

**UNITED WAY OF ST. CLAIR COUNTY**  
Port Huron, Michigan

**ANNUAL FINANCIAL STATEMENTS**  
with Supplementary Information

**FOR THE YEAR ENDED**  
**MARCH 31, 2023**

**UNITED WAY OF ST. CLAIR COUNTY**

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MARCH 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way of St. Clair County  
Port Huron, Michigan

### *Opinion*

We have audited the accompanying financial statements of the United Way of St. Clair County (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of March 31, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of St. Clair County as of March 31, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

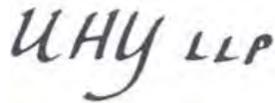
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## ***Report on Summarized Comparative Information***

We have previously audited the United Way of St. Clair County's March 31, 2022 financial statements, and our report dated July 19, 2022 expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Supplementary Information***

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

The image shows a handwritten signature in black ink that reads "UHY LLP". The letters are written in a cursive, slightly slanted style.

Port Huron, Michigan  
July 25, 2023

**UNITED WAY OF ST. CLAIR COUNTY**

**STATEMENTS OF FINANCIAL POSITION**

**MARCH 31, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,036,003	\$ 1,145,021
Investments	1,357,676	1,393,618
Pledges receivable (net of allowance for uncollectible pledges) -		
Pledges from 2022/2023 campaign	328,694	-
Pledges from 2021/2022 campaign	-	216,608
Beneficial interest in trusts	10,700	10,700
Other receivable	774	4,128
Prepaid expenses	13,638	11,457
Total Current Assets	2,747,485	2,781,532
<b>Land, Building, and Equipment, Net of Accumulated Depreciation:</b>	657,963	679,435
<b>Other Assets:</b>		
Beneficial interest in assets held by others	36,432	39,219
Total Assets	\$ 3,441,880	\$ 3,500,186
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 7,789	\$ 9,152
Accrued liabilities	12,681	7,060
Donor designations payable	26,726	38,837
Unearned revenue	1,000	-
Total Current Liabilities	48,196	55,049
<b>NET ASSETS</b>		
Without Donor Restrictions -		
Land, building, and equipment	657,963	679,435
Other (See Note 11)	1,313,676	1,439,480
Total Without Donor Restrictions	1,971,639	2,118,915
With Donor Restrictions		
	1,422,045	1,326,222
Total Net Assets	3,393,684	3,445,137
Total Liabilities and Net Assets	\$ 3,441,880	\$ 3,500,186

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

**UNITED WAY OF ST. CLAIR COUNTY**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED MARCH 31, 2023**

**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
<b>Revenues, Gains, and Other Support:</b>				
Current year's campaign (for next period) -				
Contributions received and receivable	\$ -	\$ 821,324	\$ 821,324	\$ 754,525
Less: Donor designations	-	( 26,726)	( 26,726)	( 38,837)
Less: Allowance for uncollectible pledges	-	( 50,000)	( 50,000)	( 50,000)
	-	744,598	744,598	665,688
Contributions -				
Campaign current period	78,272	-	78,272	206,188
Other	7,277	-	7,277	17,483
Nonfinancial assets	-	4,680	4,680	3,255
Net investment loss	( 36,154)	( 2,123)	( 38,277)	( 3,426)
Sponsorship of campaign events	-	23,291	23,291	25,700
Special grants/contributions	-	188,499	188,499	125,063
Forgiveness of PPP loans	-	-	-	125,000
	49,395	214,347	263,742	499,263
Total Revenues, Gains, and Other Support	49,395	958,945	1,008,340	1,164,951
Net assets released from restrictions -				
Satisfaction of purpose/program restrictions	863,122	( 863,122)	-	-
Total Revenues, Gains, and Other Support with Net Assets Released from Restrictions	912,517	95,823	1,008,340	1,164,951
<b>Expenses:</b>				
Program services -				
Community impact services	615,645	-	615,645	608,406
Direct services to people	153,219	-	153,219	143,666
211 Northeast Michigan	31,667	-	31,667	38,789
Supporting services -				
Resource development	135,099	-	135,099	149,048
Organizational administration	124,163	-	124,163	117,022
Total Expenses	1,059,793	-	1,059,793	1,056,931
Change in Net Assets	( 147,276)	95,823	( 51,453)	108,020
Net Assets at beginning of year	2,118,915	1,326,222	3,445,137	3,337,117
Net Assets at end of year	\$ 1,971,639	\$ 1,422,045	\$ 3,393,684	\$ 3,445,137

