

Return of Organization Exempt From Income Tax

2001

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2001 calendar year, or tax year beginning 2001, and ending 20

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization <u>Red Wing, Minnesota Area United Way, Inc.</u>	D Employer identification number <u>41 6043633</u>
		Number and street (or P O box if mail is not delivered to street address) Room/suite <u>413 West Third Street</u>	E Telephone number <u>651 388-6309</u>
		City or town state or country and ZIP + 4 <u>Red Wing, MN 55066</u>	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶

H and **I** are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? Yes No (If "No" attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Enter 4-digit GEN ▶

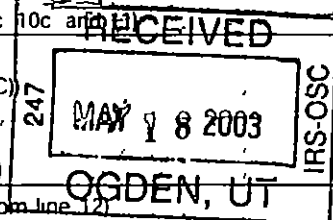
J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no) 4947(a)(1) or 527

K Check here ▶ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16)

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	564,860		
	b	Indirect public support	1b	5,104		
	c	Government contributions (grants)	1c	0		
	d	Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d		569,964	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4		3,529	
	5	Dividends and interest from securities	5			
	6a	Gross rents	6a			
	b	Less rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe ▶ <u>Unrealized Capital Gains</u>)	7		6,963		
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	b	Less cost or other basis and sales expenses	8a			
	c	Gain or (loss) (attach schedule)	8b			
	d	Net gain or (loss) (combine line 8c columns (A) and (B))	8c			
8d		8d				
Revenue	9	Special events and activities (attach schedule)				
	a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
	b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c				
Revenue	10a	Gross sales of inventory, less returns and allowances	10a			
	b	Less cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11				
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c and 11)	12		580,456		
Expenses	13	Program services (from line 44, column (B))	13	388,937		
	14	Management and general (from line 44, column (C))	14	9,337		
	15	Fundraising (from line 44, column (D))	15	82,386		
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 13 and 14, column (A))	17	480,660		
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	99,796		
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	115,046		
	20	Other changes in net assets or fund balances (attach explanation)	20	-		
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	214,842		



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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 21.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) ^{sch 1} (cash \$ <u>385,814</u> noncash \$ _____)	22 385,814	385,814		
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25			
26	Other salaries and wages	26 39,934	1,997	3,993	33,944
27	Pension plan contributions	27 912	46	91	775
28	Other employee benefits	28			
29	Payroll taxes	29 3,053	153	305	2,595
30	Professional fundraising fees	30			
31	Accounting fees	31 2,675	0	2,675	0
32	Legal fees	32			
33	Supplies	33 1,167	58	117	992
34	Telephone	34 980	49	98	833
35	Postage and shipping	35 1,070	54	107	909
36	Occupancy	36 3,300	165	330	2,805
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42 1,588	79	159	1,350
43	Other expenses not covered above (itemize) a ^{Insurance}	43a 1,738	87	173	1,478
	b Campaign Expenses	43b 9,602	0	0	9,602
	c Membership & Dues	43c 3,929	196	393	3,340
	d Doubtful Pledges	43d 21,461	0	0	21,461
	e Other	43e 3,437	239	896	2,302
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44 480,660	388,937	9,337	82,386

Joint Costs Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes" enter (i) the aggregate amount of these joint costs \$ _____ (ii) the amount allocated to Program services \$ _____

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 24.)

What is the organization's primary exempt purpose?	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a Program Services consist entirely of the distribution of collected contributions to various charities approved by the board of directors. See Schedule 2	
(Grants and allocations \$ _____)	480,660
b _____	
(Grants and allocations \$ _____)	
c _____	
(Grants and allocations \$ _____)	
d _____	
(Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44 column (B) Program services)	480,660

Part IV Balance Sheets (See Specific Instructions on page 24)

Note		(A)		(B)	
Where required attached schedules and amounts within the description column should be for end-of-year amounts only		Beginning of year		End of year	
Assets	45	Cash—non-interest bearing	4,530	45	2,490
	46	Savings and temporary cash investments	180,325	46	151,354
	47a	Accounts receivable		47a	
	b	Less allowance for doubtful accounts		47b	47c
	48a	Pledges receivable	379,956	48a	
	b	Less allowance for doubtful accounts	33,000	48b	48c
	49	Grants receivable		49	346,956
	50	Receivables from officers directors trustees and key employees (attach schedule)		50	
	51a	Other notes and loans receivable (attach schedule)		51a	
	b	Less allowance for doubtful accounts		51b	51c
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	1,946	53	2,203
	54	Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a	Investments—land buildings and equipment basis		55a	
	b	Less accumulated depreciation (attach schedule)		55b	55c
	56	Investments—other (attach schedule)		56	
	57a	Land buildings and equipment basis ^{Sch 3}	13,689	57a	
	b	Less accumulated depreciation (attach schedule)	10,726	57b	57c
	58	Other assets (describe Beneficial Interest in Assets held by others)	0	58	96,963
59	Total assets (add lines 45 through 58) (must equal line 74)	482,760	59	602,929	
Liabilities	60	Accounts payable and accrued expenses	23,158	60	28,087
	61	Grants payable	344,556	61	360,000
	62	Deferred revenue		62	
	63	Loans from officers directors trustees and key employees (attach schedule)		63	
	64a	Tax-exempt bond liabilities (attach schedule)		64a	
	b	Mortgages and other notes payable (attach schedule)		64b	
	65	Other liabilities (describe _____)		65	
66	Total liabilities (add lines 60 through 65)	367,714	66	388,087	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67	Unrestricted	115,046	67	124,842
	68	Temporarily restricted		68	
	69	Permanently restricted		69	90,000
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus or land building, and equipment fund		71	
	72	Retained earnings, endowment accumulated income or other funds		72	
	73	Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72 column (A) must equal line 19 column (B) must equal line 21)	115,046	73	214,842
	74	Total liabilities and net assets / fund balances (add lines 66 and 73)	482,760	74	602,929

