GREATER TWIN CITIES UNITED WAY

Financial Statements

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

GREATER TWIN CITIES UNITED WAY

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KPMG LLP
Suite 600
350 N. 5th Street
Minneapolis, MN 55401

Independent Auditors' Report

The Board of Directors
Greater Twin Cities United Way:

Opinion

We have audited the financial statements of Greater Twin Cities United Way (the United Way), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United Way as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the United Way 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 U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Way's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the United Way'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 the United Way'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.

KPMG LLP

Minneapolis, Minnesota
July 21, 2026

GREATER TWIN CITIES UNITED WAY

Statements of Financial Position

December 31, 2025 and 2024

Assets		2025	2024
Cash and cash equivalents	$	11,035,616	9,731,277
Annual campaign pledges receivable, less allowance for uncollectible pledges of $513,839 and $1,629,689, respectively		11,364,138	12,958,417
Other assets		1,181,262	609,345
Grants and other receivables, net of discount		2,902,347	3,283,270
Breakthrough Campaign receivables, net of discount		5,530,878	8,181,514
Endowment/planned giving receivables, net of discount		17,298,141	18,711,016
Investments		10,264,927	15,075,804
Investment in closely held stock		9,002,760	8,334,820
Investments held at the Saint Paul & Minnesota Foundation		48,442,828	45,753,464
Investments held at The Minneapolis Foundation		14,289,706	13,308,183
Beneficial interests in charitable trusts		2,988,195	2,610,138
Property and equipment, net of accumulated depreciation of $9,304,095 and $8,915,504, respectively		2,046,946	2,304,082
Total assets	$	136,347,744	140,861,330
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	2,209,272	2,848,656
Grants payable		1,284,250	959,500
Donor designations, net of allowance for uncollectible pledges		1,760,275	2,398,374
Total liabilities		5,253,797	6,206,530
Net assets:			
Without donor restrictions:			
Board-designated endowments		20,915,735	20,877,367
Board-designated other		1,188,441	1,857,014
Land, building, and equipment		2,046,946	2,304,082
Undesignated		980,052	4,653,455
Total net assets without donor restrictions		25,131,174	29,691,918
With donor restrictions:			
Annual campaign		15,992,570	16,994,210
Perpetual in nature		2,988,195	2,610,138
Purpose restrictions – endowments		68,242,700	65,255,116
Time restricted for future periods		2,311,530	2,089,196
Purpose restrictions – other		16,427,778	18,014,222
Total net assets with donor restrictions		105,962,773	104,962,882
Total net assets		131,093,947	134,654,800
Total liabilities and net assets	$	136,347,744	140,861,330

See accompanying notes to financial statements.

GREATER TWIN CITIES UNITED WAY

Statements of Activities

Year Ended December 31, 2025

	Without donor restrictions	With donor restrictions	Total
Support and revenue:			
Annual campaign received in prior period and now released from restriction	$ 28,344,264	(28,344,264)	—
Less:			
Annual campaign multi-year gifts recorded in prior period - now released from restriction	(512,750)	512,750	—
Donor designations – now released from restriction	(10,106,821)	10,106,821	—
Provision for uncollectible pledges – now released from restriction	(850,328)	850,328	—
Provision for third party processing fees	—	—	—
Actual campaign revenue gain (loss) from prior years	(491,435)	—	(491,435)
Actual designations estimate change	219,579	—	219,579
Net campaign revenue for current period	16,602,509	(16,874,365)	(271,856)
Campaign revenue received for future allocation period	—	23,130,605	23,130,605
Less:			
Annual campaign multi-year gifts recorded in prior period	—	(488,458)	(488,458)
Donor designations	—	(5,943,263)	(5,943,263)
Provision for uncollectible pledges	—	(578,265)	(578,265)
Provision for third party processing fees	—	(26,333)	(26,333)
Net campaign revenue for future periods	—	16,094,286	16,094,286
Total campaign revenue	16,602,509	(780,079)	15,822,430
Grants and other revenues	107,045,035	8,872,932	115,917,967
Less: State Early Learning Grant Scholarships (passthrough)	(97,625,996)	—	(97,625,996)
Net Grants and other revenues	9,419,039	8,872,932	18,291,971
In-kind contributions	156,945	—	156,945
Legacy revenue, net	—	—	—
Investment income and realized gains	1,073,886	—	1,073,886
Net unrealized gains (losses) on investments	50,431	—	50,431
Appropriation of unrestricted endowment assets	2,068,757	—	2,068,757
Donor designation cost recovery	43,172	—	43,172
Designations (to) from other United Ways	(25,066)	—	(25,066)
Miscellaneous income	154,859	—	154,859
Net assets released from restriction:			
Appropriation of endowment assets	2,162,888	(2,162,888)	—
Satisfaction of program restrictions	9,213,712	(9,213,712)	—
Expiration of time restrictions	557,766	(557,766)	—
Total net assets released from restrictions	11,934,366	(11,934,366)	—
Total support and revenue	41,478,898	(3,841,513)	37,637,385
Grants and program services:			
Grants awarded/distributed to agencies for programs	122,800,020	—	122,800,020
Less: State Early Learning Grant Scholarships (passthrough)	(97,625,996)	—	(97,625,996)
Less: donor designations	(10,106,821)	—	(10,106,821)
Net funds awarded/distributed	15,067,203	—	15,067,203
Community and program services provided directly by Greater Twin Cities United Way	20,384,499	—	20,384,499
Total grants and program services	35,451,702	—	35,451,702
Supporting services:			
Fund raising	7,198,798	—	7,198,798
Organizational administration	3,427,076	—	3,427,076
Total supporting services	10,625,874	—	10,625,874
Total grants, program, and supporting services	46,077,576	—	46,077,576
Change in net assets before endowment investment gains and other losses	(4,598,678)	(3,841,513)	(8,440,191)
Board-designated endowment income and realized gains	4,246,479	—	4,246,479
Board-designated endowment net unrealized gains	1,656,054	—	1,656,054
Appropriation of unrestricted endowment assets	(2,068,757)	—	(2,068,757)
Donor designated endowment gains (losses)	(3,795,407)	3,795,407	—
Net unrealized gain on investment in closely held stock	—	667,940	667,940
Change in fair value of beneficial interests in charitable trusts	—	378,057	378,057
Loss on disposal of equipment	(435)	—	(435)
Change in net assets	(4,560,744)	999,891	(3,560,853)
Net assets, beginning of year	29,691,918	104,962,882	134,654,800
Net assets, end of year	$ 25,131,174	105,962,773	131,093,947

See accompanying notes to financial statements.

