FINANCIAL STATEMENTS

MARCH 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2024

UNITED WAY OF SOUTHEAST IDAHO, INC.

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Southeastern Idaho, Inc.

Opinion

We have audited the accompanying statement of financial position of United Way of Southeastern Idaho, Inc. (a non-profit organization), which comprise the statement of financial position as of March 31, 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Southeastern Idaho, Inc. as of March 31, 2025, and the changes in its net assets and its cash flows for the years then ended in conformity 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. 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 Southeastern Idaho and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Southeastern Idaho's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards, 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 Southeastern Idaho'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 Southeastern Idaho'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.

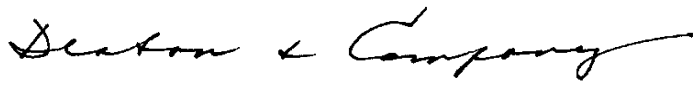
Other Matters

Other Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, United Way of Southeastern Idaho, Inc.'s financial statements for the year ended March 31, 2024, which are presented as comparable totals with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise United Way of Southeastern Idaho, Inc.'s financial statements as a whole. The summarized comparative information is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2025, on our consideration of United Way of Southeastern Idaho, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.



Pocatello, Idaho
December 8, 2025

UNITED WAY OF SOUTHEASTERN IDAHO, INC
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2025
WITH COMPARATIVE TOTALS AS OF MARCH 31, 2024

ASSETS

Current assets:	**2025**	**2024**
Cash and cash equivalents	$ 278,376	$ 362,109
Grants receivable	9,588	21,346
Pledges receivable	608,898	648,811
Current expected credit loss	(126,293)	(141,484)
Prepaid expenses	5,010	8,133
Total current assets	775,579	898,915
Equipment:		
Equipment	12,860	12,860
Less accumulated depreciation	11,890	10,564
Total property and equipment	970	2,296
Total assets	$ 776,549	$ 901,211

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	$ 14,438	$ 9,814
Accrued payroll payables	28,142	29,282
Donor designations payable	101,807	170,272
Unearned revenues	33,722	49
Total current liabilities	178,109	209,417
Net assets:		
Without donor restrictions	598,440	660,858
With donor restrictions	-	30,936
Total net assets	598,440	691,794
Total liabilities and net assets	$ 776,549	$ 901,211

UNITED WAY OF SOUTHEASTERN IDAHO, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2024

	Without Donor Restriction	With Donor Restrictions	Total	2024
Revenues, gains and other support:				
Campaign results:				
Gross campaign	$ 949,340	$ 132,574	$ 1,081,914	$ 1,165,676
Less:				
Donor designations	-	(132,574)	(132,574)	(183,392)
Recovery of uncollectable campaign pledges	-	-	-	-
Net campaign results	949,340	-	949,340	982,284
Interest income	6,592	-	6,592	17,327
Service fees	-	-	-	5,000
Grant revenue	-	362,785	362,785	495,070
Special events and other income	-	-	-	4,383
Net assets released from restriction	393,721	(393,721)	-	-
Total revenues, gains, and other support	1,349,653	(30,936)	1,318,717	1,504,064
Expenses:				
Allocations to agencies	606,380	-	606,380	683,826
Less: allocations funded by donor designations	(132,574)	-	(132,574)	(183,392)
Total allocations	473,806	-	473,806	500,434
Program services	798,042	-	798,042	1,240,161
Fundraising	41,400	-	41,400	64,517
Management and general	41,400	-	41,400	129,034
Total functional expenses	1,354,647	-	1,354,647	1,934,146
Other expenses:				
Bad debt expense	38,816	-	38,816	49,386
National dues	18,608	-	18,608	7,901
Total other expenses	57,424	-	57,424	57,287
Total expenses	1,412,071	-	1,412,071	1,991,433
Change in net assets	(62,418)	(30,936)	(93,354)	(487,368)
Net assets at beginning of year	660,858	30,936	691,794	1,179,162
Net assets at end of year	$ 598,440	$ -	$ 598,440	$ 691,794

UNITED WAY OF SOUTHEASTERN IDAHO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2024

	Allocations and Program Services	Supporting Services: Fund-Raising	Supporting Services: Management and General	Total	2024
Allocations to agencies	$ 606,380	$ -	$ -	$ 606,380	$ 683,826
Salaries	511,309	26,525	26,525	564,359	721,342
Employee benefits	45,266	2,348	2,348	49,963	54,816
Payroll taxes	34,244	1,776	1,776	37,797	48,914
Campaign expenses	38,561	2,000	2,000	42,562	35,683
Conferences/training	3,729	193	193	4,116	9,376
Insurance	1,971	102	102	2,175	2,112
Audit and legal	9,196	477	477	10,150	21,425
Advertising and public awareness	2,112	110	110	2,331	15,502
Office expense	6,589	342	342	7,273	13,956
Postage	183	9	9	202	415
Special Program expenses	77,402	4,015	4,015	85,433	385,516
Dues and subscriptions	18,891	980	980	20,851	55,700
Auto and travel	12,720	660	660	14,040	26,414
Rent	30,790	1,597	1,597	33,985	37,112
Telephone	3,876	201	201	4,278	4,102
Total program expenses before depreciation	796,841	41,337	41,337	879,515	1,432,385
Depreciation expense	1,201	62	62	1,326	1,327
Total allocations and functional expenses	$ 1,404,422	$ 41,400	$ 41,400	$ 1,487,221	$ 2,117,538