Form 990 is available for public inspection and for some people serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore please make sure the return is complete and accurate and fully describes in Part III the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions page 26)

a	Total revenue, gains, and other support per audited financial statements ▶	a	580,456
b	Amounts included on line a but not on line 12 Form 990		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b ▶	c	580,456
d	Amounts included on line 12 Form 990 but not on line a		
(1)	Investment expenses not included on line 6b Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2) ▶	d	
e	Total revenue per line 12 Form 990 (line c plus line d) ▶	e	580,456

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements ▶	a	480,660
b	Amounts included on line a but not on line 17 Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b ▶	c	480,660
d	Amounts included on line 17 Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2) ▶	d	
e	Total expenses per line 17 Form 990 (line c plus line d) ▶	e	480,660

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see Specific Instructions on page 26)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Mary Plain Red Wing, Md. 55066	Key Employee Executive Director 40 hours/week	30,400	912	-0-
See Sch (3) for list of Board of Directors		-0-	-0-	-0-

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule—see Specific Instructions on page 27

Part VI Other Information (See Specific Instructions on page 27)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	✓
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If Yes attach a conformed copy of the changes	77	✓
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	✓
b	If Yes has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination or substantial contraction during the year? If "Yes" attach a statement	79	✓
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?	80a	✓
b	If Yes enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt		
81a	Enter direct or indirect political expenditures See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	✓
82a	Did the organization receive donated services or the use of materials equipment or facilities at no charge or at substantially less than fair rental value?	82a	✓
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	Not Measured
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	✓
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	✓
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	✓
b	If Yes, did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	N/A
c	Dues assessments and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	-0-
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	0
b	Gross receipts, included on line 12 for public use of club facilities	86b	0
87	501(c)(12) orgs Enter a Gross income from members or shareholders	87a	0
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	0
88	At any time during the year did the organization own a 50% or greater interest in a taxable corporation or partnership or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes" complete Part IX	88	✓
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 section 4912 section 4955		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If Yes attach a statement explaining each transaction	89b	✓
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912 4955 and 4958		0
d	Enter Amount of tax on line 89c above reimbursed by the organization		0
90a	List the states with which a copy of this return is filed		Minnesota
b	Number of employees employed in the pay period that includes March 12, 2001 (See instructions)	90b	2
91	The books are in care of Located at		United Way Office 413 W. 3rd St, Red Wing, MN.
	Telephone no		(651) 388-6309
	ZIP + 4		55066
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
Note Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	3,529	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			14	6,963	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D) and (E))				10,492	
105 Total (add line 104 columns (B), (D) and (E))				10,492	

Note Line 105 plus line 1d Part I should equal the amount on line 12 Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 32)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	N/A

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33)

(A) Name, address and EIN of corporation, partnership or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Date 5/14/03

Director

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions)

OMB No 1545-0047

2001

Department of the Treasury
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

Employer identification number

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50 000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50 000 ▶				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none enter "None")

(a) Name and address of each independent contractor paid more than \$50 000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50 000 for professional services ▶		

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year has the organization attempted to influence national state or local legislation including any attempt to influence public opinion on a legislative matter or referendum? If "Yes" enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI B AND attach a statement giving a detailed description of the lobbying activities		✓
2 During the year has the organization either directly or indirectly engaged in any of the following acts with any substantial contributors trustees directors officers creators key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer director trustee majority owner or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale exchange or leasing of property?		✓
b Lending of money or other extension of credit?		✓
c Furnishing of goods services or facilities?		✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1 000)?		✓
e Transfer of any part of its income or assets?		✓
3 Does the organization make grants for scholarships fellowships student loans etc? (See Note below)		✓
4 Do you have a section 403(b) annuity plan for your employees?		✓
Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box)

- 5 A church convention of churches or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal state or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions membership fees and gross receipts from activities related to its charitable etc functions—subject to certain exceptions and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above or (2) section 501(c)(4) (5), or (6) if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above
see Schedule attached of Agencies Supported Sch ④	12

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10 11 or 12) *Use cash method of accounting*

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total		
15 Gifts grants and contributions received (Do not include unusual grants See line 28)	426,197	392,960	367,389	347,740	1,534,286		
16 Membership fees received							
17 Gross receipts from admissions merchandise sold or services performed or furnishing of facilities in any activity that is related to the organization's charitable, etc. purpose							
18 Gross income from interest dividends amounts received from payments on securities loans (section 512(a)(5)), rents royalties and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30 1975	6,618	3,334	2,979	1,357	14,288		
19 Net income from unrelated business activities not included in line 18							
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf							
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge							
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets							
23 Total of lines 15 through 22	432,815	396,294	370,368	349,097	1,548,574		
24 Line 23 minus line 17	432,815	396,294	370,368	349,097	1,548,574		
25 Enter 1% of line 23	4,328	3,963	3,704	3,491			
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e) line 24				26a N/A		
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts					26b		
c Total support for section 509(a)(1) test Enter line 24 column (e)					26c		
d Add Amounts from column (e) for lines 18 19					26d		
22 26b					26e		
e Public support (line 26c minus line 26d total)					26f		
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					%		
27 Organizations described on line 12	a For amounts included in lines 15 16 and 17 that were received from a "disqualified person" prepare a list for your records to show the name of and total amounts received in each year from each disqualified person Do not file this list with your return Enter the sum of such amounts for each year						
(2000)	0	(1999)	0	(1998)	0	(1997)	0
b For any amount included in line 17 that was received from each person (other than "disqualified persons") prepare a list for your records to show the name of and amount received for each year that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11 as well as individuals) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year							
(2000)	0	(1999)	0	(1998)	0	(1997)	0
c Add Amounts from column (e) for lines 15 16 17 20	1,534,286	0	0	0	0	27c	1,534,286
d Add Line 27a total and line 27b total	0	0	0	0	0	27d	0
e Public support (line 27c total minus line 27d total)					27e	1,534,286	
f Total support for section 509(a)(2) test Enter amount from line 23 column (e)					27f	1,548,574	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g	99.08 %	
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h	.92 %	
28 Unusual Grants For an organization described in line 10 11 or 12 that received any unusual grants during 1997 through 2000 prepare a list for your records to show for each year the name of the contributor the date and amount of the grant and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15					N/A		