GREATER TWIN CITIES UNITED WAY

Statements of Activities

Year Ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total
Support and revenue:			
Annual campaign received in prior period and now released from restriction	$ 30,821,376	(30,821,376)	—
Less:			
Annual campaign multi-year gifts recorded in prior period - now released from restriction	(611,764)	611,764	—
Donor designations – now released from restriction	(11,185,453)	11,185,453	—
Provision for uncollectible pledges – now released from restriction	(924,641)	924,641	—
Provision for third party processing fees	(28,246)	28,246	—
Actual campaign revenue gain (loss) from prior years	(291,454)	—	(291,454)
Actual designations estimate change	162,260	—	162,260
Net campaign revenue for current period	17,942,078	(18,071,272)	(129,194)
Campaign revenue received for future allocation period	—	28,344,264	28,344,264
Less:			
Annual campaign multi-year gifts recorded in prior period	—	(512,750)	(512,750)
Donor designations	—	(10,106,821)	(10,106,821)
Provision for uncollectible pledges	—	(850,328)	(850,328)
Provision for third party processing fees	—	(54,509)	(54,509)
Net campaign revenue for future periods	—	16,819,856	16,819,856
Total campaign revenue	17,942,078	(1,251,416)	16,690,662
Grants and other revenues	42,588,385	9,171,513	51,759,898
Less: State Early Learning Grant Scholarships (passthrough)	(39,318,989)	—	(39,318,989)
Net Grants and other revenues	3,269,396	9,171,513	12,440,909
In-kind contributions	222,574	—	222,574
Legacy revenue, net	—	(753,090)	(753,090)
Investment income and realized gains	1,181,645	—	1,181,645
Net unrealized gains (losses) on investments	65,907	—	65,907
Appropriation of unrestricted endowment assets	979,307	—	979,307
Donor designation cost recovery	76,079	—	76,079
Designations from other United Ways	136,680	—	136,680
Miscellaneous income	208,841	—	208,841
Net assets released from restriction:			
Appropriation of endowment assets	2,019,469	(2,019,469)	—
Satisfaction of program restrictions	15,702,293	(15,702,293)	—
Expiration of time restrictions	574,758	(574,758)	—
Total net assets released from restrictions	18,296,520	(18,296,520)	—
Total support and revenue	42,379,027	(11,129,513)	31,249,514
Grants and program services:			
Grants awarded/distributed to agencies for programs	65,881,171	—	65,881,171
Less: State Early Learning Grant Scholarships (passthrough)	(39,318,989)	—	(39,318,989)
Less: donor designations	(11,185,453)	—	(11,185,453)
Net funds awarded/distributed	15,376,729	—	15,376,729
Community and program services provided directly by Greater Twin Cities United Way	17,488,780	—	17,488,780
Total grants and program services	32,865,509	—	32,865,509
Supporting services:			
Fund raising	6,801,010	—	6,801,010
Organizational administration	2,960,253	—	2,960,253
Total supporting services	9,761,263	—	9,761,263
Total grants, program, and supporting services	42,626,772	—	42,626,772
Change in net assets before investment gain and other losses	(247,745)	(11,129,513)	(11,377,258)
Board-designated endowment income and realized gains	2,725,175	—	2,725,175
Board-designated endowment net unrealized gains	1,838,756	—	1,838,756
Appropriation of unrestricted endowment assets	(979,307)	—	(979,307)
Donor designated endowment gains (losses)	(2,882,440)	2,882,440	—
Net unrealized gain on investment in closely held stock	—	915,590	915,590
Change in fair value of beneficial interests in charitable trusts	—	146,645	146,645
Change in net assets	454,439	(7,184,838)	(6,730,399)
Net assets, beginning of year	29,237,479	112,147,720	141,385,199
Net assets, end of year	$ 29,691,918	104,962,882	134,654,800

See accompanying notes to financial statements.

GREATER TWIN CITIES UNITED WAY

Statements of Functional Expenses

Year Ended December 31, 2025

	Grants to nonprofits for programs	Services provided by Greater Twin Cities United Way	Supporting services: Fund raising	Supporting services: Organizational administration	Supporting services: Total supporting services	Total
Salaries	$ —	11,415,575	4,707,291	2,082,170	6,789,461	18,205,036
Other employee benefits	—	2,009,078	755,774	331,376	1,087,150	3,096,228
Payroll Taxes	—	839,119	324,984	107,896	432,880	1,271,999
Total employee expenses	—	14,263,772	5,788,049	2,521,442	8,309,491	22,573,263
Professional fees	—	2,055,900	341,713	553,947	895,660	2,951,560
Contract services	—	18,898	44,362	7,034	51,396	70,294
Program supplies	—	1,230,578	11,936	2,795	14,731	1,245,309
Telephone	—	136,477	4,193	3,194	7,387	143,864
Postage, bulk mailing and courier costs	—	64,846	32,307	11,737	44,044	108,890
Building occupancy / facility costs	—	370,061	102,155	77,824	179,979	550,040
Equipment and software expense	—	356,803	89,653	55,597	145,250	502,053
Printed material, photography/video and subscriptions	—	51,569	63,033	7,379	70,412	121,981
Media, advertising, promotions and events	—	275,513	254,545	—	254,545	530,058
Transportation	—	16,836	4,036	225	4,261	21,097
Conferences, meetings, and memberships	—	294,706	37,978	15,367	53,345	348,051
In-kind donations	—	145,690	10,043	1,213	11,256	156,946
Miscellaneous	—	371,404	208,166	11,907	220,073	591,477
Total nonemployee expenses	—	5,389,281	1,204,120	748,219	1,952,339	7,341,620
Depreciation	—	352,400	99,551	75,840	175,391	527,791
Total operations	—	20,005,453	7,091,720	3,345,501	10,437,221	30,442,674
United Way Worldwide dues	—	379,046	107,078	81,575	188,653	567,699
Grants awarded / distributed	122,800,020	—	—	—	—	122,800,020
Less State Early Learning Grant scholarships	(97,625,996)	—	—	—	—	(97,625,996)
Less donor designations	(10,106,821)	—	—	—	—	(10,106,821)
Total expenses	$ 15,067,203	20,384,499	7,198,798	3,427,076	10,625,874	46,077,576

See accompanying notes to financial statements.