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

**UNITED WAY OF ST. CLAIR COUNTY**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2023**

**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2022**

	Program Services			Total
	Community Impact Services	Direct Services to People	211 Northeast Michigan	
Salaries	\$ 41,135	\$ 35,975	\$ 5,564	\$ 82,674
Payroll taxes	2,981	2,417	405	5,803
Employee health and retirement benefits	8,646	6,859	904	16,409
	<u>52,762</u>	<u>45,251</u>	<u>6,873</u>	<u>104,886</u>
Allocations to member agencies/ community projects	541,814	-	-	541,814
Prior year donor designations	( 38,837)	-	-	( 38,837)
Organization grants/community initiatives	11,279	-	-	11,279
Telephone	1,545	678	518	2,741
Postage	123	30	-	153
Office supplies	1,120	492	-	1,612
Mileage	872	-	169	1,041
Insurance	2,932	679	-	3,611
Dues & membership fees	892	391	-	1,283
Equipment maintenance	1,327	582	-	1,909
Occupancy	7,215	3,166	-	10,381
Medications, materials, and direct services	-	98,333	24,000	122,333
Training & other	499	219	-	718
Campaign events	-	-	-	-
Campaign printing	-	-	107	107
Campaign supplies	-	-	-	-
Accounting & auditing	-	-	-	-
Advertising	-	-	-	-
Community relations/projects	8,346	-	-	8,346
United Way membership dues	16,013	-	-	16,013
In-kind	-	-	-	-
Depreciation	7,743	3,398	-	11,141
Loss on disposal	-	-	-	-
	<u>562,883</u>	<u>107,968</u>	<u>24,794</u>	<u>695,645</u>
Total Functional Expenses	<u>\$ 615,645</u>	<u>\$ 153,219</u>	<u>\$ 31,667</u>	<u>\$ 800,531</u>

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

Supporting Services

Resource Development	Organizational Administration	Total	Totals	
			2023	2022
\$ 64,558	\$ 70,574	\$ 135,132	\$ 217,806	\$ 251,686
4,655	4,785	9,440	15,243	17,731
9,248	10,559	19,807	36,216	42,770
<u>78,461</u>	<u>85,918</u>	<u>164,379</u>	<u>269,265</u>	<u>312,187</u>
-	-	-	541,814	516,753
-	-	-	( 38,837)	( 41,287)
-	-	-	11,279	6,719
1,248	1,185	2,433	5,174	5,253
2,449	52	2,501	2,654	3,586
1,180	859	2,039	3,651	4,888
2,631	-	2,631	3,672	2,691
1,251	1,187	2,438	6,049	5,804
721	702	1,423	2,706	3,641
1,072	1,204	2,276	4,185	4,098
5,830	5,534	11,364	21,745	23,144
-	-	-	122,333	88,323
403	383	786	1,504	1,821
15,291	-	15,291	15,291	10,868
2,227	-	2,227	2,334	16,662
9,224	-	9,224	9,224	10,086
-	21,200	21,200	21,200	16,600
2,175	-	2,175	2,175	823
-	-	-	8,346	13,242
-	-	-	16,013	20,975
4,680	-	4,680	4,680	3,255
6,256	5,939	12,195	23,336	23,972
-	-	-	-	2,827
<u>56,638</u>	<u>38,245</u>	<u>94,883</u>	<u>790,528</u>	<u>744,744</u>
<u>\$ 135,099</u>	<u>\$ 124,163</u>	<u>\$ 259,262</u>	<u>\$ 1,059,793</u>	<u>\$ 1,056,931</u>