Part V Private School Questionnaire (See page 7 of the instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter bylaws other governing instrument or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures catalogues and other written communications with the public dealing with student admissions programs and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students or during the registration period if it has no solicitation program in a way that makes the policy known to all parts of the general community it serves? If Yes please describe, if No please explain (If you need more space attach a separate statement)		
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body faculty and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues brochures announcements and other written communications to the public dealing with student admissions programs and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above please explain (If you need more space attach a separate statement)		
33 Does the organization discriminate by race in any way with respect to		
a Students rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered "Yes" to any of the above please explain (If you need more space attach a separate statement)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered Yes to either 34a or b please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50 1975-2 C B 587 covering racial nondiscrimination? If "No" attach an explanation		

N/A

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check a if the organization belongs to an affiliated group Check b if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table— If the amount on line 40 is— The lobbying nontaxable amount is— Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

Caution If there is an amount on either line 43 or line 44 you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

During the year did the organization attempt to influence national state or local legislation including any attempt to influence public opinion on a legislative matter or referendum through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h)			
c Media advertisements			
d Mailings to members legislators or the public			
e Publications or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators their staffs government officials or a legislative body			
h Rallies demonstrations seminars conventions speeches lectures or any other means			
i Total lobbying expenditures (Add lines c through h)			

If "Yes" to any of the above also attach a statement giving a detailed description of the lobbying activities

RED WING AREA UNITED WAY, INC
FORM 990
12-31-01

SCHEDULE I

LINE 22 - GRANTS & ALLOCATIONS

PAYMENTS AND ALLOCATIONS TO NON-PROFIT AGENCIES APPROVED
BY UW BOARD OF DIRECTORS

\$385,814

Red Wing Area United Way, Inc.

Statements of Functional Expenses

Years Ended December 31, 2001 and 2000

Schedule ②

	Year Ended December 31, 2001			Year Ended December 31, 2000				
	Program Services	Mgmt & General	Fund - Raising	Total	Program Services	Mgmt & General	Fund- raising	Total
Payments to Agencies								
Charitable agency commitments	\$366,987	\$ 0	\$ 0	\$366,987	\$325,000	\$ 0	\$ 0	\$325,000
Additional agency payments	13,500	0	0	13,500	18,075	0	0	18,075
Community initiative payments	5,327	0	0	5,327	1,668	0	0	1,668
Compensation & Related Expenses								
Salaries	1,997	3,993	33,944	39,934	1,807	3,614	30,717	36,138
Payroll taxes	153	305	2,595	3,053	138	277	2,350	2,765
Employee benefits	46	91	775	912	0	0	0	0
Advertising	0	113	0	113	0	124	0	124
Occupancy	165	330	2,805	3,300	150	300	2,550	3,000
Telephone	49	98	833	980	76	148	1,267	1,491
Office supplies	58	117	992	1,167	34	67	572	673
Professional fees	0	2,675	0	2,675	0	2,675	0	2,675
Consulting fees	0	500	0	500	0	0	0	0
Campaign expenses	0	0	9,602	9,602	0	0	9,241	9,241
Postage	54	107	909	1,070	56	113	959	1,128
Insurance & bond	87	173	1,478	1,738	77	152	1,295	1,524
Membership & dues	196	393	3,340	3,929	176	354	3,006	3,536
Education	40	81	689	810	28	54	462	544
Miscellaneous	121	45	282	448	231	0	148	379
Repairs & maintenance	78	157	1,331	1,566	46	93	786	925
Depreciation	79	159	1,350	1,588	79	158	1,341	1,578
Doubtful pledges	0	0	21,461	21,461	0	0	20,113	20,113
Totals	<u>\$388,237</u>	<u>\$ 9,337</u>	<u>\$82,385</u>	<u>\$480,660</u>	<u>\$347,641</u>	<u>\$ 8,122</u>	<u>\$74,807</u>	<u>\$430,577</u>

See Notes to the Financial Statements

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Deprec	Book Current Depreciation	Book End Depreciation	Book Net Book Value	Book Method	Book Period
Office Equipment											
1	File Cabinet & Desk	6/01/70	200 00	0 00	0 00	200 00	0 00	200 00	0 00	S/L	100
3	Two long tables	9/05/74	130 00	0 00	0 00	130 00	0 00	130 00	0 00	S/L	100
4	Six folding chairs	9/05/74	60 00	0 00	0 00	60 00	0 00	60 00	0 00	S/L	100
9	Paper Cutter	6/30/83	30 00	0 00	0 00	30 00	0 00	30 00	0 00	S/L	10 0000
14	Vinyl mat under desk	8/15/84	53 00	0 00	0 00	53 00	0 00	53 00	0 00	S/L	10 0000
17	HP Laser III P Printer	6/23/92	1,098 00	0 00	0 00	1,098 00	0 00	1,098 00	0 00	S/L	70
19	Micro Soft Works	6/23/92	119 00	0 00	0 00	119 00	0 00	119 00	0 00	S/L	100
20	ML-321 Printer	6/23/92	594 00	0 00	0 00	594 00	0 00	594 00	0 00	S/L	70
21	IBM EduQuest 45 sys w/printer(don	7/18/96	2,400 00	0 00	0 00	2,400 00	0 00	2,400 00	0 00	S/L	70
22	Lotus Software(Donated)	8/01/96	795 00	0 00	0 00	795 00	0 00	795 00	0 00	S/L	70
23	Gateway Computer	5/20/98	2,320 00	0 00	0 00	1,160 00	464 00	1,624 00	696 00	S/L	50
24	United Way Software	7/31/98	4,515 00	0 00	0 00	2,257 50	903 00	3,160 50	1,354 50	S/L	50
25	Ricoh FT S540 copier (Grant)	10/30/99	875 00	0 00	0 00	204 00	175 00	379 00	496 00	S/L	50
26	Lateral file (donated)	12/17/99	250 00	0 00	0 00	37 50	36 00	73 50	176 50	S/L	70
27	Panifax UF-550 Fax Machine(Dona	10/17/01	250 00	0 00c	0 00	0 00	10 41	10 41	239 59	S/L	50
Office Equipment			13,689 00	0 00c	0 00	9,138 00	1,588 41	10,726 41	2,962 59		
Grand Total			13,689 00	0 00c	0 00	9,138 00	1,588 41	10,726 41	2,962 59		

