

UNITED WAY
Missoula County

UNITED WAY OF MISSOULA COUNTY

AUDITED FINANCIAL STATEMENTS
For The Years Ended
December 31, 2025 and 2024

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CARVER
FLOREK &
JAMES, CPA's
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
United Way of Missoula County
Missoula, Montana

Opinion
We have audited the financial statements of United Way of Missoula County, 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 United Way of Missoula County as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Missoula County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Missoula County'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 Missoula County'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of 2025 Campaign Revenue on page 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Carver Florek & James, CPA's

Carver Florek & James, CPA's
Missoula, Montana
October 27, 2026

FINANCIAL STATEMENTS

UNITED WAY OF MISSOULA COUNTY

STATEMENTS OF FINANCIAL POSITION
As of December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 112,383	$ 269,558
Accounts receivable	64,254	38,639
Contributions receivable, net	37,071	33,584
Prepaid expenses	-	10
Funds held in trust	143,720	23,832
Investments	766,308	649,839
Total Current Assets	1,123,736	1,015,462
Long-term Assets		
Property and equipment, net	768,420	811,340
Right-of-use asset	72,047	95,030
Endowment investments	578,975	573,612
Total Long-term Assets	1,419,442	1,479,982
Total Assets	$ 2,543,178	$ 2,495,444
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable	$ 18,827	$ 24,741
Accrued payroll and payroll taxes	8,120	5,704
Security deposits	2,550	2,550
Funds held in trust liability	144,082	22,228
Compensated absences	29,577	25,689
Deferred revenue	57,866	348,292
Line of credit	100,000	-
Current portion of right-of-use lease liability	25,076	22,982
Total Current Liabilities	386,098	452,186
Long-term Liabilities		
Right-of-use lease liability, net of current portion	46,971	72,048
Total Long-term Liabilities	46,971	72,048
Total Liabilities	433,069	524,234
NET ASSETS		
Without donor restrictions	1,411,195	1,303,891
With donor restrictions	698,914	667,319
Total Net Assets	2,110,109	1,971,210
Total Liabilities and Net Assets	$ 2,543,178	$ 2,495,444

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF MISSOULA COUNTY

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2025 and 2024

	2025	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND SUPPORT		
Contributions	$ 417,487	$ 419,068
Investment income/(loss), net	166,672	101,505
Grant income	819,722	1,008,993
Sponsorship income	74,908	54,131
Program income	76,950	95,550
In-kind donations	103,085	1,000
Other income	2,640	-
Net assets released from restrictions	84,225	136,249
TOTAL REVENUE AND SUPPORT	1,745,689	1,816,496
EXPENSES		
Program services	1,364,112	1,319,306
Management and general	142,770	153,341
Fundraising	131,503	143,479
TOTAL EXPENSES	1,638,385	1,616,126
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	107,304	200,370
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	110,457	53,970
Endowment contributions	5,363	5,760
Net assets released from restrictions	(84,225)	(136,249)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	31,595	(76,519)
CHANGE IN TOTAL NET ASSETS	138,899	123,851
NET ASSETS, beginning of year	1,971,210	1,847,359
NET ASSETS, end of year	$ 2,110,109	$ 1,971,210

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF MISSOULA COUNTY

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

Expense Description	Program Services	Management & General	Fund-Raising	TOTAL
Community grants	$ 17,277	$ -	$ -	$ 17,277
Special project payments	646,330	-	-	646,330
In-Kind Expense	102,735	350	-	103,085
Salaries and wages	394,667	78,635	88,611	561,913
Payroll taxes and workers compensation	31,005	9,208	7,229	47,442
Health insurance, retirement, and HSA	33,560	8,272	8,381	50,213
Marketing	4,976	1,513	5,596	12,085
Occupancy	50,762	22,129	6,641	79,532
Office costs	11,033	6,654	2,791	20,478
Professional fees	11,822	2,364	2,364	16,550
United Way Worldwide	11,372	2,254	2,254	15,880
Travel and training	13,764	2,281	-	16,045
Insurance	4,253	851	851	5,955
Depreciation	30,154	6,383	6,383	42,920
Interest	402	1,876	402	2,680
TOTAL EXPENSES	$ 1,364,112	$ 142,770	$ 131,503	$ 1,638,385
	83.26%	8.71%	8.03%	100.00%