GREATER TWIN CITIES UNITED WAY

Statements of Functional Expenses

Year Ended December 31, 2024

	Grants to nonprofits for programs	Services provided by Greater Twin Cities United Way	Supporting services: Fund raising	Supporting services: Organizational administration	Supporting services: Total supporting services	Total
Salaries	$ —	9,163,537	4,329,851	1,682,854	6,012,705	15,176,242
Other employee benefits	—	1,594,902	816,203	268,829	1,085,032	2,679,934
Payroll Taxes	—	683,986	347,649	107,907	455,556	1,139,542
Total employee expenses	—	11,442,425	5,493,703	2,059,590	7,553,293	18,995,718
Professional fees	—	2,314,014	325,466	391,603	717,069	3,031,083
Contract services	—	20,043	38,842	120,829	159,671	179,714
Program supplies	—	1,008,332	2,840	1,823	4,663	1,012,995
Telephone	—	120,548	4,764	3,320	8,084	128,632
Postage	—	38,924	12,365	13,729	26,094	65,018
Building occupancy / facility costs	—	367,706	120,787	84,172	204,959	572,665
Equipment and software expense	—	399,586	119,840	72,618	192,458	592,044
Printed material, photography/video and subscriptions	—	36,922	33,125	11,079	44,204	81,126
Media, advertising, promotions and events	—	227,169	165,739	626	166,365	393,534
Transportation	—	14,987	7,502	62	7,564	22,551
Conferences, meetings, and memberships	—	305,429	73,170	23,663	96,833	402,262
In-kind donations	—	219,429	2,306	839	3,145	222,574
Miscellaneous	—	301,534	179,387	22,174	201,561	503,095
Total nonemployee expenses	—	5,374,623	1,086,133	746,537	1,832,670	7,207,293
Depreciation	—	329,490	108,487	75,600	184,087	513,577
Total operations	—	17,146,538	6,688,323	2,881,727	9,570,050	26,716,588
United Way Worldwide dues	—	342,242	112,687	78,526	191,213	533,455
Grants awarded / distributed	65,881,171	—	—	—	—	65,881,171
Less State Early Learning Grant scholarships	(39,318,989)	—	—	—	—	(39,318,989)
Less donor designations	(11,185,453)	—	—	—	—	(11,185,453)
Total expenses	$ 15,376,729	17,488,780	6,801,010	2,960,253	9,761,263	42,626,772

See accompanying notes to financial statements.

GREATER TWIN CITIES UNITED WAY

Statements of Cash Flows

Years ended December 31, 2025 and 2024

		2025	2024
Cash flows from operating activities:			
Change in net assets	$	(3,560,853)	(6,730,399)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation		527,791	513,577
Loss on disposal of equipment		(435)	—
Net realized losses (gains) on investments		(3,318,171)	(1,792,130)
Net unrealized losses (gains) on investments		(2,061,885)	(2,145,269)
Net unrealized losses (gains) on investment in closely held stock		(667,940)	(915,590)
Change in fair value of beneficial interests in charitable trusts		(378,057)	(146,645)
Changes in assets and liabilities:			
Annual campaign pledges receivable, net		1,594,279	1,790,806
Legacy campaign receivable, net		—	803,090
Breakthrough Campaign receivables, net		2,650,636	3,649,935
Other assets		(571,917)	29,027
Grants and other receivables, net		380,923	(278,311)
Endowment/planned giving receivables, net		1,412,875	1,587,516
Accounts payable and accrued expenses		(639,384)	650,315
Grants payable		324,750	211,317
Donor designations, net		(638,099)	(448,042)
Net cash provided by / (used in) operating activities		(4,945,487)	(3,220,803)
Cash flows from investing activities:			
Sale of investments		9,945,645	8,498,776
Purchase of investments		(3,424,730)	(12,617,730)
Purchase of equipment		(271,089)	(257,293)
Net cash (used in) / provided by investing activities		6,249,826	(4,376,247)
Net change in cash and cash equivalents		1,304,339	(7,597,050)
Cash and cash equivalents, beginning of year		9,731,277	17,328,327
Cash and cash equivalents, end of year		11,035,616	9,731,277

See accompanying notes to financial statements.

(1) Organization

(a) Organization

For more than 110 years, Greater Twin Cities United Way (United Way), a not-for-profit organization, has proven that whenever there is a need in our community, we're there. Our mission is to unite changemakers, advocate for social good and develop solutions to address the challenges no one can solve alone. Our vision is a community where all people thrive regardless of income, race or place.

To achieve this vision, we unite community partners to meet urgent needs and make lasting change in the areas of housing, food, education, and economic opportunity. As responsible stewards of our donor dollars, we are strategic and intentional about how we invest in the community. This includes making grants to our nonprofit partners, running the 211 resource helpline, operating our region's 988 Suicide & Crisis Lifeline, advocating for systemic policy changes, and developing innovative solutions to address community needs.

As one of the largest nongovernmental investors in human services in the state, United Way touches the lives of more than 500,000 people per year across the Greater Twin Cities. Over the past century, United Way has invested more than $2 billion (unaudited) to support human services in the nine-county region of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, and western Washington counties.

(b) Reclassifications

Certain 2024 balances have been reclassified to conform to current year presentation. These reclassifications had no effect on total net assets, the change in net assets, or cash flows.

(2) Summary of Significant Accounting Policies

The accounting policies of United Way conform to U.S. generally accepted accounting principles (GAAP). The following is a summary of the more significant accounting policies.

(a) Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting.