Schedule

**United Way of Red Wing
Payments to Agencies
Year End 12/31/01**

BB-2a

Schedule (4)

	3/31/01	3/31/01	3/31/01	6/29/01	6/29/01	6/29/01	8/31/01	9/30/01	9/30/01	11/23/01	12/31/01	12/31/01	2001 Total Payment	Confr #
American Red Cross Goodhue County	5,135 00	2,500 00	615 00	5,750 00	3,000 00						5,750 00		26,000 00	19
Angels Unlimited Pre-school	1,222 36	527 64	527 64	1,750 00							1,750 00		7,000 00	22
ARC Goodhue County	2,645 00	105 00	105 00	2,750 00							2,750 00		11,000 00	33
Arthritis Foundation	294 00	206 00	206 00										500 00	40
Boy Scouts, Gamehaven Council		2,500 00	2,500 00	4,367 97				2,500 00			2,500 00		11,867 97	51
Catholic Charities	1,734 33	265 67	265 67	2,000 00				2,000 00			2,000 00		8,000 00	41
Children's Home Society	1,425 00	75 00	75 00										1,500 00	71
Colvil Kids Preschool	1,093 38	594 12	594 12	1,687 50				1,687 50			1,687 50		6,750 00	81
Compassionate Friends	2,000 00												2,000 00	91
Courage Center	3,837 48	162 52	162 52										4,000 00	101
Faith in Action Program	2,690 83	309 17	309 17	3,000 00				3,000 00			3,000 00		12,000 00	111
Fairview Seminary Home Delivered Meals	2,983 00	1,117 00	1,117 00										4,100 00	121
Girl Scouts, Cannon Valley Council	1,792 52	207 48	207 48	2,000 00				2,000 00			2,000 00		8,000 00	131
Goodhue County Historical Society - Diversity	2,000 00												2,000 00	141
Goodhue/Wabasha Sexual Assault Services	2,763 80	986 20	986 20	3,750 00				3,750 00			3,750 00		15,000 00	151
Hope, Healing and Remembrance	1,500 00												1,500 00	161
Hunger Prevention Council of Pierce Co	1,381 84	618 16	618 16	2,000 00				2,000 00			2,000 00		8,000 00	171
IRC Supported Employment Program	8,763 25	793 00	793 00	9,556 25				9,556 25			9,556 25		38,225 00	181
Kidney Foundation	155 00	345 00	345 00										500 00	191
KIDS Handle With Care	2,741 00	259 00	259 00	3,000 00				3,000 00			3,000 00		12,000 00	201
Leukemia Society	152 00	348 00	348 00										500 00	211
LSS - Crossroads East Crisis Nursery	3,490 00	10 00	10 00	3,500 00				3,500 00			3,500 00		14,000 00	221
Mothers Against Drunk Driving	1,292 20	207 80	207 80										1,500 00	231
NAMI of Goodhue County	1,686 94	313 06	313 06										2,000 00	241
Red Wing Coalition for Transitional Housing	9,290 00	85 00	85 00	9,375 00	1,500 00						9,375 00		39,000 00	251
Red Wing Area Food Shelf	2,493 00	507 00	507 00										3,000 00	261
Red Wing Area Seniors	3,439 06	310 94	310 94	3,750 00				3,750 00			3,750 00		15,000 00	271
Red Wing Children First	1,600 00	25 00	25 00	1,625 00				1,625 00			1,625 00		6,500 00	281
Red Wing Area Eating Disorder Aware & Prev	3,170 00	30 00	30 00										3,200 00	291
Red Wing Environmental Learning Center	950 00	300 00	300 00	1,250 00				1,250 00			1,250 00		5,000 00	301
Red Wing Public Library	1,134 00	366 00	366 00										1,500 00	311
Red Wing Youth Outreach Program	3,952 00	173 00	173 00	4,125 00				4,125 00			4,125 00		16,500 00	321
Rideability	2,000 00												2,000 00	331
Salvation Army	1,125 00	125 00	125 00	1,250 00				1,250 00			1,250 00		5,000 00	341
SEMCAC Senior Dining Program	2,105 04	394 96	394 96										2,500 00	351