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF MISSOULA COUNTY

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

Expense Description	Program Services	Management & General	Fund-Raising	TOTAL
Community grants	$ 9,006	$ -	$ -	$ 9,006
Special project payments	664,618	-	-	664,618
In-Kind Expense	1,000	-	-	1,000
Salaries and wages	433,406	81,188	90,014	604,608
Payroll taxes and workers compensation	33,045	11,622	6,928	51,595
Health insurance, retirement, and HSA	37,762	12,388	10,236	60,386
Marketing	9,937	2,960	11,223	24,120
Occupancy	46,503	24,613	351	71,467
Office costs	8,266	3,462	10,531	22,259
Professional fees	20,264	4,343	4,343	28,950
Equipment rental and maintenance	1,202	258	258	1,718
United Way Worldwide	6,637	1,422	1,422	9,481
Travel and training	18,290	4,791	1,879	24,960
Insurance	4,620	990	990	6,600
Uncollectible Pledge	3,473	744	744	4,961
Depreciation	19,289	4,134	4,134	27,557
Interest	1,988	426	426	2,840
TOTAL EXPENSES	$ 1,319,306	$ 153,341	$ 143,479	$ 1,616,126
	81.63%	9.49%	8.88%	100.00%

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF MISSOULA COUNTY

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from/for:		
Contributions	$ 534,820	$ 506,495
Grants and sponsors	578,589	1,592,121
Program	76,950	98,100
Other activities	155,928	44,121
Cash paid for/to:		
Employees	(653,264)	(737,553)
Agency allocations	(771,692)	(674,624)
Vendors	(170,463)	(381,893)
Interest	(2,680)	(2,840)
Net Cash Flows from Operating Activities	(251,812)	443,927
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(191,028)
Net Cash Flows from Investing Activities	-	(191,028)
CASH FLOWS FROM FINANCING ACTIVITIES		
Endowment Contributions	(5,363)	(5,760)
Repayment on line of credit	-	(100,000)
Proceeds from line of credit	100,000	-
Net Cash Flows from Financing Activities	94,637	(105,760)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(157,175)	147,139
CASH AND CASH EQUIVALENTS, Beginning of Year	269,558	122,419
CASH AND CASH EQUIVALENTS, End of Year	$ 112,383	$ 269,558

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF MISSOULA COUNTY

STATEMENTS OF CASH FLOWS (CONTINUED)
For the Years Ended December 31, 2025 and 2024

	2025	2024
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 138,899	$ 123,851
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Items Not Affecting Cash:		
Net realized and unrealized (gain) loss on investment	(116,469)	(58,384)
Depreciation	42,920	27,557
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in:		
Accounts receivable	(25,615)	219,927
Contributions receivable	1,513	32,658
Allowance for doubtful account	(5,000)	-
Prepaid expenses	10	27
Funds held in trust	(119,888)	85,808
Increase/(Decrease) in:		
Accounts payable	(5,914)	(190,764)
Accrued payroll and payroll taxes	2,416	(11,223)
Security deposits	-	2,550
Funds held in trust liability	121,854	(87,409)
Compensated absences	3,888	(9,741)
Deferred revenue	(290,426)	309,070
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (251,812)	$ 443,927

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United Way of Missoula County (United Way), founded in 1931, is a nonprofit corporation under Internal Revenue Code 501(c)(3), located in Missoula, Montana. United Way builds a better community by improving lives and creating lasting changes in community conditions. United Way accomplishes this by bringing people and organizations together to identify problems and craft creative, lasting solutions across multiple sectors that improve outcomes in the areas of youth opportunity, financial stability, health, and community resilience.