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

- Net assets without donor restrictions are not restricted by donors or the donor-imposed restrictions have expired. Net assets without donor restrictions represent funds that are fully available, at the discretion of management and the Board of Directors, for United Way to utilize in any of its programs or supporting services.
  - Board-designated endowment net assets represent donations received by United Way that are earmarked by the Board of Directors as quasi-endowment to be invested separately to generate earnings that can be used to pay for operating expenses.
  - The Board-designated other net assets represent funds that were raised in a previous year and will be spent in future years at the discretion of the Board of Directors.

  - The land, building and equipment net assets represent the book value of land, building, fixtures, computers, and furniture.
  - Undesignated net assets represent a stabilization reserve intended to operate the organization, stabilize a level of grants to non-profit organizations, programs, or initiatives, meet unfunded and unexpected organizational needs and to make up a deficiency in the annual campaign, either in results or collection experience.

- Net assets with donor restrictions are comprised of funds subject to stipulations imposed by donors. Some donor restrictions are temporary in nature and will be met by actions of United Way or by the passage of time. Other donor restrictions are perpetual in nature, the donor having stipulated the funds be maintained in perpetuity. The related income generated by those perpetual funds may be expended for such purpose as determined by United Way. Donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.
  - Annual campaign net assets are pledges that are raised in one year and spent in the following year.
  - Perpetual in nature net assets are comprised of beneficial interests in irrevocable charitable trusts in which United Way receives investment income on a regular basis.
  - Purpose restrictions – endowments are permanent endowment funds and any gains/losses from those funds.
  - Time restricted for future period net assets are donations which are pledged in one year and paid over a long period of time.
  - Purpose restrictions – other net assets are funds that have been restricted for specific programming.

Donor-designated endowment gains (losses) are interest and net unrealized/realized gains on donor-restricted endowments. The reclassification on the statements of activities between without donor restrictions and with donor restrictions accomplishes this designation.

(b) Contributions

Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Contributed materials, fixed assets, or investments are recorded at fair value when received.

Contributions are available for unrestricted use unless specifically restricted by the donor. Contributions with donor-imposed conditions, such as time or purpose restrictions, are recorded as net assets with donor restrictions. When donor-imposed time conditions expire, or a donor-imposed purpose restriction is fulfilled, the net assets with donor restrictions are reclassified to net assets without donor restrictions. This reclassification is reported as annual campaign released from restriction or other net assets released from restriction on the statements of activities.

(i) Contributed Nonfinancial Assets

United Way's policy is to use contributed nonfinancial assets for programmatic or other purposes unless the assets have no utility consistent with United Way's mission. Revenue from contributions of non-financial assets were as follows:

Department / program		2025	2024	Utilization by department / program	Donor imposed restrictions	Fair value technique
Action Day	$	107,230	215,772	Action Day Event	Restricted to use for the Action Day Event	The fair value of in-kind revenue is based on estimates of wholesale values that would be received for selling similar products in the United States.
Advancement		—	1,102	Data analytics	No associated donor restrictions	The fair value of in-kind revenue is based on estimates of wholesale values that would be received for selling similar products in the United States.
Facilities		8,550	5,700	Snow removal & 414 Building	No associated donor restrictions	The fair value of in-kind revenue is based on estimates of wholesale values that would be received for selling similar products in the United States.
Home for Good		27,215	—	Home for Good Event	Restricted use for the Home for Good event	The fair value of in-kind revenue is based on estimates of wholesale values that would be received for selling similar products in the United States.
Marketing		13,950	—	Advertising and website redesign	No associated donor restrictions	The fair value of in-kind revenue is based on estimates of wholesale values that would be received for selling similar products in the United States.
Total	$	156,945	222,574			

(c) Annual Campaign Revenue and Expenses

United Way's annual campaign drive begins in the spring of each year, is substantially complete at December 31, and is officially complete the last day of the following March.

The donor-designated cash and pledges represent gifts that donors have directed to specific nonprofit organizations. The undesignated cash and pledges received by December 31 are for program funding, grants, and services to the community provided in the following year as determined by United Way's program review process. These cash and pledges have a donor-imposed time restriction and are reported as assets with donor restrictions until the following year.

The funds are used for:

- Program funding to other nonprofit organizations through grants;
- Designations to specific nonprofit organizations;
- Designations to other United Ways;
- Dues to United Way Worldwide;
- Community and program services provided directly by United Way; and
- Fundraising, management, and general expenses.

Campaign expenses are recorded when incurred.

An allowance for uncollectible annual campaign pledges is provided based upon management's judgment including such factors as prior collection history.

(d) Contributed Services

A number of volunteers have made significant contributions of time to United Way's programs and fundraising campaigns. The value of this contributed time does not meet the criteria for recognition as contributed service revenue/expense and, accordingly, is not reflected in the accompanying financial statements.

(e) Property and Equipment

Land is recorded at cost. Buildings, building improvements, and equipment are recorded at cost, less accumulated depreciation. During 2023, the 414 South 8th Street building (the 414 Building), located next door, was vacated by its tenants. The building's ownership was reverted to United Way per the operating agreement from 1957 with the fair value recorded as contribution revenue on the statement of operations. The 414 Building was recorded at a fair value of $150,000 at the time of the contribution. Depreciation is computed by use of the straight-line method based on the estimated useful lives of the various classes of assets. The cost of maintenance and repairs is recorded as expense as incurred. United Way assesses impairment losses when conditions warrant. The 414 Building has been on the market to be sold and a purchase agreement with a buyer has been signed in 2025. The closing for the sale will take place in 2026.

(f) Cash and Cash Equivalents

Cash and cash equivalents on the statements of cash flows consist of cash held in checking and temporary investments with original maturities of less than three months. Cash deposits are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) limitations.

(g) Investments

Investments consist of fixed income securities, other equity investments, closely held stock, beneficial interests and investments held at the Saint Paul & Minnesota Foundation and The Minneapolis Foundation. Fixed income securities are reported at fair value based on direct and indirect market-based prices. Investment in closely held stock consists of shares of common stock of a privately held corporation and is carried at estimated fair value as determined by an independent appraisal. Investments held at the Saint Paul & Minnesota Foundation and The Minneapolis Foundation are pooled with other organizations' funds and invested in a diversified portfolio of marketable equity and fixed income securities, and limited marketability investments, including private equities, absolute return investments, and real estate. Investments held at the Saint Paul & Minnesota Foundation and The Minneapolis Foundation are reported at fair value as reported to United Way by the Saint Paul & Minnesota Foundation and The Minneapolis Foundation. Refer to notes 4 and 5 for additional information on fair value measurement of investments.

