

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

**ANNUAL FINANCIAL STATEMENTS**  
**with Supplementary Information**

**FOR THE YEAR ENDED**  
**MARCH 31, 2016**



UNITED WAY OF ST. CLAIR COUNTY

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MARCH 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the United Way of St. Clair County (a non-profit organization) which comprise the statement of financial position as of March 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

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, 2016, 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.

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

We have previously audited the United Way of St. Clair County's March 31, 2015 financial statements, and our report dated June 10, 2015 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, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matter**

#### *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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
Certified Public Accountants

June 15, 2016

**UNITED WAY OF ST. CLAIR COUNTY**

**STATEMENTS OF FINANCIAL POSITION**

**MARCH 31, 2016**

	2016	2015
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 777,601	\$ 887,292
Investments	1,699,179	1,784,465
Pledges receivable (net of allowance for uncollectible pledges)		
Pledges from 2015/2016 campaign	525,222	-
Pledges from 2014/2015 campaign	-	588,002
Interest receivable	3,524	1,573
Other receivable	3,413	30,535
Prepaid expenses	13,716	13,140
Total Current Assets	3,022,655	3,305,007
<b>Land, Building and Equipment:</b>		
Net of Accumulated Depreciation	820,888	851,164
<b>Other Assets:</b>		
Beneficial interest in assets held by others	32,665	32,759
Total Assets	\$ 3,876,208	\$ 4,188,930
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 4,003	\$ 21,793
Accrued wages and taxes	7,382	1,497
Deferred revenue	-	50,060
Donor designations payable	50,068	42,765
Accrued liability for vacations	3,975	6,136
Total Current Liabilities	65,428	122,251
<b>NET ASSETS:</b>		
Unrestricted -		
Land, Building and Equipment	820,888	851,164
Other (See Note 10)	1,454,595	1,445,940
Total Unrestricted Net Assets	2,275,483	2,297,104
Temporarily Restricted	1,535,297	1,769,575
Total Net Assets	3,810,780	4,066,679
Total Liabilities and Net Assets	\$ 3,876,208	\$ 4,188,930

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, 2016**

**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2015**

	Unrestricted	Temporarily Restricted	Total	
			2016	2015
<b>Revenues, Gains and Other Support:</b>				
Current years campaign (for next period)				
Contributions received and receivable	\$ -	\$ 1,040,382	\$ 1,040,382	\$ 1,278,857
Less: donor designations	-	( 50,068)	( 50,068)	( 42,765)
Less: allowance for uncollectible pledges	-	( 50,000)	( 50,000)	( 50,000)
Total campaign for next allocation period	<u>-</u>	<u>940,314</u>	<u>940,314</u>	<u>1,186,092</u>
Contributions-				
Campaign current period	74,955	-	74,955	63,485
Other	11,282	71,000	82,282	15,512
Non-cash	-	5,479	5,479	4,593
Net investment income	10,932	611	11,543	10,952
Sponsorship of campaign events/ supplies and expense reimbursement	4,073	25,593	29,666	41,436
Special/capital improvement grants	-	645	645	30,500
	<u>101,242</u>	<u>103,328</u>	<u>204,570</u>	<u>166,478</u>
 Total Revenues, Gains and Other Support	 101,242	 1,043,642	 1,144,884	 1,352,570
 Net assets released from restrictions -				
Satisfaction of purpose/program restrictions	 1,277,920	 ( 1,277,920)	 -	 -
Total Revenues, Gains and Other Support	<u>1,379,162</u>	<u>( 234,278)</u>	<u>1,144,884</u>	<u>1,352,570</u>
<b>Expenses:</b>				
Allocations to member agencies/community projects	704,593	-	704,593	682,151
Prior year donor designations	( 42,765)	-	( 42,765)	( 44,872)
Organization grants/ community initiatives	42,223	-	42,223	41,911
United Way Worldwide dues	13,922	-	13,922	14,158
Community impact services	159,521	-	159,521	135,285
Direct services to people	71,581	-	71,581	71,743
Cancer services	1,596	-	1,596	1,233
Disabled/crippled children	1,560	-	1,560	5,649
Dental services	6,466	-	6,466	2,809
Emergency needs/ramps	154,307	-	154,307	80,845
Merges substance abuse treatment	20,016	-	20,016	18,589
211 Northeast Michigan	6,772	-	6,772	-
Resource development	239,368	-	239,368	252,727
Organizational administration	21,623	-	21,623	20,412
Total Expenses	<u>1,400,783</u>	<u>-</u>	<u>1,400,783</u>	<u>1,282,640</u>
Change in Net Assets	( 21,621)	( 234,278)	( 255,899)	69,930
Net Assets at beginning of year	<u>2,297,104</u>	<u>1,769,575</u>	<u>4,066,679</u>	<u>3,996,749</u>
Net Assets at end of year	<u>\$ 2,275,483</u>	<u>\$ 1,535,297</u>	<u>\$ 3,810,780</u>	<u>\$ 4,066,679</u>