Through broad-based, results-oriented collaborations with other nonprofits, donors, businesses, the University of Montana, local and county government, K-12 schools, the faith community and other diverse partners, United Way drives progress in implementing solutions to identified priorities in its areas of focus. United Way also serves as a conduit for donors who desire a trusted, one-stop way to invest in high-quality programs that produce measurable results, ensuring that charitable dollars are spent wisely and well in the community. Current initiatives in which United Way plays a leadership role in terms of visioning, convening, leading, funding, amplifying, staffing, and/or providing in-kind assistance include the following:

YOUTH OPPORTUNITY: Zero to Five Missoula (improving outcomes for families and kids ages 0-5, so that young kids get a strong start in life); Dolly Parton's Imagination Library (a book-gifting program that promotes kindergarten readiness and has distributed more than 370,000 books in the last decade); and annually providing 800-1,000 of Missoula and Mineral counties' most impoverished students with new backpacks fully stuffed with school supplies. United Way also founded Missoula Child Care Advantage (MCCA), an innovative approach to expanding child care slots in the short-term and stabilizing existing child care providers across the community for the long-term. MCCA provides back-office shared services (bulk ordering, payroll services, accounting, employee paperwork, enrollment and waitlist processes, telehealth, and more) to the network of participating childcare businesses. These services – paid for by business memberships in MCCA – save the child care operators time and money, improving their bottom line and ability to provide quality care. In return, employees of MCCA business members receive priority access to child care waiting lists. MCCA is experiencing dramatic growth, playing a key role in addressing Missoula's child care shortage.

FINANCIAL STABILITY: United Way views addressing homelessness as a first step toward promoting financial stability. Key components of United Way's work on homelessness include providing logistical support to the Temporary Safe Outdoor Space, a safe, legal, service-rich pallet-shelter community that has a strong record of housing chronically unhoused Missoulians; and the public and privately funded Housing Solutions Fund, which provides small but critical cash grants that have helped hundreds of Missoulians stay in or access housing. United Way remains a critical partner with local government and other nonprofits in supporting efforts to make homelessness in Missoula rare, brief, and nonrecurring.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (continued)

HEALTH: 5-2-1-0 Let's Move! Missoula (preventing childhood obesity by encouraging increased physical activity and healthy eating, in school and at home) and Project Tomorrow Montana (preventing suicide) are two broad-based efforts operated collaboratively by United Way – which provides them with financial and in-kind support – and the Missoula City-County Health Department. Project Tomorrow has trained thousands of Missoulians in suicide-prevention strategies, distributed thousands of gunlocks, and raised community awareness of suicide and mental-health issues – and effective strategies to address them – through teaching, training, public health measures, and the arts. After closing down its Missoula Substance Use Disorder (SUD) Connect initiative in 2023 due to lack of funding, United Way continues to address SUD through the installation of naloxone vending machines in locations around Missoula, and supporting the statewide Recovery Friendly Workplace initiative, incubated at United Way, which gives employers the resources they need to support their employees in recovery.

EMERGENCY AND DISASTER RELIEF: United Way is also Missoula County's designated financial partner, serving as a repository for private donations to alleviate natural disasters, such as fire and floods. United Way receives, acknowledges and, with a panel of volunteer advisors, disburses donated funds to help families and organizations affected by emergencies and natural disasters. Incubated under United Way's Emergency/Disaster umbrella was Wildfire Ready Missoula, a public-private collaboration now housed at the Missoula County Office of Emergency Services, that works with homeowners to reduce fire risk and catastrophic property loss in the wildland-urban interface. United Way continues to play a leadership role in this initiative.

OTHER IMPACT: United Way also operates and staffs the Missoula Nonprofit Center (MNC), which provides training, education, and networking opportunities to more than 100 members of Missoula's diverse nonprofit community. MNC also hosts Missoula's annual Philanthropy Day celebration, honoring organizational and individual champions of giving and serving. Membership in MNC includes access to a comprehensive weekly newsletter on nonprofit-related topics, as well as access to Volunteer Missoula, a web-based platform that links people with volunteer opportunities at member nonprofit organizations.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (continued)

Zero to Five Missoula also operates several other initiatives:

- the Parent Leadership Training Institute enhances parents' and caregivers' ability to advocate effectively for their families
- through a study of several hundred kindergarten students throughout Missoula County, the Kindergarten Entry Assessment spotlights factors that improve kindergarten readiness and identifies areas for targeted interventions
- the Early Learning Fellows program provides early childhood professionals with development and networking opportunities to enhance their knowledge and skills and strengthen ties between pre-K and the K-12 system.