**UNITED WAY OF ST. CLAIR COUNTY**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022**

	2023	2022
<b>Cash Flows From Operating Activities:</b>		
Cash received from contributors	\$ 910,914	\$ 1,140,087
Sponsorship of campaign events	23,291	25,700
Allocations paid	( 565,204)	( 525,922)
Cash paid to suppliers	( 249,179)	( 267,348)
Cash paid to employees	( 227,428)	( 271,846)
Interest & dividends	41,149	26,413
Net Cash Provided (Used) by Operating Activities	( 66,457)	127,084
<b>Cash Flows From Investing Activities:</b>		
Purchase of capital assets	( 1,864)	-
Net purchases of investments	( 40,697)	( 124,125)
Net Cash Used by Investing Activities	( 42,561)	( 124,125)
<b>Cash Flows From Financing Activities:</b>		
PPP loan proceeds	-	62,500
Net Cash Provided by Financing Activities	-	62,500
Net increase (decrease) in cash and cash equivalents	( 109,018)	65,459
Cash and cash equivalents at beginning of year	1,145,021	1,079,562
Cash and cash equivalents at end of year	\$ 1,036,003	\$ 1,145,021
<b>Reconciliation of Change in Net Cash Provided (Used) by Operating Activities:</b>		
Change in net assets	\$( 51,453)	\$ 108,020
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities -		
PPP loan forgiveness	-	( 125,000)
Depreciation	23,336	23,972
Loss on disposal	-	2,827
Unrealized losses on investments	76,639	29,839
Provision for doubtful accounts	( 15,530)	( 62,336)
Change in assets and liabilities:		
(Gain) Loss of value on beneficial interest in assets held by others	2,787	( 162)
(Increase) Decrease in pledge receivable	( 96,556)	149,667
Decrease in other receivable	3,354	38,496
Increase in prepaid expenses	( 2,181)	( 332)
Decrease in in accounts payable	( 1,363)	( 33,028)
Increase (Decrease) in accrued liabilities	5,621	( 2,429)
Decrease in donor designations payable	( 12,111)	( 2,450)
Increase in unearned revenue	1,000	-
Net Cash Provided (Used) by Operating Activities	\$( 66,457)	\$ 127,084
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Non-cash contributions	\$ 4,680	\$ 3,255

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

# UNITED WAY OF ST. CLAIR COUNTY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2023

### NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### DESCRIPTION OF ORGANIZATION:

United Way of St. Clair County (the “Organization”) was founded in 1924 and is governed by a volunteer Board of Directors. The mission of the Organization is to mobilize the community of St. Clair County to raise funds and/or resources to meet identified human service needs with the highest level of accountability and community involvement.

The Organization operates the following major programs:

**Community Impact Services** - United Way of St. Clair County provides direct support and training to the Affiliated Organizations and the Citizens Review Committee (CRC) to impact county residents. The CRC is instrumental in identifying human service needs and monitoring the affiliated organization’s funded program(s) with the highest level of accountability and community involvement. Programmatic funding is overseen by the CRC and the Board of Directors and is administered by the Executive Director in conjunction with the Operations/Technology Systems Director and assistance from staff.

**Direct Services to People** - United Way of St. Clair County provides direct services to residents through donor designated funds to address specific issues: The Cancer Services Program, Children with Disabilities Program, the Emergency Program, the Dental Services Program, and the Childcare Program. All funds are available to disabled, homeless, indigent, and low-income St. Clair County residents after all other funding resources are exhausted. Additionally, the Organization maintains a Medical Loan Closet which provides durable and disposable medical equipment to St. Clair County residents. The direct services are administered by the Executive Director in conjunction with the Community Impact Coordinator and assistance from staff.

**211 Northeast Michigan Program** - Provides residents of St. Clair County an easy-to-remember phone number and provides information and connects callers with appropriate agencies and services to meet their human service needs. Data gathered by 211 through this program assists in accessing ongoing needs in our community.

#### SIGNIFICANT ACCOUNTING POLICIES:

The Organization’s accounting policies are in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. The following is a summary of the more significant accounting policies:

**BASIS OF ACCOUNTING** - The financial statements of the Organization are reported on the accrual basis of accounting.

**BASIS OF PRESENTATION** - The financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) Statement 958, *Financial Statements of Not-for-Profit Organizations*. In accordance with ASC 958, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. These net assets may be used at the discretion of management.

# UNITED WAY OF ST. CLAIR COUNTY

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

### NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

*Net assets with donor restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donors. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**CASH AND CASH EQUIVALENTS** - Cash equivalents represent highly liquid investments with a maturity of three months or less from date of purchase. The money market account has general characteristics of demand deposit accounts in that the Organization may deposit additional cash at any time and effectively may withdraw cash at any time without prior notice or penalty. The money market accounts are recorded at cost, which approximates fair value.

**INVESTMENTS** - Investments consist of certificates of deposit with maturities greater than three months from date of purchase that are reported at cost, which approximates fair value. Investments also include mutual funds, which are recorded at fair value based on quoted market prices, and money market accounts held by brokers.

