freely and effectively utilizing the transferred assets or income derived from them to further its exempt status. The Foundation also retains the power, in the Foundation's sole discretion, to modify or withhold any distribution of principal if such distribution would otherwise fail to qualify for charitable purposes as defined in Section 170(c) of the Internal Revenue Code.

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

Leases

The Organization is lessee in multiple noncancelable operating and finance leases. The Organization leases its office and breakroom under an operating lease with a 5-year initial term. The lease includes a renewal option which can extend the lease term up to 5 years. The Organization also leases equipment under a finance lease with terms of 5 years.

The determination of whether an arrangement contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefit from and have the ability to direct the use of the asset. Operating and finance lease right-of-use (“ROU”) assets and liabilities for leases with an initial lease term of more than 12 months, or that contain an option to purchase that the Organization is reasonably certain to exercise, are recognized based on the present value of lease payments over the lease term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the Organization has made an accounting policy election to use a risk-free rate based on US Treasury T-bill rate as of the lease commencement date.

The Organization has elected to not recognize short-term lease ROU assets and liabilities. Short-term leases have a term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization continues to record rent expense for short term leases on a straight-line basis over the lease term.

The depreciable life of assets and leasehold improvements for leases among unrelated parties are limited by the expected lease terms unless there is a transfer of title or purchase option reasonably certain of exercise.

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

Operating Leases

Operating lease 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 agreements may contain tenant improvement allowances, rent holidays, rent escalation clauses, and/or contingent rent provisions. The ROU lease asset includes any required base rent payments and excludes lease incentives and variable operating expenses. Lease expense for lease payments is recognized on a straight-line basis over the lease term and is included in program expenses on the statements of activities and changes in net assets.

Finance Leases

For finance leases, the Organization recognizes interest expense on lease liabilities using the effective interest method and amortizes the ROU asset on a straight-line basis over the lease term.

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

Accrued Vacation Payable

Vacation is earned based on length of eligible service worked by employees, with a maximum carryover of 160 hours per year. Payment in lieu of vacation shall not be granted except in the case of termination, in which employees are paid for all accrued hours.

Due to Designated Beneficiaries

Due to designated beneficiaries represent amounts which have been contributed to the Organization through the annual fund drive that have been designated to pass through to a specific charitable entity. These amounts have been recorded in accordance with professional standards and recognized as a liability to the designated beneficiary concurrent with its recognition of cash or pledges receivable from the donor.

Grants Payable

Grants payable consists of unconditional promises to give to other agencies as approved by the Board but not paid out as of year-end.

Income Taxes

Souris Valley United Way is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code.

Under professional standards, the Organization’s policy is to evaluate the likelihood that any uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, revenue rulings, court decisions, and other evidence.

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable consist primarily of pledges made in and around Minot, North Dakota. All pledges are scheduled for receipt in one year or less. Outstanding pledges as of January 31, 2025 and 2024 include the following:

	2025	2024
Firms	\$ 7	\$ 8,822
Individual	300	200
Employees	53,154	103,720
Total pledges receivable	53,461	112,742
Less: allowance for uncollectible pledges	(22,000)	(22,000)
Total pledges receivable, net	\$ 31,461	\$ 90,742

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

NOTE 3 FAIR VALUE MEASUREMENTS

The following table presents assets measured at fair value on a recurring basis as of January 31:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2025</u>				
Beneficial interest in assets held at ND Community Foundation	<u>\$ 494,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 494,509</u>
<u>2024</u>				
Beneficial interest in assets held at ND Community Foundation	<u>\$ 449,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449,133</u>

The beneficial interest in assets held at the North Dakota Community Foundation have been valued, as a practical expedient, at the fair value of the Organization’s share of the Foundation’s investment pools as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair value of certain investments of the Foundation, which include private placements and other securities for which prices may not be readily available, are determined by the management of the Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The beneficial interest in assets held at the Foundation is not redeemable by the Organization as described in Note 1.

Below is a reconciliation of the beginning and ending balances of the beneficial interest in assets held by others measured at fair value on a recurring basis using significant unobservable inputs (level 3 measurement) for the years ended January 31, 2025 and 2024:

	<u>Beneficial Interest in Assets Held by Others</u>
Balance, February 1, 2023	\$ 430,210
Net appreciation	18,923
Balance, January 31, 2024	449,133
Net appreciation	45,376
Balance, January 31, 2025	<u>\$ 494,509</u>

NOTE 4 RELATED PARTY TRANSACTIONS

During the years ended January 31, 2025 and 2024, the Organization contracted ProIT to perform IT support services. An owner of ProIT is an immediate family member of the Executive Director of Souris Valley United Way. The Organization made payments totaling \$4,513 and \$8,069, respectively, to ProIT for services and purchases of technological equipment.