Annually, United Way also mobilizes volunteers to complete hands-on service projects. In 2025, more than 100 volunteers completed projects throughout Missoula, principally through Day of Action, a United Way signature event held annually every summer.

In addition to the above activities, from time to time United Way provides funding to carefully screened and qualified nonprofit organizations in Missoula, Mineral, and Ravalli counties whose work aligns with and advances the goals of the above education, financial stability and health initiatives. Funding decisions are made collaboratively by United Way staff and Administrative Committee or board of directors. Funded programs comply with certain mutually agreed-upon conditions, spelled out in written memoranda of understanding, and results are evaluated by United Way, in order to ensure that donor dollars are invested wisely and well. United Way also supports numerous mission-aligned local nonprofits through purchasing tickets to and making donations at their fundraising events.

Fifteen volunteer members serve on United Way's board of directors, providing oversight and guidance to the CEO, and ensuring high standards of financial and programmatic excellence. The board meets seven times annually. As a member in good standing of United Way Worldwide, the world's largest privately supported nonprofit organization, United Way of Missoula County annually must demonstrate compliance with rigorous standards in the areas of fiscal oversight, governance, management, equity, fundraising, recordkeeping, and donor stewardship.

United Way's board of directors also includes several committees. The Administrative Committee ensures careful stewardship of financial resources, including oversight of the organization's permanent endowment.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (continued)

Reporting directly to the board, the Audit Committee ensures sound financial oversight by overseeing the annual audit process with an independent auditor and management. Comprising members with financial expertise, the committee selects, reviews, and evaluates the performance of independent auditors and staff members with audit responsibilities; reviews the annual financial statements (audit report, notes, schedules); provides an avenue of communication between independent auditors, management, and the board of directors; and oversees the integrity and adequacy of the financial accounting processes and internal controls.

The Executive Committee comprises board officers and the CEO. It serves as a board development committee and occasionally takes action on behalf of the board, if urgent matters arise between board meetings.

The Live United Committee ensures that United Way programs and practices, internally and externally, reflect and embody principles of equity, justice, diversity and inclusion.

United Way also administers The Fund for Ravalli County, an internally designated fund to benefit qualified nonprofit organizations serving Ravalli County.

Under the guidance of the board of directors, and via a formal memorandum of understanding, United Way also serves as the fiscal sponsor of four programs:

- Montana Black Collective – Missoula, which seeks to engage and empower people of African ancestry living in the Missoula community by stimulating intellectual, political, spiritual and social growth among its members, and deconstructing racism in all forms throughout the larger community.
- Transvisible Montana, a coalition of transgender, non-binary and two spirit individuals and organizations promoting awareness and amplifying the voices of transgender Montanans by providing workshops, leadership opportunities and education across the state.
- Montana Organization of New Americans (MONA), providing resources, education, and advocacy to help members of the Missoula refugee community integrate successfully into their new home.
- Kaleidoscope Kids, which provides no-cost early intervention therapies and services to empower parents and caregivers to support children’s developmental growth through play and connection.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

United Way's financial statements have been prepared on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board.

Cash and Cash Equivalents

For purposes of the statement of cash flows, United Way considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

From time to time, certain bank accounts that are subject to coverage by the Federal Deposit Insurance Corporation (FDIC) may exceed their insured limits. At December 31, 2025 and 2024, United Way's bank accounts were fully insured by the FDIC.

Accounts Receivable and Contributions Receivable

Accounts receivable represent amounts owed to United Way for reimbursements of costs from the Combined Federal Campaign and other organizations and are stated at unpaid balances. Management evaluated receivables for expected credit losses and determined no allowance for credit losses was necessary. At December 31, 2025 and 2024, all receivables were current. Interest is not charged on accounts receivable.