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

(h) Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The majority of expenses can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among the programs and supporting services benefitted. The expenses that are allocated include depreciation, facility costs, information technology, human resources, and United Way Worldwide dues, which are allocated on a headcount basis, and salaries, benefits, payroll taxes, professional services, office expenses and all other functional expenses, which are allocated based on estimates of time and effort.

(i) Fair Value of Financial Instruments

The carrying amount of United Way's cash and cash equivalents, other assets, accounts payable and accrued expenses, allocations payable, and donor designations approximates fair value primarily because of the short maturity of these instruments. The fair values of annual campaign pledge receivables, legacy receivables, grant receivables, Breakthrough Campaign receivables and endowment receivables are determined as the present value of expected future cash flows using a discount rate based on when the gift/grant was made.

(j) Use of Estimates in the Preparation of Financial Statements

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 and disclosure of contingent 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.

(Continued)

(k) Leases

ASC 842 requires lessees to recognize leases on the consolidated balance sheets and disclose key information about leasing arrangements. United Way evaluated their leasing transactions, noting no leases greater than 12 months where United Way is lessee. United Way has elected, as permitted under ASC 842 for short-term leases, not to apply the recognition requirements and instead to recognize the lease payments on a straight-line basis over the lease term. As such, there is no impact to the financial statements related to lessee transactions.

ASC 842 requires lessors to continue to recognize the underlying asset, with related lease income recorded on a straight-line basis over the lease term. United Way has leased portions of its office building at 404 South 8th Street, Minneapolis, Minnesota to other nonprofit organizations. The primary purpose of leasing office space to external nonprofit tenants is to maximize the use of the building while continuing to fulfill its tax-exempt purpose. There is no profit motive with the facility rental, and rent charged to the nonprofit organization covers direct expenses only.

Future minimum lease payments to be received as lessor as of December 31, 2025 are as follows:

2026	$	51,896
2027		46,837
2028		47,965
Total	$	146,698

(l) Subsequent Events

United Way has evaluated subsequent events through July 21, 2026, the date on which the financial statements were available to be issued. United Way is not aware of any subsequent events that would require recognition or disclosure in the financial statements. The closing for the sale of the building at 414 South 8th Street took place on June 1, 2026. This transaction will be reflected in the financial statements for fiscal year 2026.

(3) Liquidity and Availability

The United Way's financial assets available for general expenditure within one year of the statement of financial position as of December 31 are as follows:

		2025	2024
Cash and cash equivalents	$	11,035,616	9,731,277
Annual campaign pledges receivable		11,364,138	12,958,417
Grants and other receivables, net of discount		2,902,347	3,283,270
Breakthrough Campaign receivables, net of discount		5,530,878	8,181,514
Endowment/planned giving receivables, net of discount		17,298,141	18,711,016
Investments		10,264,927	15,075,804
Investments held at the Saint Paul and Minnesota Foundation		48,442,828	45,753,464
Investments held at The Minneapolis Foundation		14,289,706	13,308,183
Total financial assets		121,128,581	127,002,945
Less:			
Amounts unavailable for general expenditures within one year, due to:			
Long-term investments		9,098,149	11,933,499
Donor designated endowment gains for future use		18,797,496	15,164,977
Restricted by donors with time restrictions		24,431,922	29,894,497
Restricted by donors in perpetuity		23,019,303	23,019,303
Total amounts unavailable for general expenditures within one year		75,346,870	80,012,276
Amounts unavailable to management without Board's approval:			
Board-designated quasi-endowment for future use		20,915,735	20,877,367
Total amounts unavailable to management without Board's approval		20,915,735	20,877,367
Plus:			
Amounts to be distributed from endowments, trusts and closely held stock	$	4,231,645	3,300,023
Total financial assets available to management for general expenditure within one year	$	29,097,621	29,413,325

As part of United Way's 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. United Way invests cash that exceeds daily requirements in short-term investments, including a cash management fund and commercial paper. United Way maintains a funded stabilization reserve unencumbered and uncommitted at a level determined after taking the annual program funding and the costs of operating and maintaining the organization into account. This reserve can be utilized as needed to manage cash flow interruptions. In addition, the Board of Directors maintains a quasi-endowment fund and designates all bequeathed gifts to this fund to be available for future spending if appropriated.

(4) Investments

United Way invests funds needed for current operations in short-term instruments, including a cash management fund and commercial paper. Funds not immediately needed for operations are generally invested in fixed-income obligations with longer-term investment strategies. At December 31, 2025 and 2024, United Way's investments were reported in four categories as follows:

(a) Investments

Investments are comprised of the following as of December 31:

		2025	2024
Fixed income:			
U.S. government and federal agency	$	4,401,213	4,379,091
Corporate and other		5,863,714	10,696,713
Total investments	$	10,264,927	15,075,804

(b) Investment in Closely Held Stock

United Way received shares of common stock of a privately held corporation for its endowment fund. There is no active market for the privately held stock. The value of these shares, as determined by an independent appraiser, was $9,002,760 and $8,334,820 at December 31, 2025 and 2024, respectively, and is included in net assets with donor restrictions. United Way received dividends of $156,000 and 130,000 in the years ended December 31, 2025 and 2024 respectively.