Investment income (loss) is recognized as revenue in the period it is earned, and gains and losses are recognized as changes in net assets in the accounting period in which they occur.

**LIQUIDATION OF NON-CASH CONTRIBUTIONS** - The Organization's general policy is to liquidate all gifts promptly, such as stock contributions or real estate contributions. The Organization may elect to keep and value donated gifts that will be used as auction items for future fundraising.

**PLEDGES RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE PLEDGES** - An annual fundraising campaign is conducted each fall to obtain donations and pledges to fund the subsequent year's operations. All pledges receivable are recorded at the expected net realizable value. The provision for uncollectible pledges is computed based upon past history, management estimates of current economic factors applied to the current campaign, including donor designations for the 2022-2023 campaign, plus 100% of any amounts remaining due from the 2021-2022 campaign.

Pledges are recorded as donor restricted revenue in the current campaign year and released into net assets without donor restrictions as time restrictions are satisfied in the subsequent year. Donor designated pledges are accounted for as a liability until dispensed to the designated agency. Those amounts are not accounted for as revenue by the Organization, but are reported as part of the campaign results from which the amounts are then deducted, to arrive at the campaign revenue. The Organization honors all requests by donors with regard to direct designations.

**FAIR VALUE MEASUREMENTS** - ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring value, and requires certain disclosures about fair value measurements. The Organization accounts for certain financial assets at fair value.

**UNITED WAY OF ST. CLAIR COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):**

**LAND, BUILDING, AND EQUIPMENT** - Land, building, and equipment are carried at cost at the date of purchase or fair market value at date of donation. Additions with a cost greater than \$1,000 are charged to the property accounts while maintenance and repairs which do not improve or extend the life of the respective assets are expensed currently. When property is retired or disposed of, the recorded value is removed from the accounts. Gains and losses from disposals are included in earnings. Depreciation is computed on the straight-line method over the estimated life of the assets.

The estimated useful lives of the assets are as follows:

Building and Building Improvements	10 - 40 years
Computers	3 years
Furniture and Equipment	5 - 10 years

**ACCRUED LIABILITY FOR VACATION** - Individual employees have vested rights upon termination of employment to receive payment for unused annual leave under limits and conditions specified in the personnel policies of the Organization.

**INCOME TAXES** - The Organization is a nonprofit organization and has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as a public charity.

**REVENUE RECOGNITION** - The Organization recognizes contributions when cash, securities, or other assets; unconditional promise to give; or a notification of a beneficial interest is received. All contributions are recorded at fair value. 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 met.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 are reported in the statements of activities as net assets released from restrictions.

**CONTRIBUTED SERVICES AND NONFINANCIAL ASSETS** - Contributed services are reported at fair value as contributed nonfinancial contributions, in accordance with ASC 958, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In addition, there is a substantial number of volunteers donating a significant amount of time to the Organization's fundraising and other activities that do not meet these criteria. Therefore, no value for these services is recorded.

**UNITED WAY OF ST. CLAIR COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):**

**FUNCTIONAL EXPENSES** - The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs that are directly identifiable with a program or support service are charged directly to the program or support service benefiting, including most salaries and benefits. Other costs have been allocated to the various programs and support services based on estimated time and effort.

**ESTIMATES** - In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMPARATIVE DATA** - The financial statements include certain prior-year summarized comparative information in total, but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2022 from which the summarized information was derived.

**SUBSEQUENT EVENTS** - In preparing these financial statements, the United Way of St. Clair County has evaluated events and transactions for potential recognition or disclosure through July 25, 2023, the date financial statements were available to be issued.

**NOTE 2 - LIQUIDITY AND AVAILABILITY OF RESOURCES:**

Financial assets available for general expenditures (that is, without donor or other restrictions limiting their use) within one year of the financial position date is composed of the following:

Cash and cash equivalents	\$ 1,036,003
Investments	1,357,676
Pledges receivable, net	328,694
Beneficial interest in trusts	10,700
Other receivables	<u>774</u>
	2,733,847
Less: Donor restricted assets	641,016
Less: Board designated assets	<u>1,313,676</u>
	<u>\$ 779,155</u>

The United Way of St. Clair County maintains a cash reserve, with any excess cash invested in certificates of deposit with staggering maturity dates or mutual funds.