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, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2015**

	Program Services				
	Community Impact Services	Direct Services to People	Cancer Services For St. Clair County	United Way Disabled/Crippled Children's Fund	United Way Dental Services of St. Clair County
Salaries	\$ 86,202	\$ 44,702	\$ -	\$ -	\$ -
Payroll taxes	6,890	3,574	-	-	-
Employee health and retirement benefits	20,346	10,018	-	-	-
	<u>113,438</u>	<u>58,294</u>	<u>-</u>	<u>-</u>	<u>-</u>
Telephone	1,540	757	-	-	-
Postage	2,211	1,086	-	-	-
Office supplies	1,735	626	-	-	-
Mileage	1,700	583	-	-	-
Insurance	1,252	616	-	-	-
Dues & membership fees	2,502	1,230	-	-	-
Equipment maintenance	782	384	-	-	-
Occupancy	11,260	2,767	-	-	-
Medications, materials and direct services	-	-	1,596	1,560	6,466
Training & other	544	-	-	-	-
Campaign events	-	-	-	-	-
Campaign printing	-	-	-	-	-
Campaign supplies	-	-	-	-	-
Accounting & auditing	-	-	-	-	-
211 Northeast Michigan	-	-	-	-	-
First call for help	2,646	-	-	-	-
Community relations/projects	9,254	-	-	-	-
In-kind	-	-	-	-	-
	<u>35,426</u>	<u>8,049</u>	<u>1,596</u>	<u>1,560</u>	<u>6,466</u>
Depreciation	<u>10,657</u>	<u>5,238</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Functional Expenses	<u>\$ 159,521</u>	<u>\$ 71,581</u>	<u>\$ 1,596</u>	<u>\$ 1,560</u>	<u>\$ 6,466</u>

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

United Way			Supporting Services		Totals	
Emergency Needs of St. Clair County	Merges Substance Abuse Treatment	211 Northeast Michigan	Resource Development	Organizational Administration	2016	2015
\$ -	\$ -	\$ 4,627	\$ 113,664	\$ 8,834	\$ 258,029	\$ 243,035
-	-	368	9,103	704	20,639	19,293
-	-	-	25,518	1,974	57,856	64,676
-	-	4,995	148,285	11,512	336,524	327,004
-	-	-	1,929	149	4,375	6,469
-	-	-	2,770	214	6,281	5,475
-	-	-	1,597	123	4,081	6,608
-	-	-	1,486	115	3,884	2,526
-	-	-	1,569	121	3,558	5,306
-	-	-	3,134	240	7,106	2,194
-	-	-	979	76	2,221	2,836
-	-	-	7,056	544	21,627	21,052
154,307	20,016	-	-	-	183,945	109,210
-	-	-	-	-	544	2,384
-	-	-	12,261	-	12,261	14,863
-	-	-	27,694	-	27,694	19,618
-	-	-	11,777	-	11,777	10,019
-	-	-	-	7,500	7,500	7,500
-	-	1,777	-	-	1,777	-
-	-	-	-	-	2,646	3,608
-	-	-	-	-	9,254	12,203
-	-	-	5,479	-	5,479	4,593
154,307	20,016	1,777	77,731	9,082	316,010	236,464
-	-	-	13,352	1,029	30,276	25,824
\$ 154,307	\$ 20,016	\$ 6,772	\$ 239,368	\$ 21,623	\$ 682,810	\$ 589,292