(c) Investments Held by Others

United Way receives bequests independent of the annual campaign, some of which are specified by the donors as permanent endowments, while others are undesignated and carry no stipulations. In 1988, the Board of Directors approved Planned Giving and Endowment policies whereby the principal portion of undesignated bequests will be included as board-designated endowments. Board-designated and donor-restricted endowments are invested with the Saint Paul & Minnesota Foundation and The

(Continued)

Minneapolis Foundation pursuant to fund agreements with each organization. The composition of investments held by others at December 31, 2025 and 2024 is summarized as follows:

		2025	2024
Investments held at the Saint Paul & Minnesota Foundation:			
Board-designated	$	13,709,964	14,166,541
Donor-restricted		34,732,864	31,586,923
	$	48,442,828	45,753,464
Investments held at The Minneapolis Foundation:			
Board-designated	$	7,205,772	6,710,826
Donor-restricted		7,083,934	6,597,357
	$	14,289,706	13,308,183

(d) Beneficial Interests in Charitable Trusts

United Way is the sole beneficiary of an irrevocable trust whose fair value is $563,172 and $530,355 at December 31, 2025 and 2024, respectively. United Way receives investment income earned and 5% of the fair value of the trust. $39,013 and $38,023 were received by United Way in 2025 and 2024, respectively. The fair value of the trust has been included in net assets with donor restrictions – perpetual in nature.

United Way is also a 5% beneficiary of an irrevocable trust whose fair value is $48,500,469 and $41,595,668 at December 31, 2025 and 2024, respectively. United Way receives a share of net income earned by the trust each year. $85,000 and $80,000 were received by United Way in 2025 and 2024 respectively. United Way's share of the fair value of $2,425,023 and $2,079,783 at December 31, 2025 and 2024, respectively, has been included in net assets with donor restrictions – perpetual in nature.

(5) Fair Value Measurements of Investments

Fair value measurements of investments are determined within a framework that has established a fair value hierarchy based upon the various data inputs utilized in determining the value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The three levels of inputs of the fair value hierarchy are:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table summarizes United Way's investments that were accounted for at fair value within the fair value hierarchy as of December 31, 2025:

		Level 1	Level 2	Level 3	Total
Investments:					
U.S. government and federal agency	$	—	4,401,213	—	4,401,213
Corporate and other securities		—	5,863,714	—	5,863,714
Investment in closely held stock		—	—	9,002,760	9,002,760
Investments at the Saint Paul & Minnesota Foundation		—	—	48,442,828	48,442,828
Investments at The Minneapolis Foundation		—	—	14,289,706	14,289,706
Beneficial interests in charitable trusts		—	563,172	2,425,023	2,988,195
Total investments	$	—	10,828,099	74,160,317	84,988,416
Cash equivalents	$	120,927	—	—	120,927

Cash equivalents primarily include bonds with original maturities of less than three months.

United Way did not have any transfers in or out of Level 3 during the year ended December 31, 2025.

The following table summarizes United Way's investments that were accounted for at fair value within the fair value hierarchy, as of December 31, 2024:

		Level 1	Level 2	Level 3	Total
Investments:					
U.S. government and federal agency	$	—	4,379,091	—	4,379,091
Corporate and other securities		—	10,696,713	—	10,696,713
Investment in closely held stock		—	—	8,334,820	8,334,820
Investments at the Saint Paul & Minnesota Foundation		—	—	45,753,464	45,753,464
Investments at The Minneapolis Foundation		—	—	13,308,183	13,308,183
Beneficial interests in charitable trusts		—	530,355	2,079,783	2,610,138
Total investments	$	—	15,606,159	69,476,250	85,082,409
Cash equivalents	$	258,565	—	—	258,565

Cash equivalents primarily include bonds with original maturities of less than three months.

United Way did not have any transfers in or out of Level 3 during the year ended December 31, 2024.

As previously noted, investments held at the Saint Paul & Minnesota Foundation and The Minneapolis Foundation are pooled with other organizations' funds and invested in a diversified portfolio of marketable equity and fixed income securities, and limited marketability investments, including private equities, absolute return investments, and real estate. A substantial portion of the underlying assets at the foundations are measured at fair value using Level 1 and Level 2 inputs. United Way's ownership in such investments is represented by an undivided interest in investment portfolios managed by each respective foundation, not in the underlying assets themselves. The undivided interests in these portfolios are not themselves publicly traded nor can they be valued based on observable direct or indirect inputs. Accordingly, they are reported as Level 3 measurements.

Level 3 assets were 87% and 82% of total investment assets at fair value at December 31, 2025 and 2024, respectively.

Quantitative information about level 3 fair value measurements

	Fair value at December 31, 2025	Valuation technique	Unobservable input	Range (weighted average)
Investment in closely held stock	$ 9,002,760	Discounted cash flow analysis*	*	*
Investments at SPMF	48,442,828	**	**	**
Investments at TMF	14,289,706	**	**	**
Beneficial interests in charitable trusts	2,425,023	**	**	**
	$ 74,160,317			

Quantitative information about level 3 fair value measurements

	Fair value at December 31, 2024	Valuation technique	Unobservable input	Range (weighted average)
Investment in closely held stock	$ 8,334,820	Discounted cash flow analysis*	*	*
Investments at SPMF	45,753,464	**	**	**
Investments at TMF	13,308,183	**	**	**
Beneficial interests in charitable trusts	2,079,783	**	**	**
	$ 69,476,250			

* – The fair value is determined by an external valuation service provider utilizing various valuation methodologies including a discounted cash flow approach with inputs such as capitalization of earnings, cash flows, and net book value of the underlying company, all of which represent amounts that market participants would take into account in determining the fair value of this type of investment.

** – United Way values these investments based upon their undivided interests in these portfolios held by either the respective foundation, charitable trust, or investment manager. A substantial portion of the underlying assets at the foundations are measured at fair value using Level 1 and Level 2 inputs. United Way receives an annual distribution from the endowment based on these investments' spending policies. For the portion of the investments that are in the United Way's quasi-endowment fund, the Board may authorize use of funds above each investment's distribution rate.

(6) Annual Campaign Pledges

A summary of annual campaign pledges, annual campaign pledges receivable, and allowance for uncollectible pledges at December 31, 2025 and 2024 is as follows:

	Original amounts of pledges	Pledges receivable	Allowance for uncollectible pledges	Net pledges receivable
Pledges from the:				
2025 campaign	$ 23,130,605	7,831,207	(468,857)	7,362,350
Prior campaigns		1,799,270	(44,982)	1,754,288
Future campaigns		2,247,500	—	2,247,500
		$ 11,877,977	(513,839)	11,364,138
Pledges from the:				
2024 campaign	$ 28,344,264	9,063,792	(596,417)	8,467,375
Prior campaigns		3,488,006	(1,033,272)	2,454,734
Future campaigns		2,036,308	—	2,036,308
		$ 14,588,106	(1,629,689)	12,958,417

United Way expects to collect the majority of pledges receivable in less than one year from the statement of financial position date.