Contributions receivable represent unconditional promises to give through written agreements to contribute cash or other assets to United Way. These promises to give (pledges) are reported as contribution revenue and receivables even if the promise is legally unenforceable. Unconditional promises to give are reported at unpaid principal balances less an allowance account of $5,000 and $10,000 at December 31, 2025 and 2024, respectively. Management determines the allowance account based on historical collection percentages, an evaluation of individual contributions receivable, and consideration of economic conditions, among other factors.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are reported at fair value using the market approach. Investments consist primarily of mutual funds. Increases or decreases in fair value are recognized in the current period as investment gains or losses. Investment income includes interest, dividends, and realized and unrealized gains and losses. United Way's investment values are determined using either Level 1 inputs or Level 2 inputs. Level 1 inputs are quoted prices in active markets for identical assets as of the measurement date. Level 2 inputs are quoted prices in active markets for similar assets that are observable through the measurement date. United Way's investment in securities is exposed to various risks, such as interest rate, credit, and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the financial statements.

Property and Equipment

Property and equipment are recorded at cost when purchased or at fair value if donated. Generally, repairs and maintenance are expensed as incurred and purchases and betterments with a useful life of three years or more (regardless of cost) are capitalized. Capitalized assets are depreciated on a straight-line basis over the estimated useful lives ranging from five to thirty nine years. Property and equipment is reported net of accumulated depreciation.

Compensated Absences

United Way's employees are entitled to paid time off depending on the length of employment, hours worked, and other factors after a thirty-day probation period. Vacation leave earned ranges from 80 hours to 200 hours depending on the number of years of service. Vacation is paid out at the current employees' rate of pay upon termination. United Way accrues vacation leave for employees when earned.

Sick leave is accrued at up to 8 hours per month from the date of hire and may be carried over year to year. Sick leave is not paid out to the employee upon leaving United Way.

Deferred Gift Annuity

United Way was the recipient of a deferred gift annuity to their endowment which was recorded at fair market value. The annuity amount will be distributed to the donors in annual installments beginning November 2041. The present value of the future annuity payments is recorded as a liability using a discount rate of 4.6% and standard actuarial tables for remaining lives of donors and beneficiaries, with the difference recorded as contribution revenue. The changes in the fair market value of the gift annuity are recognized as changes in the value of the annuity agreement at year-end.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

Deferred revenue consists of cash advanced from grantors that has not yet been expended under the conditions of the grant.

Net Asset Classification

The net assets of United Way are reported in the following categories:

Net assets are classified as *without donor restrictions* in the absence of donor imposed restrictions. This category includes those revenues and expense associated with generally unrestricted activities and with United Way's primary exempt functions. The board has designated certain funds for reserves or use in future period totaling $63,843 and $63,651 at December 31, 2025 and 2024, respectively.

Net assets classified as *with donor restrictions* have donor-imposed restrictions that have not been met. Such restrictions may be met by the passage of time or use for a specific purpose, or the assets may be expected to be maintained in perpetuity.

Some donors specify certain recipient organizations for cash donations and promises to give. Because United Way acts solely as an intermediary, such donations are excluded from the statement of activities and are reflected as custodial funds liability (Funds held in trust liability) in the statement of financial position until the funds are distributed to the recipient organizations.

Revenue Recognition

Contributions are recognized when United Way receives cash, securities, or other assets; an unconditional promise to give; or notification of a beneficial interest. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Program service revenue consists of fees charged to program attendees and represents an exchange transaction. United Way's performance obligation is to provide program services to the attendee, and revenue is recognized over the period those services are provided. Fees received in advance of the related program services are reported as deferred revenue in the statements of financial position.

Certain of United Way's grants are cost-reimbursement awards conditioned upon the incurrence of allowable qualifying expenses, and in some cases, other performance requirements. Amounts under these awards are recognized as revenue when United Way has incurred qualifying expenditures in compliance with the specific contract or grant provisions. Amounts received before the qualifying expenditures are incurred are reported as a refundable advance in the statements of financial position. As of December 31, 2025 and 2024, deferred revenue totaled 57,866 and 348,292, respectively.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)
United Way seeks and receives volunteer efforts of community members to attain its goals and objectives. Donated services meeting the criteria of GAAP for recognition are reported as donated services in the statement of activities with a corresponding expense recorded in program and management & general expenses. The value of donated services is determined by the donors at the usual fee they would receive for such services in the normal course of their profession. $103,085 and $1,000 are recorded in the statement of activities for donated services for 2025 and 2024, respectively.

Expense Allocation and Functional Activities
United Way allocates costs that can be identified specifically with a particular cost objective directly to the benefitting services. Joint costs are allocated to fundraising, management and general, and program activities on the basis of estimated time identifiable with such services.