**UNITED WAY OF ST. CLAIR COUNTY**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Cash Flows From Operating Activities:</b>		
Cash received from contributors	\$ 1,188,106	\$ 1,431,956
Event sponsorships and expense reimbursements	29,666	41,436
Allocations paid	( 746,816)	( 724,062)
Cash paid to suppliers and employees	( 675,619)	( 515,681)
Interest & dividends	9,592	10,556
Net Cash Provided (Used) by Operating Activities	<u>( 195,071)</u>	<u>244,205</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of equipment and improvements	-	( 18,391)
Earnings on beneficial interest in assets held by others	94	( 1,208)
Net (purchases) sales of investments	85,286	( 381,361)
Net Cash Provided (Used) By Investing Activities	<u>85,380</u>	<u>( 400,960)</u>
Net decrease in cash and cash equivalents	( 109,691)	( 156,755)
Cash and cash equivalents at beginning of year	<u>887,292</u>	<u>1,044,047</u>
Cash and cash equivalents at end of year	<u>\$ 777,601</u>	<u>\$ 887,292</u>
<b>Reconciliation of Change in Net Assets to Cash Provided (Used) by Operating Activities:</b>		
Change in net assets	\$( 255,899)	\$ 69,930
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	30,276	25,824
Decrease in pledges receivable	62,780	100,987
(Increase) decrease in interest and other receivable	25,171	( 7,789)
Increase in prepaid expenses	( 576)	( 2,573)
Increase (decrease) in accounts payable	( 17,790)	15,592
Increase in accrued wages and taxes	5,885	283
Increase (decrease) in accounts payable - donor designations	7,303	( 2,107)
Increase (decrease) in deferred revenue	( 50,060)	50,060
Decrease in accrued liability for vacations	( 2,161)	( 6,002)
Net Cash Provided (Used) by Operating Activities	<u>\$( 195,071)</u>	<u>\$ 244,205</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Non-cash contributions	<u>\$ 5,479</u>	<u>\$ 4,593</u>

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

# UNITED WAY OF ST. CLAIR COUNTY

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

### NOTE 1 - NATURE OF BUSINESS AND 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.

#### SIGNIFICANT ACCOUNTING POLICIES:

The Organization's accounting policies are in accordance with accounting principles generally accepted in the United States of America. The following is a summary of policies which are considered significant to the United Way:

**BASIS OF ACCOUNTING** - The financial statements of the United Way are reported on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for nonprofit organizations.

**BASIS OF PRESENTATION** - The financial statements presentation follow the requirements of the Financial Accounting Standards Board, in its *Accounting Standards Codification (ASC) 958*. In accordance with ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted assets. However, at March 31, 2016 the United Way had only unrestricted and temporarily restricted assets.

**CASH AND CASH EQUIVALENTS** - Cash equivalents represents 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 represent certificates of deposit with maturities greater than three months from date of purchase and are reported at cost, which approximates fair value. Investments also represent mutual funds, which are recorded at fair value based on quoted market prices.

**PLEDGES RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE PLEDGES** - All pledge receivables 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 current campaign, including donor designations for the 2015-2016 campaign, plus 100% of any amounts remaining due from the 2014-2015 campaign.

**PROPERTY AND EQUIPMENT** - Property 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 \$500 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. All property and equipment is recorded as part of the General Operating Fund assets.

UNITED WAY OF ST. CLAIR COUNTY

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016

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

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 PAID TIME OFF** - 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.

**DEFERRED REVENUE** - The Organization recorded revenue received to establish a 211 Program before it is earned as deferred revenue. This program began operations during 2015/2016; therefore the revenue was recognized as revenue for the year ended March 31, 2016.

**INCOME TAXES** - United Way of St. Clair County is a nonprofit organization and has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**RESTRICTED AND UNRESTRICTED REVENUE** - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished. Restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as net assets are released from restriction.

If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

**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, 2015, from which the summarized information was derived.

**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, 2016**

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

**METHOD OF DISTRIBUTING/ALLOCATING COSTS** - The method for allocating indirect expense is based upon the distribution of staff time unless an alternative methodology for a specific expense produces a more documentably accurate spread of cost.

**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 June 15, 2016, the date financial statements were available to be issued.

**NOTE 2 - 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, 2016 the Organization had bank balances of \$2,020,812 at financial institutions, of which \$1,937,267 was covered by depository insurance, with the remaining \$83,545 was uninsured and uncollateralized.