United Way of Red Wing
Payments to Agencies - Continued
Year End 12/31/01

	1/31/01	3/31/01	3/31/01	6/29/01	6/29/01	8/31/01	9/30/01	9/30/01	11/23/01	12/31/01	12/31/01	2001 Total Payment	Confir #
Three Rivers Community Action Crisis Program		3,300 00	200 00	3,500 00			3,500 00	3,500 00	3,500 00			17,500 00	358
Wings of Wellness		2,500 00										2,500 00	369
YMCA Youth Programs		12,350 00	1,150 00	13,500 00			13,500 00					54,000 00	379
Youth Connections of Goodhue County		2,000 00										2,000 00	389
SEMCIL				2,500 00					3,000 00			2,500 00	399
City of Red Wing / Young Adults Association												3,000 00	409
Cancer Society				85 68								85 68	
Diabetes Foundation				71 40								71 40	
Epilepsy Foundation of Minnesota	356 92			674 52								1,031 44	
Firearm Safety				21 00								21 00	
Goodhue Co Habitat for Humanity				43 68								43 68	
Goodhue Co Home Health Care				16 80								16 80	
Have a Heart Farm						100 80						100 80	
Head Start				117 60								117 60	
Heart Fund				21 00								21 00	
Histiocytosis Assoc of America				100 80								100 80	
Juvenile School Liaison				154 53								154 53	
Multiple Sclerosis Society				323 40								323 40	
Red Wing Regional Hospice				748 88								748 88	
Sister Kenny Institute				30 24								30 24	
Spina Bifida Assoc of MN				100 80								100 80	
United Way of Cannon Falls				131 04								131 04	
United Way of the Greater Winona Area				109 97								109 97	
United Way of Haslings				468 72								468 72	
United Way of Olmstead County				60 48								60 48	
United Way of River Falls				262 08								262 08	
United Way of St Croix County				72 00								72 00	
Ellsworth Volunteer Ambulance				10,000 00								10,000 00	
Total Acct #3030 Design Donations Pay	356 92		14,231 72	7,982 59		100 80	2,500 00	79,118 75	6,500 00	2,500 00	79,118 75	10,000 00	419
Total Acct #3040 Payments to Agnc		104,187 03		89,118 75								27,672 03	
Total Acct # 5910 Emerging Needs				7,000 00								351,543 28	
												13,500 00	
												29,115.51	

Schedule 4

← Traced To GL
 9/26

TERM EXP 1/2002	TERM EXP 1/2003	TERM EXP 1/2004
Kathy Reizer (2) Ralston Purina (W) 715-792-2106 x 229 (H) 715-792-2941 (F) 715-792-5156 kretzer@purina.com	Harriet Eddlemon (2) SECRETARY Community Volunteer (H) 388-9216 (F) 388-9216 harnete@redwing.net	
Tom Longlet (2) PAST PRESIDENT Signal Bank (W) 385-1619 (H) 388-2730 (F) 385-1697 tlonglet@unitedbank.com	Beth Krehbiel (2) Fairview RW Health Serv (W) 385-4266 (H) 345-4636 (F) 388-0996 bkrehbiel@fairview.org	Peggy Decker (2) Fairview RW Clinic (W) 385-4250 (H) 388-7561 decker@redwing.net
David Damerow PRESIDENT (W) 388-8235 (H) 388-2772 (F) 388-3404 advertising@republican-eagle.com	Stephen O'Keefe (2) Goodhue County (W) 385-3018 (H) 385-0198 (F) 385-3028 steve.okeefe@co.goodhue.mn.us	
Michael Murphy Xcel Energy ABEW Local 949 (W) 388-1121 (H) 388-8550 michael.murphy@xcelenergy.com	Pierre Menard Wells Fargo Bank (W) 385-2333 (F) 385-2322 pierre.menard@wellsfargo.com	Colleen Clark (2) Pierce Cty PHS (W) 715-425-8022 (H) 388-2124 (F) 715-425-8221 clark5@redwing.net
Marsha Brown * Red Wing Mall (W) 388-1538 (H) 377-7588 (F) 385-0031 marsha@iopener.net	Brett Elford TREASURER Wells-Fargo Bank (W) 385-2321 (H) 388-7310 (F) 385-2350 brett.elford@wellsfargo.com	Jay Tauer Red Wing Shoe Co (W) 385-1415 (H) 651-322-2224 jaytaue@redwingshoe.com
Tasha Luhman * SE Tech College (W) 385-6330 (H) 388-1238 (F) 385-6377 tluhman@rdwtec.mn.us	Frank Hanford Retired/Volunteer (W) 388-7151 (H) 385-9370 (F) 388-7153 FrankH@sbcradio.com	Neela Mollgaard Goodhue Co PHS (W) 385-6177 (F) 385-6472 neela.mollgaard@goodhue.mn.us
Kay Kuhlmann * City of Red Wing (W) 385-3612 (H) 385-8836 (F) 388-9608 kay.kuhlman@ci.red-wing.mn.us	Dan Smith UPS (W) 267-0512 (F) 267-0524 dpsmith@ups.com	Sue Wolter Burnside Elementary (W) 385-5900 (H) 388-6828 swolter@redwing.k12.mn.us
	Stephanie Fox Treasure Island Resort and Casino (W) 385-2722 (H) 715-262-3786 (F) 385-2706 stephanefox@ucasino.com	

22 Board Members

(2) Second 3 yr term
 * Filled vacancy
 (W) Office phone number
 (H) Home phone number
 (F) Fax phone number

EXECUTIVE DIRECTOR

Mary Plein
 (W) 388-6309
 (H) 388-7771
 (F) 385-8104
 rwauw@redwing.net

Red Wing Area United Way, Inc.
A Minnesota Non-Profit Organization

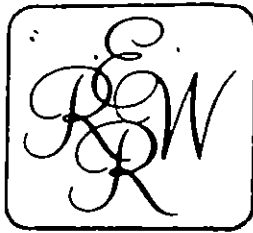
Financial Statements
Years Ended December 31, 2001 and 2000

Red Wing Area United Way, Inc
413 West Third Street
P O Box 319
Red Wing, Minnesota 55066
Phone 651/388-6309
Fax 651/388-8104
rwauw@redwing net

Red Wing Area United Way, Inc.
Financial Statements
December 31, 2001 and 2000

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Statements of Functional Expenses	5
Notes to the Financial Statements	6 - 11



Erickson, Rietmann, Welsch & Roufs, Ltd.

