

UNITED WAY OF ST. CLAIR COUNTY
Port Huron, Michigan

ANNUAL FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

For the year ended March 31, 2024

UNITED WAY OF ST. CLAIR COUNTY

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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, 2024, 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, 2024 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.

To the Board of Directors
United Way of St. Clair County
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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.

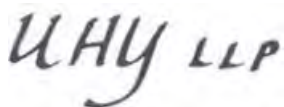
To the Board of Directors
United Way of St. Clair County
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Report on Summarized Comparative Information

We have previously audited United Way of St. Clair County's March 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2023, 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.

A handwritten signature in dark ink that reads "UHY LLP". The letters are stylized and cursive.

Port Huron, Michigan
August 21, 2024

**UNITED WAY OF ST. CLAIR COUNTY
STATEMENTS OF FINANCIAL POSITION**

	<u>March 31,</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 622,783	\$ 1,036,003
Investments	1,912,506	1,357,676
Pledges receivable (net of allowance for uncollectible pledges) -		
Pledges from 2023/2024 campaign	173,698	-
Pledges from 2022/2023 campaign	-	328,694
Beneficial interest in trusts	-	10,700
Other receivable	-	774
Prepaid expenses	12,027	13,638
	<u>2,721,014</u>	<u>2,747,485</u>
LAND, BUILDING, AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	648,236	657,963
OTHER ASSETS		
Beneficial interest in assets held by others	39,026	36,432
	<u>39,026</u>	<u>36,432</u>
Total assets	<u>\$ 3,408,276</u>	<u>\$ 3,441,880</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 5,278	\$ 7,789
Accrued liabilities	13,269	12,681
Donor designations payable	15,780	26,726
Unearned revenue	-	1,000
	<u>34,327</u>	<u>48,196</u>
Total current liabilities	<u>34,327</u>	<u>48,196</u>
NET ASSETS		
Without donor restrictions -		
Land, building, and equipment	648,236	657,963
Other (see Note 11)	1,600,928	1,313,676
	<u>2,249,164</u>	<u>1,971,639</u>
Total without donor restrictions	<u>2,249,164</u>	<u>1,971,639</u>
With donor restrictions	1,124,785	1,422,045
	<u>1,124,785</u>	<u>1,422,045</u>
Total net assets	<u>3,373,949</u>	<u>3,393,684</u>
Total liabilities and net assets	<u>\$ 3,408,276</u>	<u>\$ 3,441,880</u>

UNITED WAY OF ST. CLAIR COUNTY
STATEMENT OF ACTIVITIES
For the year ended March 31, 2024
With comparative totals for the year ended March 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
REVENUES, GAINS, AND OTHER SUPPORT				
Current year's campaign (for next period) - Contributions of cash and other financial resources	\$ -	\$ 590,409	\$ 590,409	\$ 821,324
Less: donor designations	-	(15,780)	(15,780)	(26,726)
Less: allowance for uncollectible pledges	-	(50,000)	(50,000)	(50,000)
	<u>-</u>	<u>524,629</u>	<u>524,629</u>	<u>744,598</u>
Contributions -				
Cash and other financial resource (current period)	(26,579)	-	(26,579)	78,272
Nonfinancial assets	-	3,802	3,802	4,680
Net investment income (loss)	97,322	15,718	113,040	(38,277)
Other revenues	53,252	-	53,252	7,277
Sponsorship of campaign events	-	28,652	28,652	23,291
Special grants/contributions	-	125,099	125,099	188,499
	<u>123,995</u>	<u>173,271</u>	<u>297,266</u>	<u>263,742</u>
Total revenues, gains, and other support	123,995	697,900	821,895	1,008,340
Net assets released from restrictions -				
Satisfaction of purpose/program restrictions	<u>995,160</u>	<u>(995,160)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support with net assets released from restrictions	1,119,155	(297,260)	821,895	1,008,340
EXPENSES				
Program services -				
Community impact services	468,694	-	468,694	615,645
Direct services to people	99,636	-	99,636	153,219
211 Northeast Michigan	27,612	-	27,612	31,667
Supporting services -				
Resource development	137,727	-	137,727	135,099
Organizational administration	107,961	-	107,961	124,163
	<u>841,630</u>	<u>-</u>	<u>841,630</u>	<u>1,059,793</u>
Total expenses	841,630	-	841,630	1,059,793
Change in net assets	277,525	(297,260)	(19,735)	(51,453)
Net assets at beginning of year	<u>1,971,639</u>	<u>1,422,045</u>	<u>3,393,684</u>	<u>3,445,137</u>
Net assets at end of year	<u>\$ 2,249,164</u>	<u>\$ 1,124,785</u>	<u>\$ 3,373,949</u>	<u>\$ 3,393,684</u>

