

MERRILL AREA UNITED WAY, INC.

MERRILL, WISCONSIN

REVIEWED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

GASSNER COMPANY, S.C.

Certified Public Accountants
Wausau, Wisconsin

MERRILL AREA UNITED WAY, INC.

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December 31, 2025 and 2024

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GASSNER CO., S.C.

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
of Merrill Area United Way, Inc.

We have reviewed the accompanying financial statements of Merrill Area United Way, Inc., (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Merrill Area United Way, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.


GASSNER COMPANY, S.C.
Certified Public Accountants

Wausau, Wisconsin
June 23, 2026

MERRILL AREA UNITED WAY, INC.
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2025 and 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Current Assets:		
Cash and Cash Equivalents	\$ 392,959	\$ 388,118
Certificates of Deposit	76,406	73,292
Contributions Receivable - Net	<u>130,299</u>	<u>267,513</u>
Total Current Assets	<u>599,664</u>	<u>728,923</u>
Total Assets	<u>\$ 599,664</u>	<u>\$ 728,923</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accrued Expenses	\$ 1,454	\$ 2,353
Contributions Payable	<u>172,413</u>	<u>177,219</u>
Total Current Liabilities	173,867	179,572
Net Assets:		
Without Donor Restrictions:		
Board Designated Funds for Disaster Relief	1,000	990
Undesignated Funds	<u>294,498</u>	<u>280,848</u>
Total Without Donor Restrictions	295,498	281,838
With Donor Restrictions	<u>130,299</u>	<u>267,513</u>
Total Net Assets	<u>425,797</u>	<u>549,351</u>
Total Liabilities and Net Assets	<u>\$ 599,664</u>	<u>\$ 728,923</u>

See Accompanying Notes to the Financial Statements
 and Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Contributions and Grants	\$ 102,585	\$ 88,936	\$ 191,521
In-Kind Contributions	13,223	-0-	13,223
Interest Income	3,272	-0-	3,272
Net Assets Released from Restrictions	<u>226,150</u>	<u>(226,150)</u>	<u>-0-</u>
Total Revenue	345,230	(137,214)	208,016
Expenses:			
Program Services	252,045	-0-	252,045
Management and General	46,715	-0-	46,715
Fundraising	<u>32,810</u>	<u>-0-</u>	<u>32,810</u>
Total Expenses	<u>331,570</u>	<u>-0-</u>	<u>331,570</u>
Changes in Net Assets	13,660	(137,214)	(123,554)
Net Assets at Beginning of Year	<u>281,838</u>	<u>267,513</u>	<u>549,351</u>
Net Assets at End of Year	<u>\$ 295,498</u>	<u>\$ 130,299</u>	<u>\$ 425,797</u>

See Accompanying Notes to the Financial Statements
and Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Contributions and Grants	\$ 181,171	\$ 184,335	\$ 365,506
In-Kind Contributions	16,520	-0-	16,520
Interest Income	3,582	-0-	3,582
Net Assets Released from Restrictions	124,482	(124,482)	-0-
Total Revenue	325,755	59,853	385,608
Expenses:			
Program Services	237,196	-0-	237,196
Management and General	41,859	-0-	41,859
Fundraising	41,518	-0-	41,518
Total Expenses	320,573	-0-	320,573
Changes in Net Assets	5,182	59,853	65,035
Net Assets at Beginning of Year	276,656	207,660	484,316
Net Assets at End of Year	\$ 281,838	\$ 267,513	\$ 549,351

See Accompanying Notes to the Financial Statements
and Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.

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

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total</u>
Allocated - Affiliated Agencies	\$ 172,933	\$ -0-	\$ -0-	\$ 172,933
Allocated - Community Service	3,500	-0-	-0-	3,500
Allocated - Local Designations	-0-	-0-	-0-	-0-
Salaries	4,201	18,203	5,601	28,005
Payroll Taxes	321	1,392	428	2,141
Telephone	334	1,446	444	2,224
Insurance	176	764	235	1,175
Postage & Printing	344	1,148	803	2,295
Office Supplies	-0-	6,016	4,922	10,938
Travel & Meals	-0-	722	722	1,444
Dues & Subscriptions	-0-	6,179	-0-	6,179
Licenses & Fees	-0-	145	-0-	145
Professional Fees	-0-	4,975	-0-	4,975
Campaign & Promotion	-0-	-0-	17,893	17,893
Building Rent	1,321	5,725	1,762	8,808
Credit Loss Expense	68,915	-0-	-0-	68,915
Total Expenses	<u>\$ 252,045</u>	<u>\$ 46,715</u>	<u>\$ 32,810</u>	<u>\$ 331,570</u>

See Accompanying Notes to the Financial Statements
and Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 For The Year Ended December 31, 2024