Program Services consist of funds utilized for community building and community impact work, specifically those funds that help provide critical community resources in the areas of education, income, and health support. Such services include community grants, opportunity grants, emergency grants, mentoring, advocacy, volunteers, networking, supply drives, and other efforts.

Management and General consist of funds that are used for administering United Way and processing donor contributions.

Fundraising expenses are for activities and events designed to create public awareness and support for United Way's programs; principally its grant making to education, income, and health programs in the community.

Marketing Expenses
United Way expenses the costs of marketing as incurred. Marketing expenses totaled $12,085 and $24,120 in 2025 and 2024, respectively.

Estimates
The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Concentration of Risks
United Way receives a substantial portion of its revenue from contributions and grants. A significant reduction in these revenues, should such an event occur, would have an effect on United Way's programs and activities. Contributions and grants from Headwaters funders represent 12% of total revenue for the years ended December 31, 2025 and 2024.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

United Way is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes has been recorded in the financial statements because United Way did not have any unrelated business income in 2025. With few exceptions, United Way's federal Return of Organization Exempt from Income Tax (Form 990) is not subject to examination for tax years prior to 2022.

Reclassification

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on previously reported change in net assets.

2. CONTRIBUTIONS RECEIVABLE

United Way's contributions receivable are due in less than one year and are reported on the statement of financial position at unpaid principal amounts, net of an allowance account. A summary is as follows:

	2025	2024
Contributions receivable	$ 42,071	$ 43,584
Allowance	(5,000)	(10,000)
Contributions receivable, net	$ 37,071	$ 33,584

3. INVESTMENTS

A framework for measuring fair value and defining fair value is provided by GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. GAAP also establishes a fair value hierarchy which prioritizes the valuation of inputs into three broad levels as described below:

Level 1 – unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

3. INVESTMENTS (CONTINUED)

Level 3 – significant unobservable prices or inputs where there is little or no market activity for the asset or liability at the measurement date.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Cash, money market accounts, and other cash equivalents are valued at their carrying amount, which approximates fair value. Marketable equity securities are stated at fair value based on quoted market prices in active markets. Mutual funds are valued at the net asset value (NAV). The NAV is based on the value of the underlying assets owned, minus its liabilities, and then divided by the number of shares held at year-end. The NAV is quoted in an active market. Investment accounts consist of various financial instruments held at a financial institution. The fair market value (FMV) of the investments is from quoted market prices in active markets for identical assets or liabilities (Level 1).

The cost and fair value of investments at December 31, 2025 was as follows:

	Cost or Amortized Cost	Net Unrealized Gain (Loss)	Fair Value
Cash Restricted for Investment	$ 11,947	$ -	$ 11,947
Money market	$ 21,389	$ -	$ 21,389
LEVEL 1			
Mutual Funds			
Bond funds	332,558	(23,476)	309,082
Equity funds	741,024	261,841	1,002,865
Total Level 1	1,073,582	238,365	1,311,947
TOTAL INVESTMENTS	$ 1,106,918	$ 238,365	$ 1,345,283

Net investment income for the year ended December 31, 2025 was as follows:

Interest and dividends	$ 62,870
Net realized and unrealized gains	117,151
Investment management fees	(13,349)
Net investment income	$ 166,672

3. INVESTMENTS (CONTINUED)

The cost and fair value of investments at December 31, 2024 was as follows:

	Cost or Amortized Cost	Net Unrealized Gain (Loss)	Fair Value
Cash Restricted for Investment	$ 6,584	$ -	$ 6,584
Money market	$ 24,479	$ -	$ 24,479
LEVEL 1			
Mutual Funds			
Bond funds	320,546	(32,328)	288,218
Equity funds	717,319	186,851	904,170
Total Level 1	1,037,865	154,523	1,192,388
TOTAL INVESTMENTS	$ 1,068,928	$ 154,523	$ 1,223,451

Net investment income for the year ended December 31, 2024 was as follows:

Interest and dividends	$ 82,156
Net realized and unrealized gains	32,084
Investment management fees	(12,735)
Net investment income	$ 101,505