UNITED WAY OF ST. CLAIR COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended March 31, 2024
With comparative totals for the year ended March 31, 2023

	Program Services			Total
	Community Impact Services	Direct Services to People	211 Northeast Michigan	
Salaries	\$ 37,216	\$ 27,969	\$ 2,844	\$ 68,029
Payroll taxes	2,853	1,990	225	5,068
Employee health and retirement benefits	8,576	6,439	543	15,558
	<u>48,645</u>	<u>36,398</u>	<u>3,612</u>	<u>88,655</u>
Allocations to member agencies/community projects	396,345	-	-	396,345
Prior year donor designations	(26,726)	-	-	(26,726)
Organization grants/community initiatives	5,689	-	-	5,689
Telephone	1,888	828	-	2,716
Postage	125	30	-	155
Office supplies	766	336	-	1,102
Mileage	1,411	-	-	1,411
Insurance	3,006	694	-	3,700
Dues and membership fees	1,154	506	-	1,660
Equipment maintenance	1,591	698	-	2,289
Occupancy	5,813	2,551	-	8,364
Medications, materials, and direct services	-	53,249	24,000	77,249
Training & other	1,770	777	-	2,547
Campaign events	-	-	-	-
Campaign printing	-	-	-	-
Campaign supplies	-	-	-	-
Accounting and auditing	-	-	-	-
Advertising	-	-	-	-
Community relations/projects	8,723	-	-	8,723
United Way membership dues	10,360	-	-	10,360
In-kind	-	-	-	-
Depreciation	8,134	3,569	-	11,703
	<u>420,049</u>	<u>63,238</u>	<u>24,000</u>	<u>507,287</u>
Total functional expenses	<u>\$ 468,694</u>	<u>\$ 99,636</u>	<u>\$ 27,612</u>	<u>\$ 595,942</u>

Supporting Services				
Resource Development	Organizational Administration	Total	Totals	
			2024	2023
\$ 62,259	\$ 54,246	\$ 116,505	\$ 184,534	\$ 217,806
4,761	3,895	8,656	13,724	15,243
9,062	8,157	17,219	32,777	36,216
<u>76,082</u>	<u>66,298</u>	<u>142,380</u>	<u>231,035</u>	<u>269,265</u>
-	-	-	396,345	541,814
-	-	-	(26,726)	(38,837)
-	-	-	5,689	11,279
1,525	1,448	2,973	5,689	5,174
1,311	53	1,364	1,519	2,654
619	588	1,207	2,309	3,651
1,845	-	1,845	3,256	3,672
1,278	1,213	2,491	6,191	6,049
932	885	1,817	3,477	2,706
1,286	1,220	2,506	4,795	4,185
4,697	4,459	9,156	17,520	21,745
-	-	-	77,249	122,333
1,430	1,358	2,788	5,335	1,504
16,330	-	16,330	16,330	15,291
5,736	-	5,736	5,736	2,334
7,720	-	7,720	7,720	9,224
-	24,200	24,200	24,200	21,200
6,562	-	6,562	6,562	2,175
-	-	-	8,723	8,346
-	-	-	10,360	16,013
3,802	-	3,802	3,802	4,680
6,572	6,239	12,811	24,514	23,336
<u>61,645</u>	<u>41,663</u>	<u>103,308</u>	<u>610,595</u>	<u>790,528</u>
<u>\$ 137,727</u>	<u>\$ 107,961</u>	<u>\$ 245,688</u>	<u>\$ 841,630</u>	<u>\$ 1,059,793</u>