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

NOTE 5 LEASES

In October 2023, the Organization entered into a lease agreement for office space with monthly payments of \$2,850 until the lease expires in September 2028. In April 2024, an addendum to the lease was created to include the breakroom for an additional \$350 monthly payment, totaling to monthly payments of \$3,200, until the lease expires in September 2028.

On January 2, 2021, the Organization entered into a lease agreement in which the Organization leases a digital copier under a 60-month finance lease which expires January 1, 2026. The lease calls for monthly payments of \$175, plus an additional \$48 per month for maintenance charges. The Organization is also subject to overage fees if they exceed the monthly copy allowance.

A summary of lease expense and related information is as follows:

	2025	2024
Lease expense		
Finance lease expense		
Amortization of right-of-use assets	\$ 2,052	\$ 1,043
Interest on lease liabilities	46	99
Operating lease expense	37,700	41,650
Total	\$ 39,798	\$ 42,792
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases (i.e. interest)	\$ 46	\$ 99
Financing cash flows from finance leases (i.e. principal portion)	\$ 2,054	\$ 2,020
Operating cash flows from operating leases	\$ 37,350	\$ 38,800
ROU assets obtained in exchange for new operating lease liabilities	\$ 16,853	\$ 149,803
Weighted-average remaining lease term in years for finance leases	0.92	1.92
Weighted-average remaining lease term in years for operating leases	3.67	4.67
Weighted-average discount rate for finance leases	1.63%	1.63%
Weighted-average discount rate for operating leases	4.68%	4.72%

The future minimum lease commitments under operating and finance leases as of January 31, 2025 are as follows:

	Finance	Operating
2026	\$ 1,925	\$ 38,400
2027	-	38,400
2028	-	38,400
2029	-	25,600
Total undiscounted cash flows	1,925	140,800
Less: present value discount	(13)	(11,141)
Total lease liabilities	\$ 1,912	\$ 129,659

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

NOTE 6 NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions is comprised of undesignated and board designated amounts for the following purposes at January 31:

	2025	2024
Board designated as an emergency reserve	\$ 54,844	\$ 130,664
Undesignated	611,427	326,799
Total net assets without donor restrictions	\$ 666,271	\$ 457,463

Board Designated as an Emergency Reserve

The Organization's board of directors established an emergency reserve fund to provide a source of cash flows for the operational, financial, and organizational needs of the Organization and emergency needs of member agencies in good standing. This fund will allow the Organization to manage cash flow interruptions; meet commitments, obligations or other contingencies; minimize the need for short-term borrowings; provide flexibility for new organizational priorities; and generate investment income.

The fund will grow to a level that is sufficient to sustain three months of operations in the event of a cash flow interruption and make emergency payments to beneficiaries if needed.

These funds may only be invested in quality investments such as money market savings or passbook savings accounts (FDIC insured), certificates of deposits (FDIC insured), or US government obligations. These funds will be held separate from operating funds or other savings accounts.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net asset with donor restrictions are restricted for the following purposes or periods:

	2025	2024
Subject to the Organization's spending policy and appropriation:		
Beneficial interest in assets held by others in perpetuity at ND Community Foundation	\$ 494,509	\$ 449,133
Subject to the passage of time:		
Time restricted campaign pledges	401,964	553,463
Subject to expenditure for specified purpose:		
Backpack Buddies	159,520	263,517
Women's United	-	4,158
Magic City Blessing Bank	-	28,909
	159,520	296,584
Total net assets with donor restrictions	\$ 1,055,993	\$ 1,299,180

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

NOTE 8 NET ASSETS RELEASED FROM RESTRICTIONS

The following table summarizes net assets that were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by the donors for the years ended January 31, 2025 and 2024:

	2025	2024
Purpose restrictions accomplished:		
Backpack Buddies	\$ 147,479	\$ 100,630
Women's United	4,158	61
Magic City Blessing Bank	36,384	68,041
Total purpose restrictions accomplished	188,021	168,732
Released due to the passage of time	553,463	607,894
Total restrictions released	\$ 741,484	\$ 776,626

NOTE 9 FINANCIAL ASSETS AVAILABLE FOR GENERAL USE

The below table reflects the financial assets of the Organization as of January 31, 2025 and 2024, reduced by amounts unavailable for general expenditures because of contractual or donor-imposed restrictions within one year of the statements of financial position date. Amounts unavailable also include the board designated reserve. Financial assets are considered to be cash and cash equivalents and other assets readily convertible to cash.