**UNITED WAY OF ST. CLAIR COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023**

**NOTE 3 - CASH AND INVESTMENTS:**

**Concentration of Credit Risk -**

Financial instruments that potentially subject the United Way of St. Clair County to credit risk include cash and cash equivalents on deposit with financial institutions. At March 31, 2023, the Organization had deposits with bank balances of \$1,666,070 (including certificates of deposit of \$582,086 at financial institutions), of which \$910,823 was covered by depository insurance, with the remaining \$755,247 was uninsured and uncollateralized.

At March 31, 2023, investments of the Organization consist of the following:

Money market held by brokers	\$ 26,544
Mutual funds	749,046
Certificates of deposit	<u>582,086</u>
Total	<u>\$ 1,357,676</u>

The Organization had the following return on investment for the year ended March 31, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Interest and dividends	\$ 40,485	\$ 664
Net unrealized losses	<u>( 76,639)</u>	<u>( 2,787)</u>
Total	<u>\$( 36,154)</u>	<u>\$( 2,123)</u>

**NOTE 4 - PLEDGES RECEIVABLE:**

The following is a summary of the campaign pledges receivable less the allowance for uncollectible pledges as of March 31, 2023:

	<u>2021/2022</u>	<u>2022/2023</u>	<u>Total</u>
Pledges receivable	\$ 55,157	\$ 378,694	\$ 433,851
Less: Allowance for uncollectible pledges	<u>( 55,157)</u>	<u>( 50,000)</u>	<u>( 105,157)</u>
Net pledges receivable	<u>\$ -</u>	<u>\$ 328,694</u>	<u>\$ 328,694</u>

**NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS:**

Beneficial interest in assets held by others of \$36,432 at March 31, 2023 represents assets transferred to the Community Foundation of St. Clair County (the "Foundation") to establish an agency endowment fund plus accumulated investment earnings. In addition, the Foundation can also receive contributions directly from donors that are not recorded on the United Way's financial statements, however, are for the benefit of the United Way of St. Clair County. The United Way of St. Clair County's share of the fund amounted to \$36,432 at March 31, 2023 with the Foundation's share of \$17,141, for a total in the fund at March 31, 2023 of \$53,573.

**UNITED WAY OF ST. CLAIR COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2023**

**NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS - (cont'd):**

Under the terms of the agreement with the Foundation, the Board of Directors of the Organization may recommend or request distribution from the fund in amounts limited by the spending policies of the Foundation. The Foundation's current spending policy is to distribute 5% of the average fair value over the prior 16 quarters determined as of September of the year preceding distribution. At the time of the transfer of assets, the Organization granted variance power to the Foundation. The Foundation expects to follow the recommendation but reserves the right to accept or reject the Organization's recommendations. Variance power also gives the Foundation the right to distribute the spendable portion of the fund to another nonprofit of its choice if the Organization ceases to exist and the Board of the Foundation determines that support of the Organization is no longer necessary or is inconsistent with the mission or purpose of the funds or the needs of the community.

**NOTE 6 - LAND, BUILDING, AND EQUIPMENT:**

The following is a summary of land, building, and equipment for the year ended March 31, 2023:

Land	\$ 153,500
Buildings	585,479
Building improvements	356,165
Furniture and equipment	<u>85,932</u>
	1,181,076
Less - Accumulated depreciation	( <u>523,113</u> )
	<u>\$ 657,963</u>

**NOTE 7 - FAIR VALUE MEASUREMENTS:**

In accordance with ASC 820, the Organization uses fair value measurements to record adjustments to certain assets. The ASC 820 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The Codification also sets out a fair value hierarchy ranking the levels of the inputs used as assumptions in the valuation techniques used to value an asset or liability. The fair value hierarchy gives the highest priority to quoted prices in an active market for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of hierarchy are described as follows:

Level 1 - inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. An active market is a market in which transactions of the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted market prices of similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active, and pricing models developed principally from inputs from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable and allowed in situations where there is little, if any, market activity for the assets or liabilities at the measurement date. These inputs reflect the reporting entity's own assumptions about assumptions that would be used by market participants.