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total</u>
Allocated - Affiliated Agencies	\$ 177,219	\$ -0-	\$ -0-	\$ 177,219
Allocated - Community Service	6,500	-0-	-0-	6,500
Allocated - Local Designations	-0-	-0-	-0-	-0-
Salaries	4,647	20,138	6,196	30,981
Payroll Taxes	356	1,541	473	2,370
Telephone	340	1,472	452	2,264
Insurance	220	953	293	1,466
Postage & Printing	292	1,264	389	1,945
Office Supplies	-0-	2,632	1,986	4,618
Travel & Meals	-0-	874	247	1,121
Dues & Subscriptions	-0-	1,334	-0-	1,334
Licenses & Fees	-0-	28	-0-	28
Professional Fees	-0-	5,898	-0-	5,898
Campaign & Promotion	-0-	-0-	29,720	29,720
Building Rent	1,321	5,725	1,762	8,808
Credit Loss Expense	46,301	-0-	-0-	46,301
Total Expenses	<u>\$ 237,196</u>	<u>\$ 41,859</u>	<u>\$ 41,518</u>	<u>\$ 320,573</u>

See Accompanying Notes to the Financial Statements
 and Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.

STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2025 & 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ (123,554)	\$ 65,035
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Certificate of Deposit Interest Reinvested	(3,114)	(3,416)
(Increase) Decrease in Contributions Receivable	137,214	(59,853)
Increase (Decrease) in Contributions Payable	(4,806)	(34,671)
Increase (Decrease) in Accrued Expenses	(899)	(1,061)
Total Adjustments	<u>128,395</u>	<u>(99,001)</u>
Net Cash Provided (Used) by Operating Activities	<u>4,841</u>	<u>(33,966)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,841	(33,966)
Cash and Equivalents, Beginning	<u>388,118</u>	<u>422,084</u>
Cash and Equivalents, Ending	<u>\$ 392,959</u>	<u>\$ 388,118</u>
Supplemental Disclosure:		
In-Kind Contributions	\$ 13,223	\$ 16,520

See Accompanying Notes to the Financial Statements
and Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 - Organization and Summary of Significant Accounting Policies

Organization

Merrill Area United Way, Inc., is a nonstock, nonprofit Wisconsin corporation organized under Chapter 181 of the Wisconsin Statutes. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from state income taxes.

The Organization receives donations from individuals and area businesses and distributes funds in the form of grants and allocations to various local nonprofit and charitable organizations.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization maintains cash balances at two local banks. Deposits in each bank are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000. The Organization's deposits that were not covered by the FDIC at December 31, 2025 and 2024 were \$139,618 and \$144,403, respectively.

Financial Statement Presentation

The Organization is required to distinguish between contributions that are received without donor restrictions and contributions with donor restrictions, and to recognize contributions, including contributed services meeting certain criteria, at fair values.

The financial statements are required to include a statement of financial position, a statement of activities, and a statement of cash flows. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Merrill Area United Way, Inc.'s management and board of directors.

See Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 - Organization and Summary of Significant Accounting Policies - Cont'd
Financial Statement Presentation - Cont'd

Net Assets with Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of Merrill Area United Way, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When funding is received that is restricted by donors and grantors, and the restrictions are met in the reporting period, the funds are considered net assets without donor restrictions. The Organization currently does not have any donor restrictions that are perpetual in nature.

Contributions Receivable

Contributions received are recorded as received. Contributions receivable that are due in the next year are fully recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. A discount for present value has not been applied to the receivable balances since the amount collectible in future years is not determinable. Contributions receivables are classified as either current or non-current depending on when payments are expected to be received or whether the contributions receivables are restricted for long-term purposes.

Contribution Revenue and Revenue Recognition

The Organization follows the guidance issued under Accounting Standards Update (ASU) 2014-09 for recording revenue. Program service revenue and donations are considered a specific fixed dollar contract. All donations are considered available for unrestricted use unless specifically restricted by the donor. The Organization does not offer rebates, refunds or price concessions to its clients or donors. In addition, the Organization does not receive incentives or performance bonuses from its clients or donors. Revenue is recognized when the donation is received or pledged, and program revenue is recognized when received.

See Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 1 - Organization and Summary of Significant Accounting Policies - Cont'dContribution Revenue and Revenue Recognition - Cont'd

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Contributions of cash and other assets are reported as with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The beginning and ending contract balances are as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Contributions Receivable	\$ 130,299	\$ 267,513	\$ 207,660
Contributions Payable	172,413	177,219	211,890

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

In-Kind Contributions

The Organization records various types of in-kind contributions including professional services and supplies. Contributed professional services are recognized in the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by a like amount included in assets or expenses. In-kind contributions of rent, services, and materials of \$13,223 and \$16,520 were recorded for the years ended December 31, 2025 and 2024, respectively. Additionally, the Organization receives skilled and contributed time which does not meet the two recognition criteria described above.

See Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 1 - Organization and Summary of Significant Accounting Policies - Cont'd

Functional Expenses

The costs of providing the various programs and other activities have been summarized in the statement of functional expenses. These allocations are determined by management and are generally allocated based on time and effort. The following expenses are included in the accompanying financial statements:

Program Services - Includes allocated disbursements to affiliates and local organizations, event fees, insurance for events, and payroll for staff time allocated to programs. Program Services also includes a proportionate share of the building's occupancy costs.