P O Box 72 • 519 Bush Street • Red Wing, Minnesota 55066 • (651) 388-2858 • Fax 388-6414

Certified Public Accountants

DAVID L ERICKSON C P A • EUGENE T RIETMANN C P A • JAMES L WELSCH, C P A • KENNETH J ROUFS C P A

Members of
American Institution of C.P.A.'s
Minnesota Society of C.P.A.'s
Wisconsin Society of C.P.A.'s

CERTIFIED IN
Minnesota
Wisconsin

Independent Auditor's Report

TO THE BOARD OF DIRECTORS
RED WING AREA UNITED WAY, INC
RED WING, MN 55066

We have audited the accompanying statements of financial position of Red Wing Area United Way, Inc (a non-profit organization) as of December 31, 2001 and 2000, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Red Wing Area United Way, Inc, as of December 31, 2001 and 2000, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Erickson, Rietmann, Welsch & Roufs, Ltd.
ERICKSON, RIETMANN, WELSCH & ROUFS, LTD
February 5, 2002

Red Wing Area United Way, Inc.
Statements of Financial Position
December 31, 2001 and 2000

	<u>December 31,</u> <u>2001</u>	<u>December 31,</u> <u>2000</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Petty cash	\$ 100	\$ 15
Cash in checking	2,390	4,515
Cash in money market savings	151,354	180,325
Pledges receivable - 1999-00 campaign	0	30,586
Allowance for doubtful pledges	0	-15,000
Pledges receivable - 2000-01 campaign	28,596	291,072
Allowance for doubtful pledges	-15,000	-15,000
Pledges receivable - 2001-2002 campaign	351,360	0
Allowance for doubtful pledges	-18,000	0
Prepaid insurance	1,184	1,027
Prepaid maintenance	649	644
Prepaid rent	300	275
Prepaid other expenses	70	0
Total Current Assets	<u>\$ 503,003</u>	<u>\$ 478,459</u>
<u>PROPERTY AND EQUIPMENT</u>		
Office and computer equipment	\$ 13,689	\$ 13,439
Accumulated depreciation	-10,726	-9,138
Net Property and Equipment	<u>\$ 2,963</u>	<u>\$ 4,301</u>
<u>OTHER ASSETS</u>		
Beneficial Interest in Assets Held by Others	<u>\$ 96,963</u>	<u>\$ 0</u>
Total Assets	<u>\$ 602,929</u>	<u>\$ 482,760</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 342	\$ 0
Commitments to charitable agencies	360,000	344,556
Designated donations payable	27,745	23,158
Total Current Liabilities	<u>\$ 388,087</u>	<u>\$ 367,714</u>
<u>NET ASSETS</u>		
Unrestricted	\$ 124,842	\$ 115,046
Permanently restricted	90,000	0
Total Net Assets	<u>\$ 214,842</u>	<u>\$ 115,046</u>
Total Liabilities and Net Assets	<u>\$ 602,929</u>	<u>\$ 482,760</u>

See Notes to the Financial Statements

Red Wing Area United Way, Inc.
Statements of Activities
Years Ended December 31, 2001 and 2000

	<u>December 31,</u> <u>2001</u>	<u>December 31,</u> <u>2000</u>
<u>UNRESTRICTED NET ASSETS</u>		
<u>SUPPORT</u>		
Current year campaign pledges	\$ 488,281	\$ 422,992
Prior year campaign additions	1,440	1,846
Less Designations by donors for specific organizations	<u>-32,986</u>	<u>-26,811</u>
Total campaign results	456,735	398,027
Other support		
Contributions not pledged	16,767	21,467
Administrative fees retained on amounts designated by donors for specific organizations	1,358	642
Interest and dividend income	3,529	6,618
Unrealized capital gains	6,963	0
Raffle income	4,102	4,369
Miscellaneous	<u>1,002</u>	<u>1,692</u>
Total Unrestricted Support	<u>\$ 490,456</u>	<u>\$ 432,815</u>
 <u>EXPENSES</u>		
<u>Program Services</u>		
Charitable agency commitments	\$ 366,987	\$ 325,000
Emerging needs and emergency needs grants	13,500	18,075
Community initiative expenses	5,327	1,668
Program expenses	3,123	2,898
<u>Support Services</u>		
Management and general expenses	9,337	8,129
Fundraising expenses	<u>82,386</u>	<u>74,807</u>
Total Expenses	<u>\$ 480,660</u>	<u>\$ 430,577</u>
 INCREASE IN UNRESTRICTED NET ASSETS	 <u>\$ 9,796</u>	 <u>\$ 2,238</u>
 <u>PERMANENTLY RESTRICTED NET ASSETS</u>		
Endowment fund contributions	<u>\$ 90,000</u>	<u>\$ 0</u>
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>\$ 90,000</u>	<u>\$ 0</u>
 INCREASE IN TOTAL NET ASSETS	 <u>\$ 99,796</u>	 <u>\$ 2,238</u>
Net Assets - Beginning of Year	<u>115,046</u>	<u>112,808</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 214,842</u>	<u>\$ 115,046</u>

See Notes to the Financial Statements

Red Wing Area United Way, Inc.
Statements of Cash Flows
Years Ended December 31, 2001 and 2000

	<u>December 31,</u> <u>2001</u>	<u>December 31,</u> <u>2000</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (Decrease) in Total Net Assets	\$ 99,796	\$ 2,238
Adjustments to Reconcile Changes in Unrestricted Net Assets to Net Cash Provided by Operating Activities		
Depreciation	1,588	1,578
Decrease (Increase) in pledges receivable	-55,298	-30,918
Decrease (Increase) in prepaid insurance	-157	-178
Decrease (Increase) in prepaid maintenance	-5	-644
Decrease (Increase) in prepaid rent	-25	-25
Decrease (Increase) in prepaid other expenses	-70	310
Increase (Decrease) in commitments to agencies	20,031	43,212
Increase (Decrease) in accounts payable	342	0
Net cash provided from Operating Activities	<u>\$ 66,202</u>	<u>\$ 15,573</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Unrealized gain on beneficial interest in assets held by others	\$ -6,963	\$ 0
Purchase of equipment	-250	0
Net cash used by Investing Activities	<u>\$ -7,213</u>	<u>\$ 0</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Endowment fund contributions	\$ -90,000	\$ 0
Net cash used by Financing Activities	<u>\$ -90,000</u>	<u>\$ 0</u>
Net Increase (Decrease) in cash	\$ -31,011	\$ 15,573
<u>CASH BALANCE - JANUARY 1</u>	<u>184,855</u>	<u>169,282</u>
<u>CASH BALANCE - DECEMBER 31</u>	<u>\$ 153,844</u>	<u>\$ 184,855</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the year for		
Interest	\$ 0	\$ 0
Income Taxes	0	0

See Notes to the Financial Statements

Red Wing Area United Way, Inc.