**UNITED WAY OF ST. CLAIR COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023**

**NOTE 7 - FAIR VALUE MEASUREMENTS - (cont'd):**

The following table presents the Organization's fair value hierarchy for the assets and liabilities measured at fair value as of March 31, 2023:

**Assets Measured at Fair Value on a Recurring Basis:**

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments -				
Mutual Funds	<u>\$ 749,046</u>	<u>\$ 749,046</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value of investments at March 31, 2023, as disclosed above, does not include certificates of deposit or money market funds held by brokers that are classified as investments on the statement of financial position since they are appropriately recorded at cost. The amount held in certificates of deposit and money market funds at March 31, 2023 was \$608,630.

**NOTE 8 - BENEFICIAL INTEREST IN TRUSTS:**

The Organization is a beneficiary of an irrevocable trust. The Organization's remaining portion at March 31, 2023 is estimated at \$10,700. The estimated proceeds have been recorded as receivable and contribution without donor restrictions.

**NOTE 9 - DONOR DESIGNATIONS PAYABLE:**

The donor designations payable represents the annual amount due to other United Ways and member agencies for certain designated pledges. Actual cash disbursements of designations are made for three types of pledge designations: designations to other United Ways; designations to member agencies not receiving an allocation and designations received in the State and Federal Government campaigns. Since the Organization uses a first-dollar-in designation policy, the first payments made to an agency, if they are receiving a regular allocation, are treated as a payment of designations. Therefore, separate payments for the designations in these cases are not made. Designations paid appear in the Statement of Functional Expenses under Allocations to Member Agencies/Community Projects. The prior-year donor designations payable is reported as an offset against current-year expenses to comply with ASC 958.

**NOTE 10 - PENSION PLAN:**

Effective January 1, 1993, the Board of Directors adopted a noncontributory SEP-IRA plan which covers all full-time employees who meet certain eligibility requirements. Contributions to the plan totaled \$20,214 for the year ended March 31, 2023.

**NOTE 11 - BOARD-DESIGNATED NET ASSETS:**

The United Way Board of Directors has designated the following amounts from net assets without donor restrictions as of March 31, 2023:

Dental Clinic Building	\$ 40,370
Operating Reserve Fund	750,000
Special Initiatives Fund	471,511
Capital-Main Facility Fund	<u>51,795</u>
	<u>\$ 1,313,676</u>

# UNITED WAY OF ST. CLAIR COUNTY

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

### NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS:

Annually, a campaign is conducted to raise funds to provide for the Organization's operations, organizational grants, and community initiatives that address community needs in St. Clair County. These operations, grants and initiatives occur during the subsequent year. Therefore, the annual campaign is recorded as donor restricted revenue. During the subsequent year, as funds are distributed, they are released from restriction and reported as increases in net assets without donor restrictions.

In addition, amounts received that are restricted by the donor for specific purposes are recorded as contributions with donor restrictions until the time they are spent.

The Organization has seven donor restricted funds to address specific issues, Cancer Services Program, Children with Disabilities Program, Dental Services Program, Emergency Needs Program, Merges Substance Abuse Treatment Program, 211 Northeast Michigan Program, and Childcare Program.

The Cancer Services and Children with Disabilities Programs provide assistance to individuals and their families affected by these conditions with unusual and unique needs not covered by any other funding source. The Dental Services Program provides assistance to disabled, homeless, indigent, and low-income residents in securing appropriate dental care, primarily at the United Way Community Dental Clinic. The Emergency Needs Program provides assistance to families when no other source is available for housing, utilities, food, and health care on an individual basis when extreme financial need is documented and verified.

The Merges Substance Abuse Treatment Program is administered by the Citizens Review Committee to provide grants to organizations for substance abuse treatment programs. This fund is restricted to up to \$40,000 per year in granting expenditures.

The 211 Northeast Michigan Program provides an easy-to-remember phone number connecting callers with health and human services in their community 24 hours a day, 7 days a week.

The Childcare Program provides tuition assistance for low-income employed families who are seeking childcare for children three years or younger.

All of these funds are administered by the Executive Director of the Organization in conjunction with the Direct Service Coordinator and Labor Representative.

At March 31, 2023, net assets with donor restrictions are available for the following purposes or periods:

Cancer Services	\$	46,257
Children with Disabilities		33,251
Dental Services		173,468
Emergency Needs		208,171
Merges Substance Abuse Treatment		136,332
211 Northeast Michigan		27,669
Childcare		<u>15,868</u>
		641,016
Beneficial Interest in Assets Held by the Community Foundation		36,432
Campaign for 2023 Funding Year		<u>744,597</u>
	\$	<u>1,422,045</u>

**UNITED WAY OF ST. CLAIR COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023**

**NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS - (cont'd):**

Net assets were released during the year ended March 31, 2023 from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrence of other events specified by donors.