UNITED WAY OF SOUTHEASTERN IDAHO, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2024

Cash flows from operating activities:	**2025**	**2024**
Change in net assets	$ (93,354)	$ (487,368)
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	$ 1,326	$ 1,327
Bad debt expense	38,816	49,386
(Increase) decrease in grants receivable	11,758	16,352
(Increase) decrease in pledges receivable	(14,094)	(71,193)
(Increase) decrease in prepaid expenses	3,123	(1,537)
Increase (decrease) in allocations payable	(68,465)	(5,793)
Increase (decrease) in accounts payable	4,624	(21,433)
Increase (decrease) in accrued payables	(1,140)	(18,220)
Increase (decrease) in deferred revenue	33,673	(1,360)
Total adjustments	9,621	(52,471)
Net cash provided (used) by operating activities	(83,733)	(539,839)
Cash flows from financing activities		
Net increase (decrease) in cash and cash equivalents	(83,733)	(539,839)
Cash and cash equivalents, beginning of year	362,109	901,948
Cash and cash equivalents, end of year	$ 278,376	$ 362,109

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

United Way of Southeastern Idaho, Inc. (United Way) is a nonprofit corporation that was formed in 1954 to meet the community's human services needs. United Way's work impacts lives in the seven southeastern-most counties of Idaho.

Annual fund raising campaigns are mainly conducted in the fall of each year to support programs primarily in the subsequent year. Campaign contributions are used to support local health and human services programs of local partner agencies and those that United Way operates, and include corporate gifts to pay United Way's operating expenses. Donors may designate their pledges to any 501(c)(3) nonprofit that does not discriminate or promote terrorism. Community care pledges are pooled and are strategically invested in local health and human services programs.

Annual fall campaign results are reduced by pledges collected on behalf of others or pledged to a specific organization, and by a provision for uncollectible pledges. The resulting net campaign results are reflected as temporarily restricted in the accompanying statement of activities as the amounts are to be expended in the following year. Prior year campaign results are reflected as net assets released from restrictions in the current year statement of activities. Net campaign results are invested in community programs at the completion of the campaign.

Basis of Presentation

The accompanying financial statements of United Way are presented on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: those with donor restrictions and those without donor restrictions. As permitted, fund accounting is not used.

Net assets, revenues, expenses, gains, and losses of United Way are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of United Way and changes therein are reported as follows:

Net assets with donor restrictions represent the part of net assets whose use is limited by donor-imposed

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and all short-term unrestricted highly liquid debt instruments purchased with maturity of three months or less.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pledges Receivable

Contributions from campaigns are recorded as revenue when United Way is notified in writing of a pledge that is, in substance, unconditional. Donor designations are recognized as a receivable and payable at the time the pledge is made to United Way.

Annual campaigns are predominantly conducted in the fall. The total results from the annual campaign are reduced by promises to give collected on behalf of others (donor designations) and by a provision for amounts promised but not paid (uncollectible promises to give).

Differences between amounts provided for uncollectible promises to give in each campaign and actual losses are an accounting adjustment in the year following the campaign.

Current Expected Credit Loss - Promises to Give

Campaign pledges less the allowance for credit losses are expected to be received within one year. The current expected credit loss for promises to give is an estimate based on management's evaluation of the collectability of existing promises to give. The provision is based on the prior campaign collection experience and any new market conditions. Management expects a credit loss of five percent of total campaign pledges for the current year. Any pledges remaining from prior years are expected to be one hundred percent uncollectable.

Property and Equipment

Fixed assets owned and used in operations are included in the unrestricted fund and are recorded at cost. The Organization follows the practice of capitalizing all expenditures for equipment in excess of $5,000. Depreciation expense is recorded by using the straight-line method over the estimated useful lives of the assets, which range from 5 to 10 years.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains, support and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Designated pledges

United Way has adopted the standard which requires that campaign contributions designated by the donor for a specific organization cannot be included in campaign revenue, nor can the payment of such contributions to the designated organization be included in expenses. Instead, United Way records cash or a receivable from the donor and a liability to the designated beneficiary.

Reclassification

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject United Way to concentrations of credit risk consist primarily of the following:

Pledges Receivable

Substantially all of pledges receivable are from individuals and businesses in the Pocatello and Blackfoot areas. Concentrations of credit risk may be limited due to the large number of donors comprising United Way's donor base, however the collection of the receivables may be affected by the economy of the cities.