**UNITED WAY OF ST. CLAIR COUNTY
STATEMENTS OF CASH FLOWS**

	Years ended March 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors	\$ 841,871	\$ 910,914
Sponsorship of campaign events	28,652	23,291
Allocations paid	(412,980)	(565,204)
Cash paid to suppliers	(213,956)	(249,179)
Cash paid to employees	(197,636)	(227,428)
Interest and dividends	75,626	41,149
Net cash provided (used) by operating activities	<u>121,577</u>	<u>(66,457)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(14,788)	(1,864)
Net purchases of investments	<u>(520,009)</u>	<u>(40,697)</u>
Net cash used by investing activities	<u>(534,797)</u>	<u>(42,561)</u>
Net decrease in cash and cash equivalents	(413,220)	(109,018)
Cash and cash equivalents at beginning of year	<u>1,036,003</u>	1,145,021
Cash and cash equivalents at end of year	<u>\$ 622,783</u>	<u>\$ 1,036,003</u>
RECONCILIATION OF CHANGE IN NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ (19,735)	\$ (51,453)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities -		
Depreciation	24,514	23,336
Unrealized (gains) losses on investments	(34,821)	76,639
Provision for doubtful accounts	(3,240)	(15,530)
Change in assets and liabilities:		
(Gain) loss of value on beneficial interest in assets held by others	(2,594)	2,787
(Increase) decrease in pledge receivable	158,236	(96,556)
Decrease in other receivable	774	3,354
Decrease in beneficial interest in trusts	10,700	-
(Increase) decrease in prepaid expenses	1,611	(2,181)
Decrease in in accounts payable	(2,515)	(1,363)
Increase in accrued liabilities	593	5,621
Decrease in donor designations payable	(10,946)	(12,111)
(Decrease) increase in unearned revenue	(1,000)	1,000
Net cash provided (used) by operating activities	<u>\$ 121,577</u>	<u>\$ (66,457)</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Non-cash contributions	<u>\$ 3,802</u>	<u>\$ 4,680</u>

UNITED WAY OF ST. CLAIR COUNTY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 1 - 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.

NOTE 2 - SUMMARY OF 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.

UNITED WAY OF ST. CLAIR COUNTY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

UNITED WAY OF ST. CLAIR COUNTY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2023-2024 campaign, plus 100% of any amounts remaining due from the 2022-2023 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.

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.

UNITED WAY OF ST. CLAIR COUNTY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

UNITED WAY OF ST. CLAIR COUNTY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2023 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 August 21, 2024, the date financial statements were available to be issued.

NOTE 3 - 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	\$ 622,783
Investments	1,912,506
Pledges receivable, net	<u>173,698</u>
	2,708,987
Less - donor restricted assets	648,236
Less - board designated assets	<u>1,600,928</u>
	<u><u>\$ 459,823</u></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, 2024

NOTE 4 - 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, 2024, the Organization had deposits with bank balances of \$1,709,777 (including certificates of deposit of \$1,073,101 at financial institutions), of which \$1,306,082 was covered by depository insurance, with the remaining \$403,695 was uninsured and uncollateralized.

At March 31, 2024, investments of the Organization consist of the following:

Money market held by brokers	\$ 54,111
Mutual funds	785,294
Certificates of deposit	<u>1,073,101</u>
Total	<u>\$ 1,912,506</u>

The Organization had the following return on investment for the year ended March 31, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Interest and dividends	\$ 62,501	\$ 13,125
Net unrealized gain	<u>34,821</u>	<u>2,593</u>
Total	<u>\$ 97,322</u>	<u>\$ 15,718</u>

NOTE 5 - PLEDGES RECEIVABLE

The following is a summary of the campaign pledges receivable less the allowance for uncollectible pledges as of March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Pledges receivable	\$ 275,615	\$ 433,851
Less - allowance for uncollectible pledges	<u>101,917</u>	<u>105,157</u>
Net pledges receivable	<u>\$ 173,698</u>	<u>\$ 328,694</u>

UNITED WAY OF ST. CLAIR COUNTY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 6 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial interest in assets held by others of \$39,026 at March 31, 2024 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 \$39,026 at March 31, 2024 with the Foundation's share of \$20,146, for a total in the fund at March 31, 2024 of \$59,172.

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 7 - LAND, BUILDING, AND EQUIPMENT

The following is a summary of land, building, and equipment at March 31, 2024:

Land	\$ 153,500
Buildings	585,479
Building improvements	357,998
Furniture and equipment	<u>86,631</u>
	1,183,608
Less - accumulated depreciation	<u>535,372</u>
	<u><u>\$ 648,236</u></u>

UNITED WAY OF ST. CLAIR COUNTY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 8 - 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.

The following table presents the Organization’s fair value hierarchy for the assets and liabilities measured at fair value as of March 31, 2024 on a recurring basis:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments - Mutual funds	<u>\$ 785,294</u>	<u>\$ 785,294</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value of investments at March 31, 2024, 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, 2024 was \$1,127,212.

UNITED WAY OF ST. CLAIR COUNTY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

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 \$16,817 for the year ended March 31, 2024.

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, 2024:

Dental clinic building	\$ 40,370
Operating reserve fund	750,000
Special initiatives fund	773,551
Capital-main facility fund	<u>37,007</u>
	<u>\$ 1,600,928</u>

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.