Support Services - Includes professional fees, insurance, and payroll for staff time allocated to general operations. Support Services also includes a proportionate share of the building's occupancy costs as well as office administration expenses.

Fundraising Services - Includes activities that constitute an appeal for financial support, direct mail lists, direct contact solicitations, travel, advertising and marketing, and payroll for staff time allocated to fundraising. Fundraising Services also includes a proportionate share of the building's occupancy costs.

Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

Annual Campaign Revenue Recognition and Designated Pledges

The Organization conducts annual fundraising campaigns in cooperation with many local employers. The staff and volunteers present to groups of employees regarding various community needs supported by the Organization. The pledges and cash donations raised in the campaigns during the year are recognized as revenue in the year that the pledge is received.

The Organization allows donors to designate their contributions to any agency qualified to receive charitable contributions. The Organization records the activity for donor-designated contributions in gross campaign contributions and deducts them from revenue on the Statement of Activities. Designations are paid when the pledge is collected.

See Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024NOTE 2 - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following:

	<u>2025</u>	<u>2024</u>
Contributions with Time Restriction	<u>\$ 130,299</u>	<u>\$ 267,513</u>

NOTE 3 - Contributions Receivable

Annual fundraising campaigns commence each fall, with pledges being collected over the calendar year. The majority of fundraising campaign pledges from campaign years 2020 through 2025 received by the Organization are paid via payroll deductions and corporate match payments. These individual pledges are deducted from individuals' paychecks each pay period by their employers and remitted to the Organization throughout the year.

Contributions receivable consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
2022-2023 Campaign	\$ -0-	\$ 72,254
2023-2024 Campaign	20,667	44,671
2024-2025 Campaign	41,456	161,088
2025-2026 Campaign	86,176	-0-
Allowance for Credit Losses	<u>(18,000)</u>	<u>(10,500)</u>
Total	<u>\$ 130,299</u>	<u>\$ 267,513</u>

Company match pledges are considered conditional promises to give and are not recognized until collected. Funds received from other United Way organizations and out of town sources, as well as pledges designated for other United Way organizations are not recognized until collected.

The Organization considers all receivables collectible at the time of the pledge. After three years, a pledge is deemed uncollectible and written off in the fourth year. As of December 31, 2025 and 2024, the balance for allowance for credit losses was \$18,000 and \$10,500, respectfully.

NOTE 4 - Accounts Receivable & Allowance for Credit Losses

The Organization follows Accounting Standards Update (ASU) No. 2016 - 13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which uses an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology.

The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including accounts and loan receivables. It also applies to off-balance sheet credit exposure not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments).

There were no significant changes in the amount of accounts written off in 2025 and 2024.

See Independent Accountant's Review Report

MERRILL AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024NOTE 4 - Accounts Receivable & Allowance for Credit Losses - Cont'd

A summary of the 2025 and 2024 roll forward activity in the Company's allowance for credit losses related to trade receivables follows:

	<u>2025</u>	<u>2024</u>
Balance January 1	\$ 10,500	\$ 6,000
Current provision for credit losses	18,000	10,500
Write-offs charged against the allowance	(10,500)	(6,000)
Recoveries of previous amounts written off	-0-	-0-
Balance December 30	<u>\$ 18,000</u>	<u>\$ 10,500</u>

NOTE 5 - Operating Lease Agreements

On March 1, 2015, The Organization moved into an office space, on a rent-free basis. In-kind rent of \$7,200 and \$7,200 were recorded for the years ended December 31, 2025 and 2024, respectively.

NOTE 6 - Concentrations of Revenue

The Organization has one contributor along with its employees that contributed 63% and 67% of the total revenues for the years ended December 31, 2025 and 2024, respectfully. Management believes that accounts receivable represents a similar concentration percentage. A significant reduction in the level of these revenues, if this were to occur, would have an effect on the Organization's programs and activities.

NOTE 7 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

	<u>2025</u>	<u>2024</u>
Financial Assets at year-end:		
Cash and Cash Equivalents	\$ 392,959	\$ 388,118
Certificates of Deposits	76,406	73,292
Contributions Receivable - Net	<u>130,299</u>	<u>267,513</u>
Total Financial Assets at Year End	599,664	728,923
Less assets not available for general expenditures within one year due to restrictions	<u>(130,299)</u>	<u>(267,513)</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 469,365</u>	<u>\$ 461,410</u>

See Independent Accountant's Review Report

UNAUDITED

MERRILL AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 7 - Liquidity and Availability of Resources - Cont'd

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the case of unanticipated liquidity needs, the organization would look to borrow funds from an outside source. The Organization does not hold a liquidity reserve.

NOTE 8 - Subsequent Events

Management has evaluated subsequent events through June 23, 2026, which was the date the financial statements were available to be issued.

See Independent Accountant's Review Report