4. PROPERTY AND EQUIPMENT

United Way's property and equipment consisted of the following at December 31, 2025 and 2024:

	December 31, 2023	Additions	December 31, 2024
Land	$ 72,000	$ -	$ 72,000
Furniture and equipment	54,590	-	54,590
Building	369,731	19,521	389,252
Cold Springs Remodel	-	479,993	479,993
Construction in Process	308,486	(308,486)	-
	804,807	191,028	995,835
Accumulated depreciation	(156,938)	(27,557)	(184,495)
Property and equipment, net	$ 647,869	$ 163,471	$ 811,340

	December 31, 2024	Additions	December 31, 2025
Land	$ 72,000	$ -	$ 72,000
Furniture and equipment	54,590	-	54,590
Building	389,252	-	389,252
Cold Springs Remodel	479,993	-	479,993
	995,835	-	995,835
Accumulated depreciation	(184,495)	(42,920)	(227,415)
Property and equipment, net	$ 811,340	$ (42,920)	$ 768,420

5. OPERATING LEASES

United Way leases certain office equipment under terms of an operating lease on a month-to-month basis. Rent is determined based on usage. United Way had no rent expenses in 2025 and rent expense in 2024 totaling $1,718.

United Way engaged in a lease with Missoula County Public Schools for real property. The lease was entered into August 2023 with payments due monthly in the amount of $2,533 and is set to expire in July 2028.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2025:

Fiscal Year	Amount
2026	30,390
2027	30,390
2028	20,260
2029	-
2030	-
Total	$ 81,040
Imputed Interest	8,993
Right-of-use lease liability	$ 72,047

6. ENDOWMENT

Interpretation of Relevant Law
The Board of Directors has interpreted the Montana Uniform Prudent Management of Institutional Funds Act (MUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date 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 from donors, (b) the original value of subsequent gifts to the permanent endowment from donors, and (c) any accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund. The accumulated earnings on donor-restricted endowments remain with donor restrictions until appropriated. The remaining portion of the donor-restricted permanent endowment fund that is not classified as with donor restrictions is classified as without donor restrictions, until those amounts are appropriated for expenditure by United Way in a manner consistent with the standard of prudence prescribed by MUPMIFA.

6. ENDOWMENT (CONTINUED)

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

- The duration and preservation of the fund;
- The purposes of United Way and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of United Way;
- The investment policies of United Way.

Funds with Deficiencies
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor, board of directors, or MUPMIFA requires United Way to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are required to be reported in net assets with donor restrictions. There were no funds with deficiencies in 2025 and 2024.

Return Objectives and Risk Parameters
United Way has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and activities supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that United Way must hold in perpetuity or for a donor-specified period as well as board-designated endowment funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield of 5%. United Way expects its endowment funds over time to provide a reasonable level of income to support the spending policy authorized by the Board of Directors and to grow equity assets. Actual returns in any given year may vary from this amount.

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). United Way targets a diversified asset allocation including cash, cash equivalents, equity securities, and mutual funds to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy
United Way's spending policy allows for an annual distribution up to 5% of the three-year average market value of the funds as calculated on 4 quarters ending December 31, not to exceed the average net earnings, growth, and income of the three-year period. United Way expects its spending policy to allow the endowment to grow and to maintain the purchasing power of the endowment assets.

6. ENDOWMENT (CONTINUED)

Changes in the endowment net assets composition by fund type for the years ended December 31, 2025 and 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, January 1, 2024	$ 591,455	$ 567,852	$ 1,159,307
Investment Return			
Investment Income	82,156	-	82,156
Net Appreciation (Depreciation) (realized and unrealized)	(11,037)	-	(11,037)
Total Investment Return	71,119	-	71,119
Contributions	-	5,760	5,760
Appropriations for Expenditures and Fees	(12,735)	-	(12,735)
Endowment Net Assets, December 31, 2024	649,839	573,612	1,223,451
Investment Return			
Investment Income	62,870	-	62,870
Net Appreciation (Depreciation) (realized and unrealized)	66,948	-	66,948
Total Investment Return	129,818	-	129,818
Contributions	-	5,363	5,363
Appropriations for Expenditures and Fees	(13,349)	-	(13,349)
Endowment Net Assets, December 31, 2025	$ 766,308	$ 578,975	$ 1,345,283

7. LINE OF CREDIT

United Way has a $100,000 line of credit with a bank secured by real property. The loan carries interest at 7% and is payable on or before April 3, 2026. The balance was outstanding as of December 31, 2025, but was paid off in full on January 15, 2026.