Purpose Restriction -	
Cancer Services	\$ 794
Children with Disabilities	3
Emergency Needs	97,808
Dental Services	3
211 Northeast Michigan	31,667
Other Contributions/Grants	<u>67,158</u>
	197,433
Time Restriction -	
Campaign for 2022 funding year	<u>665,689</u>
	<u>\$ 863,122</u>

**NOTE 13 - CONTRIBUTED NON-FINANCIAL ASSETS:**

For the year ended March 31, 2023, contributed non-financial assets recognized within the statement of activities included \$4,680 of auction items that were valued and recorded at estimated fair value in the financial statements.

**SUPPLEMENTARY FINANCIAL INFORMATION**

**UNITED WAY OF ST. CLAIR COUNTY**

**ORGANIZATION GRANTS AND COMMUNITY INITIATIVES  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022**

	2023	2022
<b>Allocation of Affiliated Organizations/Community Projects:</b>		
The ARC of St. Clair County	\$ 60,000	\$ 55,000
Blue Water Community Action	824	1,557
Blue Water Hospice	5,000	2,769
Blue Water Recovery	30,000	-
Blue Water Safe Horizons	52,000	48,000
Blue Water WARM	-	37,707
Catholic Charities of SE MI	32,621	21,941
Community Enterprises	1,048	18,419
Community First Health Centers	1,423	1,338
Comprehensive Youth Services, The Harbor	41,000	41,000
Council on Aging, serving St. Clair County	3,434	4,000
CSCB	5,000	1,250
Detroit Rescue Mission	45,000	40,000
Goodwill Industries of St. Clair County	1,441	561
Girl Scouts-Michigan Waterways Council	3,588	7,000
Harbor Impact Ministries	-	7,500
Hemophilia Foundation of Michigan	85	-
I.M.P.A.C.T.	-	266
Men's Temporary Warming Center	45,000	-
Michigan Crossroads BSA	15,650	11,445
Michigan League for Human Services	500	500
Mid City Nutrition Program	-	4,500
Michigan Vocational Rehab - State of MI	60,000	60,000
People's Clinic for Better Health	7,112	10,000
Sanborn Gratiot Memorial Home	7,500	7,500
SONS	11,000	11,500
St. Clair County RESA - Imagination Library	33,500	33,500
St. Clair County RESA - Childcare	9,187	-
Touchstone Services, Inc. (BW Club House)	401	20,000
Visiting Nurses Association	69,500	69,500
	<b>\$ 541,814</b>	<b>\$ 516,753</b>
<b>Organization Grants/Community Initiatives:</b>		
Other Agency Designation Payments- United Ways	<b>\$ 11,279</b>	<b>\$ 6,719</b>

Although the above information is presented by organization, these organizations are funded for specific programs, and funds are restricted by the United Way for use in the specific programs. As the needs of the community change, programs funded also change. Funding is determined on an annual basis as the needs of the community are identified.

**UNITED WAY OF ST. CLAIR COUNTY**

**DETAILED SCHEDULE OF GRANTS/EXPENSES FROM DONOR RESTRICTED PROGRAMS  
FOR THE YEAR ENDED MARCH 31, 2023**

<b>Cancer Services Direct to Individuals:</b>	
Other	\$ 794
	<hr/>
<b>Dental/Oral Surgery Direct Services to Individuals/Misc.:</b>	
Other	3
	<hr/>
<b>Children with Disabilities Direct Services to Individuals:</b>	
Other	3
	<hr/>
<b>Emergency Needs Services Direct to Individuals:</b>	
Emergency Food & Shelter	55,069
Medical/Vision Assistance	622
Misc. Assistance - Food/Transportation/Plumbing	8,891
COVID-19 Assistance	29,270
Utility Assistance	2,548
Other	1,408
Total Emergency Needs Services	<hr/> 97,808 <hr/>
<b>211 Northeast Michigan Services:</b>	
Salaries and Benefits	6,873
Contracted Expenses for Referral Services	24,794
Total 211 Northeast Michigan	<hr/> 31,667 <hr/>
Total Grants From Donor Restricted Programs	<hr/> \$ 130,275 <hr/> <hr/>