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 1,459,169	\$ 1,464,566
Pledges and other receivables, net	33,826	90,742
Other current assets	18,389	18,910
Total financial assets	1,511,384	1,574,218
Less those unavailable for general expenditures within one year:		
Contractual or donor-imposed restrictions:		
Restricted by donor for a specific period of time	401,964	553,463
Restricted by donor for a specific purpose	159,520	296,584
Board designated as an emergency reserve	54,844	130,664
Total financial assets unavailable for general expenditures	616,328	980,711
Financial assets available to meet cash needs for general expenditures within one year	\$ 895,056	\$ 593,507

The Organization is supported through general and restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

NOTE 10 IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions totaling \$13,435 and \$26,193 for the years ended January 31, 2025 and 2024, respectively. The Organization estimated the fair value of contributed nonfinancial assets relating to rent on the basis of recent comparable rent prices in the Organization’s real estate market, and advertising based on the donors market rates for similar advertisements. The Organization estimated the fair value of all other contributed nonfinancial assets on the basis of estimates of wholesale values that would be received for selling similar products in the United States. In-kind contributions included in the accompanying statements of activities and changes in net assets consisted of the following:

	Community Services	Fundraising / Fund Drive	Administration	Total
<u>January 31, 2025</u>				
Blessing Bank household supplies	\$ 5,025	\$ -	\$ -	\$ 5,025
Backpack Buddies food	7,850	-	-	7,850
Advertising	-	560	-	560
Total in-kind contributions	<u>\$ 12,875</u>	<u>\$ 560</u>	<u>\$ -</u>	<u>\$ 13,435</u>
<u>January 31, 2024</u>				
Rent	\$ 905	\$ 1,814	\$ 1,410	\$ 4,129
Blessing Bank household supplies	2,100	-	-	2,100
Backpack Buddies food	11,730	-	-	11,730
Backpack Buddies raffle	600	-	-	600
Dolly Parton Imagination Library books	150	-	-	150
Other in-kind	-	2,500	-	2,500
Advertising	-	4,984	-	4,984
Total in-kind contributions	<u>\$ 15,485</u>	<u>\$ 9,298</u>	<u>\$ 1,410</u>	<u>\$ 26,193</u>

Unless otherwise noted, contributed nonfinancial assets do not have donor-imposed restrictions.

A substantial number of unpaid volunteers have made significant contributions of their time to carry out the fund drive of the Organization. In accordance with professional standards, the value of this contributed time is not reflected in these financial statements.

NOTE 11 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts nor does the Organization believe it is exposed to any significant credit risk on cash accounts.

SOURIS VALLEY UNITED WAY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JANUARY 31, 2025 AND 2024

NOTE 12 UNCERTAIN TAX POSITIONS

It is the opinion of management that the Organization has no significant uncertain tax positions that would be subject to change upon examination. The federal income tax returns of the Organization are subject to examination by the IRS, generally for three years after they were filed. All tax filings are up to date.

NOTE 13 SUBSEQUENT EVENTS

There were no significant events that occurred subsequent to year-end. Subsequent events have been evaluated through May 13, 2025, which is the date these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SOURIS VALLEY UNITED WAY
SCHEDULES OF ALLOTMENTS TO AGENCIES
FOR THE YEARS ENDED JANUARY 31, 2025 AND 2024

	2025	2024
Domestic Violence Crisis Center	\$ 48,770	\$ 44,000
Minot Area Homeless Coalition	40,300	45,000
Northern Plains Child Advocacy	90,920	90,000
Minot Commission on Aging	47,179	40,000
Project BEE	200	7,506
Community Action	30,000	-
Catholic Family Services	1,252	8,089
Companions for Children	15,000	15,000
Lutheran Social Services	3,200	3,200
Full Steam Ahead	-	3,500
Minot Literacy Volunteers	4,000	2,000
Mountain Plains Child Care	30,240	22,500
F5 Project	5,000	-
Total allotments to agencies of the organization	<u>316,061</u>	<u>280,795</u>
Amounts designated by donors	<u>(17,850)</u>	<u>(16,910)</u>
Total	<u>\$ 298,211</u>	<u>\$ 263,885</u>