8. EMPLOYEE BENEFITS

United Way participates in a SIMPLE IRA retirement plan for employees who had completed one year of service and earned at least $5,000 in compensation. United Way contributed 2% for 2025 and 2024 of employee compensation. Employees may make elective deferrals up to the amount allowed by law. United Way contributed $9,123 and $11,237 in 2025 and 2024, respectively.

8. EMPLOYEE BENEFITS (CONTINUED)

United Way provides health insurance for full time employees after thirty days of employment. Family coverage is available at the employee's expense. United Way paid insurance premiums of $32,559 and paid $8,531 in health savings account fees and contributions for its employees in 2025. United Way paid insurance premiums of $39,582 and paid $9,567 in health savings account fees and contributions for its employees in 2024.

9. RELATED PARTIES

United Way is an affiliate of United Way Worldwide, meeting high standards of accountability in the areas of financial reporting, governance, ethics, and operations. Membership dues attributed to United Way Worldwide totaled $15,880 and $9,481 in 2025 and 2024, respectively.

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2025 and 2024 consist of the following:

Promises to give - United Way's promises to give are considered with donor restrictions until collected. As of December 31, 2025 and 2024, $37,071 and $33,584, respectively, represent promises to give, these amounts are included in net assets with donor restrictions.

Endowment Fund - United Way's endowment fund contains net assets with donor restrictions at December 31, 2025 and 2024 of $578,975 and $573,612, respectively.

United Way receives donor restricted contributions for specified purposes, unspent amounts at year end are carried forward to the next year and are considered net assets with donor restrictions. Changes in these donor restricted net assets for the years ended December 31, 2025 and 2024 are as follows:

	Special Projects								
	Missoula Child Care Advantage Program	Disaster Relief Funds	KYSSmas for Kids	Diversion Funds	Montana Black Collective Missoula	Housing Solutions Fund	Llewellyn Foundation	IERP Narcan VM	Miscellaneous Projects
Balance, January 1, 2024	$ 71,000	$ 32,775	$ 1	$ 1,713	$ 1,249	$ -	$ -	$ -	$ 3,006
Additions	-	386	-	-	-	20,000	-	-	-
Released	(61,242)	(5,802)	(1)	(1,713)	(1,249)	-	-	-	-
Balance, December 31, 2024	9,758	27,359	-	-	-	20,000	-	-	3,006
Additions	-	6,333	-	-	-	-	45,000	22,053	-
Released	(658)	(10,000)	-	-	-	(20,000)	(7,709)	(12,274)	-
Balance, December 31, 2025	$ 9,100	$ 23,692	$ -	$ -	$ -	$ -	$ 37,291	$ 9,779	$ 3,006

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table presents the financial assets available for general expenditures within one year at December 31, 2025 and 2024:

	2025	2024
Financial assets at year-end		
Cash and cash equivalents	$ 112,383	$ 269,558
Accounts receivable	64,254	38,639
Contributions receivable	37,071	33,584
Investments	766,308	649,839
Financial assets available to meet general expenditures within one year	$ 980,016	$ 991,620

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 27, 2026, the date the financial statements were available for issue.

SUPPLEMENTAL INFORMATION

UNITED WAY OF MISSOULA COUNTY

SCHEDULE OF 2025 CAMPAIGN REVENUE
For the Year Ended December 31, 2025

		1/1/2025 to 12/31/2025
CAMPAIGN REVENUES		
Undesignated Contributions	$	390,661
Designated Contributions (Internal)		155,591
Designated Contributions (External)		29,498
Endowment Contributions		5,363
Campaign Revenues, Gross	$	581,113
DESIGNATIONS		
Designated Contributions (from above)	$	29,498
Designation Fees		(2,950)
Designations, Net	$	26,548
Campaign Revenues, Net	$	422,572

See Independent Auditor's Report