At March 31, 2016, investments of the Organization consist of the following:

Mutual Funds	\$	505,984
Certificates of Deposit		<u>1,193,195</u>
Total	\$	<u>1,699,179</u>

The Organization had the following return on investment for the year ended March 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Interest and Dividends	\$ 7,055	\$ 611
Unrealized Gain on Investments	<u>3,877</u>	<u>-</u>
Total	<u>\$ 10,932</u>	<u>\$ 611</u>

**NOTE 3 - PLEDGES RECEIVABLE:**

The following is a summary of the campaign pledges receivable less the allowance for uncollectible pledges as of March 31, 2016:

	<u>2014/15</u>	<u>2015/16</u>	<u>Total</u>
Pledges receivable	\$ 81,947	\$ 575,222	\$ 657,169
Less: Allowance for uncollectible pledges	<u>( 81,947)</u>	<u>( 50,000)</u>	<u>( 131,947)</u>
Net pledges receivable	<u>\$ -</u>	<u>\$ 525,222</u>	<u>\$ 525,222</u>

# UNITED WAY OF ST. CLAIR COUNTY

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

### NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS:

Beneficial interest in assets held by others represents assets transferred to the Community Foundation of St. Clair County (the "Foundation") to establish an agency endowment fund plus accumulated investment earnings. 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 5 - LAND, BUILDING, AND EQUIPMENT:

The following is a summary of fixed assets for the year ended March 31, 2016:

Land and Building	\$	26,694
Building Improvements		360,785
Furniture and Equipment		91,134
Land and Building Dental Clinic		<u>712,285</u>
		1,190,898
Less - accumulated depreciation	(	<u>370,010</u> )
	\$	<u>820,888</u>

### NOTE 6 - FAIR VALUE MEASUREMENTS:

In accordance with ASC 820, United Way of St. Clair County 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, 2016

**NOTE 6 - 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, 2016:

**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>505,984</u>	\$ <u>505,984</u>	\$ <u>-</u>	\$ <u>-</u>

The fair value of investments at March 31, 2016 as disclosed above does not include certificates of deposit 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 at March 31, 2016 was \$1,193,195.

**NOTE 7 - 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 Activities under Allocations to Organizations. The prior year donor designations payable is reported as an offset against current year expenses to comply with ASC 958.

**NOTE 8 - DONATED SERVICES:**

Donated services are recognized as 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.

There are a substantial number of volunteers donating a significant amount of time to the Organization's fund raising and other activities that do not meet these criteria. Therefore, no value for these services is recorded.

**NOTE 9 - 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 \$23,229 for the year ended March 31, 2016.

**UNITED WAY OF ST. CLAIR COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NOTE 10 - DESIGNATED UNRESTRICTED NET ASSETS:**

The United Way Board of Directors has designated the following amounts from unrestricted net assets as of March 31, 2016:

Dental Clinic Building	\$ 40,370
Operating Reserve Fund	750,000
Special Initiatives Fund	600,011
Capital-Main Facility Fund	<u>64,214</u>
	<u>\$ 1,454,595</u>

**NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS:**

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 temporary restricted revenue. During the subsequent year, as funds are distributed they are released from restriction and reported as increases in unrestricted net assets.

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

Temporarily restricted net assets are available at March 31, 2016 for the following purposes or periods:

Campaign for 2016 Funding Year	\$ 940,314
Cancer Services	43,131
Disabled/Crippled Children	29,120
Dental Services	166,106
Emergency Needs/Ramps	87,483
Merges Substance Abuse Treatment	204,915
211 Northeast Michigan	<u>64,228</u>
	<u>\$ 1,535,297</u>

Net assets were released during the year ended March 31, 2016 from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restriction accomplished -	
Cancer Services	\$ 1,596
Disabled/Crippled Children	1,560
Emergency Needs/Ramps	154,307
Dental Services	6,466
Merges Substance Abuse Treatment Services	20,016
211 Northeast Michigan	6,772
Other Contributions/Grants	<u>31,072</u>
	221,789
Time restriction expired -	
Campaign for 2015 funding year	<u>1,056,131</u>
	<u>\$ 1,277,920</u>

**UNITED WAY OF ST. CLAIR COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 12 - FIRST CALL FOR HELP LINE AND 211 NORTHEAST MICHIGAN:**

In April 2001, the Organization assumed the administrative function of the First Call for Help Line. This telephone line provides referral services to people needing help. The Organization has contracted with an answering service to provide 24-hour access to this line. There are two basic costs to this program, telephone/answering service costs and staff time. All costs of the program are combined in Community Impact (Services) column of the Statement of Functional Expense. Staff costs for the program have not been separately listed in the Statement of Functional Expense to allow readers to see the total allocation of personnel costs. The expenses associated with the First Call for Help Line are:

Salaries	\$	823
Benefits and Taxes		128
Telephone and Answering Service		<u>2,646</u>
	\$	<u>3,597</u>

During fiscal 2016 the Organization entered into an agreement with 211 Northeast Michigan to bring the 211 service to St. Clair County. During the year, there were startup costs as the Organization awaits final approval from the State of Michigan. The startup costs associated with 211 Northeast Michigan are as follows:

Salaries	\$	4,627
Benefits and Taxes		368
211 Northeast Michigan		<u>1,777</u>
	\$	<u>6,772</u>

**NOTE 13 - DONOR DESIGNATED FUNDS:**

The Organization has six donor designated funds (temporarily restricted funds) to address specific issues, Cancer Services Fund, Disabled/Crippled Children’s Fund, Dental Services Fund, Emergency Needs/Ramps Fund, Merges Substance Abuse Treatment Fund, and 211 Northeast Michigan Fund.