Statements of Functional Expenses

Years Ended December 31, 2001 and 2000

	Year Ended December 31, 2001			Year Ended December 31, 2000				
	Program Services	Mgmt & General	Fund - raising	Total	Program Services	Mgmt & General	Fund - raising	Total
Payments to Agencies								
Charitable agency commitments	\$366,987	\$ 0	\$ 0	\$366,987	\$325,000	\$ 0	\$ 0	\$325,000
Additional agency payments	13,500	0	0	13,500	18,075	0	0	18,075
Community initiative payments	5,327	0	0	5,327	1,668	0	0	1,668
	1,997	3,993	33,944	39,934	1,807	3,614	30,717	36,138
Compensation & Related Expenses								
Salaries	153	305	2,595	3,053	138	277	2,350	2,765
Payroll taxes	46	91	775	912	0	0	0	0
Employee benefits	0	113	0	113	0	124	0	124
Occupancy	165	330	2,805	3,300	150	300	2,550	3,000
Telephone	49	98	833	980	76	148	1,267	1,491
Office supplies	58	117	992	1,167	34	67	572	673
Professional fees	0	2,675	0	2,675	0	2,675	0	2,675
Consulting fees	0	500	0	500	0	0	0	0
Campaign expenses	0	0	9,602	9,602	0	0	9,241	9,241
Postage	54	107	909	1,070	56	113	959	1,128
Insurance & bond	87	173	1,478	1,738	77	152	1,295	1,524
Membership & dues	196	393	3,340	3,929	176	354	3,006	3,536
Education	40	81	689	810	28	54	462	544
Miscellaneous	121	45	282	448	231	0	148	379
Repairs & maintenance	78	157	1,331	1,566	46	93	786	925
Depreciation	79	159	1,350	1,588	79	158	1,341	1,578
Doubtful pledges	0	0	21,461	21,461	0	0	20,113	20,113
Totals	<u>\$188,937</u>	<u>\$ 9,337</u>	<u>\$82,386</u>	<u>\$480,660</u>	<u>\$347,641</u>	<u>\$ 8,129</u>	<u>\$74,807</u>	<u>\$430,577</u>

See Notes to the Financial Statements

Red Wing Area United Way, Inc.

Notes to the Financial Statements

December 31, 2001 and 2000

NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Red Wing Area United Way, Inc (the "Corporation") is a Minnesota non-profit organization incorporated for the purpose of raising community funds to distribute to various non-profit agencies each year. The Corporation conducts an annual fund raising campaign during the months of September through November. The Corporation obtains pledges which are to be paid in full by December 31 of the following year. The corporation distributes the funds collected to the various agencies on a quarterly basis during the following year payable on March 31, June 30, September 30, and December 31. The corporation budgets on an annual basis for the campaign and administrative costs.

Promises to Give (Pledges Receivable)

Contributions are recognized when the donor makes a pledge to give to the organization, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. All the pledges receivable are from individuals or companies located in the Red Wing, Minnesota, area.

Contributed Services

During the years ended December 31, 2001 or 2000, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Methods of Accounting

The financial statements of the Red Wing Area United Way, Inc have been prepared using the accrual basis of accounting.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of

Red Wing Area United Way, Inc.

Notes to the Financial Statements

December 31, 2001 and 2000

NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Corporation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment consists of office equipment owned by the Corporation. These assets are stated at cost, or estimated historical cost if the actual cost was unavailable. Fixed assets are being depreciated over a five to ten year life using the straight line method of depreciation. Depreciation for the periods applies 100% to assets carried at historical cost. It is the policy of the Corporation to expense small equipment items costing under \$100.00.

Using the above valuation and depreciation methods, the following disclosures are made:

	Dec 31, <u>2001</u>	Dec 31, <u>2000</u>
Major classes of depreciable assets		
Computer equipment	\$ 12,091	\$ 11,841
Office equipment	1,598	1,598
Accumulated depreciation	<u>-10,726</u>	<u>-9,138</u>
Net property and equipment	<u>\$ 2,963</u>	<u>\$ 4,301</u>
Current year depreciation	<u>\$ 1,588</u>	<u>\$ 1,578</u>

Cash and Cash Equivalents

Cash consists of petty cash, cash in checking, and cash in a money market savings account. All accounts are stated at cost which equals market. For purposes of the Statements of Cash Flows, the Corporation considers the money market savings account to be cash.

Beneficial Interest in Assets Held by Others

During 2001, the Corporation received a bequest of \$90,000 from a donor. The proceeds were used to establish the Red Wing Area United Way Endowment Fund (the "Fund") with The St. Paul Foundation (the "Foundation"), St. Paul, Minnesota. All contributions to the Fund are irrevocable. The Foundation has ultimate authority and control over the Fund and all distributions from the Fund. The Foundation will distribute to the Corporation such amounts of the Fund's net income or principal or both as determined by the spending policy adopted by the Foundation and amended from time to time, at such times as the Foundation deems appropriate.

Red Wing Area United Way, Inc.

Notes to the Financial Statements

December 31, 2001 and 2000

NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Beneficial Interest in Assets Held by Others, CONTINUED

Distributions are made to the Company from the Fund annually. Half of the distribution is paid in May and the second half in October. The Foundation has adopted a method for the distribution from permanent endowment funds by using a spending policy factor to convert the current market value into a 16 quarter average market value. The payout calculation seeks to provide a consistent and predictable flow of income for charitable distribution while protecting principal.

As of December 31, 2001, the Corporation recognized an asset of \$96,963 as a beneficial interest in assets held by others. This included the initial donation of \$90,000 and an unrealized gain of \$6,963.