(7) Grants and Other Receivables

United Way has recorded as a receivable the following unconditional promises to give as of December 31, 2025 and 2024:

	2025	2024
Amounts due in:		
Less than one year	$ 2,715,422	2,889,066
More than one year	194,000	413,001
Unconditional promises to give	2,909,422	3,302,067
Less unamortized discount at 0.37 % to 4.00%	(7,075)	(18,797)
Grants and other receivables	$ 2,902,347	3,283,270

(8) Breakthrough Campaign Receivables

United Way has recorded, as a receivable, promises to give, with donor restrictions, as a result of its Breakthrough Campaign as of December 31, 2025 and 2024:

		2025	2024
Amounts due in:			
Less than one year	$	3,213,634	3,360,506
More than one year		2,425,000	5,097,000
Unconditional promises to give		5,638,634	8,457,506
Less unamortized discount at 0.37% to 4.00%		(107,756)	(275,992)
Breakthrough Campaign receivables	$	5,530,878	8,181,514

(9) Endowment/Planned Giving Receivables

United Way has recorded as a receivable the following unconditional promises to give to its Endowment/ Planned Giving program as of December 31, 2025 and 2024:

		2025	2024
Amounts due in:			
Less than one year	$	2,000,000	2,000,000
More than one year		19,100,000	21,100,000
Unconditional promises to give		21,100,000	23,100,000
Less unamortized discount at 2.27% to 4.00%		(3,801,859)	(4,388,984)
Endowment/planned giving receivables	$	17,298,141	18,711,016

(10) Property and Equipment

Property and equipment at December 31, 2025 and 2024 consist of the following:

		2025	2024
Land	$	33,083	33,083
Building		8,502,527	8,333,689
Furniture and equipment		2,815,431	2,852,814
		11,351,041	11,219,586
Less accumulated depreciation		(9,304,095)	(8,915,504)
Net book value	$	2,046,946	2,304,082

(Continued)

(11) Retirement Plans

United Way has one defined benefit plan and one defined contribution plan. The plans were assumed by United Way as a result of the merger, effective May 1, 2001, of United Way of Minneapolis Area and United Way of The Saint Paul Area, Inc. The defined benefit plan was frozen effective December 31, 2004. In 2019, the United Way terminated the defined benefit plan and final distributions for the plan occurred before December 31, 2019. Employees hired after May 1, 2001, are eligible to participate in the defined contribution 401(k) plan established January 1, 2001.

Defined Contribution Plan

Greater Twin Cities United Way 401(k) Plan: This defined contribution plan was assumed by United Way from United Way Administrative Services of the Twin Cities. The plan was established under Section 401(k) on January 1, 2001. The plan covers employees over age 21 with certain restrictions as to length of employment. United Way's cash contributions to this plan were $766,170 and $703,384 for the years ended December 31, 2025 and 2024, respectively.

(12) Income Taxes

United Way is classified as a tax-exempt organization under Minnesota Statute 290.05 and is exempt from income taxes under section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code, except for taxes on income determined to be unrelated business taxable income. United Way did not have any unrelated business income for the years ended December 31, 2025 and 2024. United Way assesses uncertain tax positions and has determined there were no such positions that have a material effect on the financial statements.

(13) Net Funds Granted/Distributed

Net funds granted/distributed by United Way were made in the following focus areas for the years ended December 31, 2025 and 2024:

		2025	2024
Household stability	$	5,776,406	6,198,738
Educational success		5,570,601	5,360,120
Economic opportunity		3,590,196	2,721,871
Cross-impact area		130,000	180,000
Direct services		—	916,000
	$	15,067,203	15,376,729

(14) Services Provided Directly by Greater Twin Cities United Way

Services provided directly by United Way for the years ended December 31, 2025 and 2024 include the following programs:

		2025	2024
Community impact strategy and grants management	$	3,776,260	4,238,946
Direct services to the community:			
2-1-1/information and referral services		5,457,878	3,835,835
988 Suicide prevention lifeline		3,423,081	2,877,025
Volunteer United		752,377	579,178
Goal area strategy implementation:			
Household stability:			
Full Lives/Food security		441,723	216,947
Housing		273,783	441,642
Home for Good		253,157	153,518
Educational success:			
Generation Next		1,420,556	1,336,209
Action Day		952,529	869,788
Career Academies		443,867	449,101
Start Early Funders Coalition		109,831	162,388
Early childhood		2,476,823	1,789,331
Cross-impact area:			
Nonprofit capacity building		154,965	154,870
Other		447,669	384,002
	$	20,384,499	17,488,780

(15) Endowment Funds

As approved by the Board of Directors, United Way's endowments are invested with the Saint Paul & Minnesota Foundation and The Minneapolis Foundation. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Interpretation of Relevant Law

United Way has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, United Way classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. These assets remain classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

(Continued)

(b) Endowment Net Asset Composition by Type of Fund as of December 31, 2025

		Without donor restrictions	With donor restrictions	Total
Board-designated endowment funds	$	20,915,735	—	20,915,735
Donor-restricted endowment funds		—	68,242,700	68,242,700
	$	20,915,735	68,242,700	89,158,435

(c) Changes in Endowment Net Assets for the Year Ended December 31, 2025

		Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$	20,877,367	65,255,116	86,132,483
Investment return:				
Investment income		219,339	446,560	665,899
Net change in value (realized and unrealized)		1,887,787	4,016,787	5,904,574
Total investment return		2,107,126	4,463,347	6,570,473
Contributions			687,125	687,125
Appropriation of endowment assets		(2,068,758)	(2,162,888)	(4,231,646)
Endowment net assets, end of year	$	20,915,735	68,242,700	89,158,435

(d) Endowment Net Asset Composition by Type of Fund as of December 31, 2024

		Without donor restrictions	With donor restrictions	Total
Board-designated endowment funds	$	20,877,367	—	20,877,367
Donor-restricted endowment funds		—	65,255,116	65,255,116
	$	20,877,367	65,255,116	86,132,483