The Cancer Services and Disabled/Crippled Children’s Funds 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 Fund provides assistance to disabled, homeless, indigent, and low income residents in securing appropriate dental care, primary at the United Way Community Dental Clinic. The Emergency Needs/Ramps Fund 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 Ramp portion of the Emergency Needs/Ramps Fund is administered by the collaborative Ramp Committee (representatives from Community Enterprises, Department of Human Services, Stebbins Family Fund and The Arc of St. Clair County) who reviews diagnostic and financial information to establish individual need. Ramps are constructed by Community Enterprises developmental disabled workers.



**UNITED WAY OF ST. CLAIR COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NOTE 13 - DONOR DESIGNATED FUNDS - (cont'd):**

The Merges Substance Abuse Treatment Fund 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 Fund 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.

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

**SUPPLEMENTARY FINANCIAL INFORMATION**

**UNITED WAY OF ST. CLAIR COUNTY**

**COMBINING STATEMENT OF FINANCIAL POSITION**

**MARCH 31, 2016**

**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2015**

	<u>General</u>	<u>Cancer Services</u>	<u>Disabled/ Crippled Children</u>	<u>Dental Services</u>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 241,561	\$ 12,306	\$ 1,002	\$ 166,106
Investments	1,640,573	30,520	28,086	-
Pledges receivable (net of allowance for uncollectible pledges)				
Pledges from 2015/2016 campaign	525,222	-	-	-
Pledges from 2014/2015 campaign	-	-	-	-
Interest receivable	3,187	305	32	-
Other receivable	3,413	-	-	-
Prepaid expenses	13,716	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	2,427,672	43,131	29,120	166,106
<b>Land, Building and Equipment:</b>				
Net of Accumulated Depreciation	820,888	-	-	-
<b>Other Assets:</b>				
Beneficial interest in assets held by others	32,665	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 3,281,225</u>	<u>\$ 43,131</u>	<u>\$ 29,120</u>	<u>\$ 166,106</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 4,003	\$ -	\$ -	\$ -
Accrued wages and taxes	7,382	-	-	-
Deferred revenue	-	-	-	-
Donor designations payable	50,068	-	-	-
Accrued liability for vacations	3,975	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	65,428	-	-	-
<b>NET ASSETS:</b>				
Unrestricted -				
Land, Building and Equipment	820,888	-	-	-
Other (See Note 10)	1,454,595	-	-	-
Total Unrestricted Net Assets	2,275,483	-	-	-
Temporarily Restricted	940,314	43,131	29,120	166,106
Total Net Assets	<u>3,215,797</u>	<u>43,131</u>	<u>29,120</u>	<u>166,106</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 3,281,225</u>	<u>\$ 43,131</u>	<u>\$ 29,120</u>	<u>\$ 166,106</u>

Emergency Needs/Ramps	Merges Substance Abuse Treatment	211 Northeast Michigan	Total All Funds	
			2016	2015
\$ 87,483	\$ 204,915	\$ 64,228	\$ 777,601	\$ 887,292
-	-	-	1,699,179	1,784,465
-	-	-	525,222	-
-	-	-	-	588,002
-	-	-	3,524	1,573
-	-	-	3,413	30,535
-	-	-	13,716	13,140
87,483	204,915	64,228	3,022,655	3,305,007
-	-	-	820,888	851,164
-	-	-	32,665	32,759
<u>\$ 87,483</u>	<u>\$ 204,915</u>	<u>\$ 64,228</u>	<u>\$ 3,876,208</u>	<u>\$ 4,188,930</u>
\$ -	\$ -	\$ -	\$ 4,003	\$ 21,793
-	-	-	7,382	1,497
-	-	-	-	50,060
-	-	-	50,068	42,765
-	-	-	3,975	6,136
-	-	-	65,428	122,251
-	-	-	820,888	851,164
-	-	-	1,454,595	1,445,940
-	-	-	2,275,483	2,297,104
87,483	204,915	64,228	1,535,297	1,769,575
87,483	204,915	64,228	3,810,780	4,066,679
<u>\$ 87,483</u>	<u>\$ 204,915</u>	<u>\$ 64,228</u>	<u>\$ 3,876,208</u>	<u>\$ 4,188,930</u>