Commitment to Charitable Agencies

Commitment to charitable agencies represent the commitments made to agencies by December 31, but paid during the following calendar year.

Net Assets

Net assets represent the excess of assets of the Corporation on December 31 including pledges receivable, over liabilities. The Corporation maintains the net assets as a reserve to meet all charitable agency payments, and administrative costs. At December 31, 2001, net assets consisted of \$124,842 in unrestricted funds and \$90,000 in permanently restricted funds. The net assets consists only of unrestricted funds at December 31, 2000. The Corporation bylaws state that net assets shall be maintained at no lower than 15% of the current fiscal year's budget of expenditures. As December 31, 2001, this required a net asset balance of \$68,342.

Income Taxes

The Corporation is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. All non-profit organization returns have been filed with the Internal Revenue Service (Form 990) and with the State of Minnesota. The Corporation has been classified as a publicly supported organization that is not a private foundation under Internal Revenue Code Section 509(a).

Red Wing Area United Way, Inc.

Notes to the Financial Statements

December 31, 2001 and 2000

NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Instruments

The fair values of the Corporation's financial instruments approximates carrying values.

Allocation of Costs

In the "Statements of Functional Expenses," joint costs for Program Services, Management and General, and Fundraising have been allocated five-percent (5%) to Program Services, ten-percent (10%) to Management and General, and eighty-five-percent (85%) to Fundraising. This has resulted in an allocation of joint costs as follows:

	<u>Program Services</u>	<u>Mgmt & General</u>	<u>Fund- raising</u>	<u>Total</u>
Year Ended December 31, 2001	\$ 3,002	\$ 6,004	\$ 51,041	\$ 60,047
Year Ended December 31, 2000	\$ 2,667	\$ 5,330	\$ 45,305	\$ 53,302

The total cost of fundraising activities was \$82,386 for 2001 and \$74,807 for 2000.

Overhead Ratio

The overhead ratio is equal to management and general, and fundraising expenses (less doubtful pledges) divided by total campaign support and all other revenue sources. The ratio is calculated below using the Gross Method recommended in Functional Expenses and Overhead Reporting Guidelines for United Ways, United Way of America, 1998.

Numerator	Management and general expenses	\$ 9,337
	Fundraising expenses	82,386
	Less doubtful pledges	<u>-21,461</u>
	Total numerator	<u>\$ 70,262</u>

Red Wing Area United Way, Inc.
Notes to the Financial Statements
December 31, 2001 and 2000

Overhead Ratio, CONTINUED

Denominator	Total campaign results and other unrestricted support	\$ 490,456
	Add amounts designated by donors for specific organizations (not included in campaign results and other support)	32,986
	Less the portion of designations retained as fee revenue	<u>-1,358</u>
	Total denominator	<u>\$ 522,084</u>
Numerator/Denominator expressed as a percent		<u>13.46%</u>

Reclassifications

The Corporation reclassified some figures in prior year financial statements and footnotes to conform with the 2001 presentation

NOTE 2 - PROMISES TO GIVE (PLEDGES RECEIVABLE)

The amount due from Pledges Receivable consists of the following

	Dec 31, 2001	Dec 31, 2000
1999-00 campaign	\$ 0	\$ 30,586
Allowance for doubtful pledges	<u>0</u>	<u>-15,000</u>
Net Pledges Receivable	<u>\$ 0</u>	<u>\$ 15,586</u>
2000-01 campaign	\$ 28,596	\$ 291,072
Allowance for doubtful pledges	<u>-15,000</u>	<u>-15,000</u>
Net Pledges Receivable	<u>\$ 13,596</u>	<u>\$ 276,072</u>
2001-02 campaign	\$ 351,360	\$ 0
Allowance for doubtful pledges	<u>-18,000</u>	<u>0</u>
Net Pledges Receivable	<u>\$ 333,360</u>	<u>\$ 0</u>
Total campaigns	\$ 379,956	\$ 321,658
Allowance for doubtful pledges	<u>-33,000</u>	<u>-30,000</u>
Net Pledges Receivable	<u>\$ 346,956</u>	<u>\$ 291,658</u>

Red Wing Area United Way, Inc.
Notes to the Financial Statements
December 31, 2001 and 2000

NOTE 2 - PROMISES TO GIVE (PLEDGES RECEIVABLE), CONTINUED

Donor restricted pledges were recorded as Designated Donations Payable for the years 2001 and 2000

All pledges receivable at December 31, 2001 and 2000 are due in less than twelve months. The Corporation maintains an allowance for doubtful pledges, the amount of which is based on past history of pledge collections. The fair value of the promises to give (pledges receivable) is considered to be the net values shown above at December 31, 2001 and 2000.

NOTE 3 - CLAIMS AND JUDGEMENTS

The Red Wing Area United Way, Inc. had no outstanding claims, litigation or judgements at December 31, 2001 or 2000.

NOTE 4 - CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Corporation maintains cash balances at the Signal Bank of Red Wing, Minnesota. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2001, the Corporation's uninsured cash balances totaled \$51,934.

NOTE 5 - OPERATING LEASE

The Corporation leases its office space located at 413 West Third Street, Red Wing, Minnesota. As of December 31, 2001, the Corporation had committed to lease the space for the year 2002 at a cost of \$300.00 per month. However, either party to the lease for the year 2002 can cancel the agreement by giving a 90-day notice of cancellation.

The following is a schedule of future minimum lease payments required under the above operating lease as of December 31, 2001:

<u>Year Ending</u>	<u>Amount</u>
12/31/2002	\$ 900.00

Office lease costs for the years ending December 31, 2001 and 2000 was \$3,300 and \$3,000 per year, respectively.

NOTE 6 - DEFINED CONTRIBUTION PLAN

The Corporation sponsors a saving incentive match plan (SIMPLE) for employees covering substantially all of its employees. Contributions are determined by a 3% company matching of participating employees' compensation, and totaled \$912 in 2001, the first year of the plan.