Cash

United Way maintains bank accounts at various financial institutions. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of March 31, 2025, there was $0 uninsured.

NOTE 3 - RETIREMENT PLAN

The Corporation has adopted a salary reduction simplified employee pension plan covering all eligible employees. Employer contributions at 6% of compensation amounted to $21,485 and $23,721 for the years ended March 31, 2025 and 2024, respectively.

NOTE 4 - INCOME TAXES

United Way is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements.

NOTE 5 - PLEDGES RECEIVABLE

The current expected credit loss for campaign pledges were estimated at $40,600. During the year, $30 was recovered from prior year uncollectibles.

NOTE 6 - DONOR RESTRICTED

During the year, the Organization released $393,721 in donor restricted assets. The release of restrictions were recognized when time and/or designation restrictions were met.

At year end the donor restricted assets of $0 represent donor restricted contributions from federal grants.

Donor designated assets are recorded as payables when pledged.

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's primary sources of income are contributions and grant revenues. A portion of that support is required to be used in accordance with the purpose restrictions imposed by the donor. Donor restricted support has historically funded 25% of annual program activities, with the remainder funded by income without donor restrictions.

Financial assets available within one year and free of donor restrictions:

Cash and cash equivalents	$ 278,376
Promises to give	608,898
	$ 887,274
Less those unavailable for general expenditures within one year, due to:	
Donor restrictions	-
Financial assets available to meet cash needs for general expenditures within one year	$ 887,274

NOTE 8 - LEASE EXPENSE

The Organization entered into a five year multi-year lease agreement for office space in February 2020. The lease requires monthly payments of $2,826 per month. This reflects a rent increase of $74 which became effective August 1, 2024.

NOTE 9 - CAMPAIGN RESULTS

Net campaign results are invested in local community impact programs at the completion of the campaign. Total campaign pledges for the year were $899,514 of which $489,425 is uncollected at year end. Of the amount not collected, it is estimated that $40,600 will not be collectible. The organization also expended $85,433 in program services as reflected in the same statement. In addition, donor designations payables totaled $101,807.

NOTE 10 - ADVERTISING

The Organization uses advertising to educate the public about its programs among the community it serves. The production costs of advertising are expensed as incurred. At year-end, advertising costs totaled $2,331.

NOTE 11 - SUBSEQUENT EVENTS

Management evaluated subsequent events up to December 8, 2025, the date the financial statements were available to be issued.

NOTE 12 - OPEN TAX YEARS

The Organization has been classified as an other-than private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated business.

The Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken on a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations, or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at March 31, 2025.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2021.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
United Way of Southeastern Idaho, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Southeastern Idaho (a nonprofit organization), which comprise the statement of financial position as of March 31, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2025.

Report on Internal control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Southeastern Idaho's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of Southeastern Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of United way of southeastern Idaho's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Southeastern Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

United Way of Southeastern Idaho's response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on United Way of Southeastern Idaho's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. United Way of Southeastern Idaho's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deaton & Company

Pocatello, Idaho
December 8, 2025

UNITED WAY OF SOUTHEASTERN IDAHO
SCHEDULE OF FINDINGS AND RESPONSES
MARCH 31, 2025

Findings

None noted

UNITED WAY OF SOUTHEASTERN IDAHO
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
MARCH 31, 2025

2024-001 Internal control – Pledges Receivable

Criteria and Condition: Management is responsible to ensure controls are in place to accurately record and report all financial transactions in a timely manner.

Context: During the audit, it was discovered that pledges receivable recorded in the Organization's donor system did not reconcile to the pledges recorded in the financial statements. The result was that campaign revenue was overstated in the financial statements by more than $150,000.

Cause: The policies and procedures set forth by United Way of Southeastern Idaho regarding the timely reconciliation of pledge balances in the donor system with those recorded in the accounting software did not account for changes made to the donor system after a monthly reconciliation had occurred.

Recommendation: It is recommended that the board review their policies and procedures to ensure proper controls over the reporting and recording of pledges and designated revenues.

Management Response: The overstatement of campaign revenue in the financial statements by over $150,000 was the result of limitations within the Organization’s donor system (UPIC). Specifically, the current donor system requires that the accounts receivable report for the fiscal year be pulled within day(s) of the fiscal year-end. Due to these constraints, an unlikely circumstance occurred in which an entry was made in the donor system within a 24-hour window, after the AR report was generated but before the data was finalized in the accounting system.

To prevent similar occurrences in the future, UWSEI has already implemented several process improvements. We are actively collaborating with the donor system's technical team to create a reporting feature that allows report generation based on a defined date range, independent of the time it is generated. This enhancement will ensure greater accuracy in capturing pledges receivable data without being impacted by timing constraints. Additionally, we have introduced an extra layer in the reconciliation process between the donor and accounting systems. This additional review step provides further confidence that any discrepancies will be identified and resolved promptly, ensuring accurate financial reporting going forward.