**UNITED WAY OF ST. CLAIR COUNTY**

**ORGANIZATION GRANTS AND COMMUNITY INITIATIVES  
FOR THE YEAR ENDED MARCH 31, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2015**

	Program Specific Funding	Required Designation Remittances	Total	
			2016	2015
<b>Allocation of affiliated organizations/community projects:</b>				
Blue Water Community Action	\$ 19,540	\$ -	\$ 19,540	\$ 8,500
Blue Water Hospice	14,705	8,072	22,777	6,243
Blue Water League of the Blind	781	-	781	809
Blue Water Safe Horizons	135,000	242	135,242	135,000
Catholic Charities of SE MI	53,648	-	53,648	55,661
Community Enterprises	-	494	494	-
Comprehensive Youth Services, The Harbor	41,000	10,678	51,678	35,000
Council on Aging, serving St. Clair County	7,500	314	7,814	15,000
DHS- Foster Kids Care	-	-	-	4,501
Downriver Community Services	-	-	-	367
Girl Scouts-Michigan Waterways Council	15,200	-	15,200	15,200
Hemophilia Foundation of Michigan	7,253	-	7,253	16,646
Hunter Hospitality House	4,000	-	4,000	-
I.M.P.A.C.T.	30,000	-	30,000	30,000
Michigan Crossroads BSA	33,692	-	33,692	29,500
Michigan League for Human Services	500	24	524	500
Mid-City Nutrition Program	10,000	-	10,000	10,000
MI Rehab Voc. Assess. Match	54,000	-	54,000	54,000
People's Clinic for Better Health	4,447	-	4,447	10,529
SONS	24,400	24	24,424	36,926
Special Dreams Farm	7,500	-	7,500	-
St. Clair County RESA - Imagination Library	40,555	-	40,555	39,769
The ARC of St. Clair County	66,000	-	66,000	63,000
Visiting Nurses Association	115,000	24	115,024	115,000
Total Program Allocations by Agency	<u>\$ 684,721</u>	<u>\$ 19,872</u>	<u>\$ 704,593</u>	<u>\$ 682,151</u>
<b>Organization grants/community initiatives:</b>				
DHS - Foster Kids OLHS Birthday Program	\$ 9,000	\$ -	\$ 9,000	\$ -
Literacy & Beyond - Interviewing for Success	3,750	-	3,750	5,875
Michigan Vocational Rehab- State of MI	6,000	-	6,000	-
The Harbor	17,500	-	17,500	-
The Harbor - Breakfast-Lunch Program	-	-	-	3,800
The Harbor - Emergency Funds	-	-	-	12,712
SONS - Middle School Blast	-	-	-	5,746
SCCC College - Path to Employment	-	-	-	7,500
Other Agency Designation Payments- United Ways	-	5,973	5,973	6,278
Total Expenses From Specific Funds	<u>\$ 36,250</u>	<u>\$ 5,973</u>	<u>\$ 42,223</u>	<u>\$ 41,911</u>

Although the above information is presented by agency, 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 DESIGNATED  
FOR THE YEAR ENDED MARCH 31, 2016**

**Cancer Services Direct Services to Individuals:**

Housing/Rent Assistance	\$ 1,345
Utility Assistance	251
Total Cancer Services Direct Services to Individuals	<u>1,596</u>

**Dental/Oral Surgery Direct Services to Individuals/Misc.:**

Dental Needs Expense	<u>6,466</u>
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**Disabled/Crippled Children Direct Services to Individuals:**

Medical Assistance	1,380
Miscellaneous Assistance	180
	<u>1,560</u>

**Emergency Services Direct Services to Individuals:**

Housing/Rent Assistance	19,872
Medical/Vision Assistance	2,448
Misc. Assistance - Food/Transportation/Plumbing	54,986
Utility Assistance	11,059
Total Emergency Direct Services to Individuals	<u>88,365</u>

**Grants to Community Enterprises for Individuals Ramps/Construction**

65,942
<u>154,307</u>

**Merges Substance Abuse Treatment Services:**

Grants to IMPACT	15,414
Grants to BWARM	4,602
	<u>20,016</u>

**Total Grants/Expenditures From Donor Designated Funds**

<u>\$ 183,945</u>
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