(Continued)

(e) Changes in Endowment Net Assets for the Year Ended December 31, 2024

		Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$	20,175,157	62,839,070	83,014,227
Investment return:				
Investment income		223,882	429,442	653,324
Net change in value (realized and unrealized)		1,457,609	3,368,588	4,826,197
Total investment return		1,681,491	3,798,030	5,479,521
Contributions		26	637,485	637,511
Appropriation of endowment assets		(979,307)	(2,019,469)	(2,998,776)
Endowment net assets, end of year	$	20,877,367	65,255,116	86,132,483

(f) Description of Amounts Classified as Net Assets with Donor Restrictions (Endowment Only)

		2025	2024
Permanently restricted net assets:			
The portion of perpetual endowment funds that is required to be retained permanently by explicit donor stipulation	$	36,182,878	35,337,902
Total endowment funds classified as permanently restricted net assets	$	36,182,878	35,337,902
Temporarily restricted net assets:			
The portion of perpetual endowment funds subject to a time restriction without purpose restrictions	$	32,059,822	29,917,214
Total endowment funds classified as temporarily restricted net assets	$	32,059,822	29,917,214

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions and require more detailed note disclosure. United Way has a policy that permits spending from underwater endowments funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. Deficiencies of this nature do not exist.

(Continued)

(g) Return Objectives and Risk Parameters

As approved by the Board of Directors, United Way's endowments are invested in the Saint Paul & Minnesota Foundation's Multi-Asset Endowment Portfolio and The Minneapolis Foundation's Long Term Growth Fund and managed according to their investment and spending policies. These policies attempt to provide a consistent return on assets, preserve capital and the purchasing power of the endowment assets, while providing a predictable funding stream to support programs. Endowment assets include those assets of donor-restricted funds that United Way must hold in perpetuity as well as board-designated funds. Under these policies, the endowment assets are invested in a manner to strive for long-term returns that meet or exceed an absolute return objective plus the spending policy rate, an annual return equal to or greater than composite benchmarks made up of market indices in a similar proportion at the funds' target asset allocation, and a placement in a specified ranking within a universe of investment peers.

(h) Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, United Way relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The organization targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(i) Spending Policy and How the Investment Objectives Relate to Spending Policy

As approved by the Board of Directors, United Way's endowments are invested in the Saint Paul & Minnesota Foundation's Multi-Asset Endowment Portfolio and The Minneapolis Foundation's Long-Term Growth Fund and are managed according to their investment and spending policies. United Way receives distributions each year based on these spending policies. The Saint Paul & Minnesota Foundation has a policy of appropriating for distribution each year 5.00% of the portfolio's average market value over the last 20 calendar quarters but not less than 4.25% of the portfolio's current market value nor more than 5.50% of the current market value. The Minneapolis Foundation has a policy of appropriating for distribution 4.00% of the fund's average market value over the last 12 quarters. When agreeing to these spending policies, United Way considered the long term expected return on its endowments. These spending policies are consistent with United Way's objective to maintain the purchasing power of the endowment assets held in perpetuity, to provide a consistent and predictable funding stream, and to provide additional growth through new gifts and investment return.

(16) With Donor Restriction – Purpose Restriction – Other Net Assets

Purpose restriction – other net assets include the following balances, which are time-restricted or related to specific program services at December 31, 2025 and 2024:

	2025	2024
Contributions restricted to specific programs or uses:		
Direct services to the community:		
2-1-1/information and referral services	$ 66,966	486,515
Volunteer United	7,395	254,930
Household stability:		
Full Lives/Food security	490,000	692,550
Housing	1,174,426	970,614
Educational success:		
Generation Next	720,000	1,180,000
Action Day	346,539	21,187
Career Academies	1,524,651	2,160,610
Start Early Funders Coalition	—	25,000
Early childhood/80x3	213,845	1,217,501
Educational success	86,009	111,009
Cross-impact area:		
ARISE project	26,606	58,521
Women United	37,367	96,101
Community Collaboration Committee	781,892	781,892
Next Narrative Summit	220,000	—
Undesignated Breakthrough	9,332,513	9,937,420
Otto Bremer Nonprofit Community Response Fund	1,387,500	—
Other	12,069	20,372
	$ 16,427,778	18,014,222

(17) State of Minnesota Early Learning Scholarship Administration Grant Award

During 2024, United Way was awarded a contract by the State of Minnesota Department of Children, Youth and Families related to the State's Early Learning Scholarship Program, which provides financial assistance to eligible families for early childhood education and care services throughout Minnesota. Funding available under the program totaled up to $131,299,387 for the state fiscal year July 1, 2025 through June 30, 2026, and up to $159,873,267 for the state fiscal year July 1, 2024 through June 30, 2025. Under the terms of the agreement, United Way may retain up to $2,000,000 annually for reimbursement of costs incurred in administering the program. The remaining funds are distributed in accordance with the requirements of the contract and the Early Learning Scholarship Program. The State's Early Learning Scholarship Program increases access to high-quality early childhood programs for children, ages birth to four years old, with the highest needs. To access scholarship funding, childcare providers complete an invoicing process to receive direct payments for childcare services provided to families who have been awarded Early Learning Scholarships.

Below is a financial summary of the total funds expended during the year ended December 31:

		2025	2024
Use of funds:			
Costs to administer scholarship funds	$	1,851,593	1,031,975
Scholarships disbursed to providers		97,625,996	39,318,989
Total funds expended	$	99,477,589	40,350,964

In its role as Central Payment Administrator, United Way is acting as an agent in distributing the scholarship funds to childcare providers. Therefore, these scholarship have no net impact to revenue or expense. The expenses incurred to administer the scholarship funds were $1,851,593 and $1,031,975 in 2025 and 2024 respectively. This amount has been recorded as grant revenue from the State of Minnesota in Grants and other revenues, with the corresponding expense included within Supporting services on the Statement of Activities.

Between inception of the contract on July 1, 2024, and December 31, 2025, United Way successfully:

- Processed 34,523 childcare provider invoices for payment (unaudited).
- Served more than 10,000 children (unaudited).
- Supported 1,539 childcare providers and programs (unaudited).