UNITED WAY OF ST. CLAIR COUNTY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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, 2024, net assets with donor restrictions are available for the following purposes or periods:

Cancer services	\$ 46,685
Children with disabilities	32,776
Dental services	41,418
Emergency needs	278,953
Merges substance abuse treatment	137,276
211 Northeast Michigan	<u>24,022</u>
	561,130
Beneficial interest in assets held by the Community Foundation	39,026
Campaign for 2024 funding year	<u>524,629</u>
	<u><u>\$ 1,124,785</u></u>

UNITED WAY OF ST. CLAIR COUNTY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released during the year ended March 31, 2024 from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrence of other events specified by donors.

Purpose restriction -	
Children with disabilities	\$ 1,541
Dental services	137,000
Emergency needs	51,708
211 Northeast Michigan	27,860
Other contributions/grants	<u>32,454</u>
	250,563
Time restriction -	
Campaign for 2023 funding year	<u>744,597</u>
	<u><u>\$ 995,160</u></u>

NOTE 13 - CONTRIBUTED NON-FINANCIAL ASSETS

For the year ended March 31, 2024, contributed non-financial assets recognized within the statement of activities included \$3,802 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**

	<u>Years ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
ALLOCATION OF AFFILIATED ORGANIZATIONS/ COMMUNITY PROJECTS		
The ARC of St. Clair County	\$ 50,000	\$ 60,000
Blue Water Community Action	425	824
Blue Water Hospice	1,897	5,000
Blue Water Recovery	40,000	30,000
Blue Water Safe Horizons		52,000
Catholic Charities of SE MI	32,253	32,621
Community Enterprises	921	1,048
Community First Health Centers	1,165	1,423
Comprehensive Youth Services, The Harbor	41,000	41,000
Council on Aging, serving St. Clair County	2,943	3,434
CSCB	4,375	5,000
Detroit Rescue Mission	40,000	45,000
Goodwill Industries of St. Clair County	-	1,441
Girl Scouts-Michigan Waterways Council	-	3,588
Hemophilia Foundation of Michigan	-	85
Men's Temporary Warming Center	-	45,000
Michigan Crossroads BSA	10,366	15,650
Michigan League for Human Services	500	500
Michigan Vocational Rehab - State of MI	45,000	60,000
People's Clinic for Better Health	8,769	7,112
Sanborn Gratiot Memorial Home	17,156	7,500
SONS	9,500	11,000
St. Clair County RESA - Imagination Library	25,125	33,500
Childcare	-	9,187
Touchstone Services, Inc. (BW Club House)	2,400	401
Visiting Nurses Association	62,550	69,500
	<u>\$ 396,345</u>	<u>\$ 541,814</u>
ORGANIZATION GRANTS/COMMUNITY INITIATIVES		
Other agency designation payments - United Way	<u>\$ 5,689</u>	<u>\$ 11,279</u>

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, 2024

CHILDREN WITH DISABILITIES DIRECT SERVICES TO INDIVIDUALS

Other	\$ <u>1,541</u>
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DENTAL/ORAL SURGERY DIRECT SERVICES TO INDIVIDUALS/ MISC.

Other	<u>137,000</u>
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EMERGENCY NEEDS SERVICES DIRECT TO INDIVIDUALS

Emergency food and shelter	18,944
COVID-19 assistance	305
Childcare	15,265
Ramp expenses	14,251
Housing/rent assistance	975
Utility assistance	1,818
Other	<u>150</u>

Total emergency needs services	<u>51,708</u>
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211 NORTHEAST MICHIGAN SERVICES

Salaries and benefits	3,024
Program expenses for referral services	24,000
Employee health and retirement benefits	752
Other	<u>84</u>

Total 211 Northeast Michigan services	<u>27,860</u>
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Total grants from donor restricted programs	<u>\$ <u>218,109</u></u>
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AUDIT COMMUNICATION LETTER

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

We have audited the financial statements of the United Way of St. Clair County (the "Organization") for the year ended March 31, 2024 and have issued our report thereon dated August 21, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated March 7, 2024. Professional standards also require that we provide you with the following information related to our audit.

Significant Audit Items

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2024. We noted no transactions entered into by the United Way of St. Clair County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of allowance for uncollectible pledges is based on management's review of the receivable, historical data, and current economic conditions.

Management's allocations of expenses not directly assignable between programs and management and general expenses, which are based on estimated time and effort.

We evaluated the key factors and assumptions used to develop the allowance for uncollectible pledges and the allocation of expenses in determining that they are reasonable in relation to the financial statements taken as a whole.

To the Board of Directors
United Way of St. Clair County
Page Two

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has determined that none of the uncorrected misstatements detected as a result of audit procedures and were material, either individually or in the aggregate, to the financial statements as a whole.

Management has corrected material misstatements as a result of our audit procedures which related to revenue and pledge receivables being recorded base upon on estimates that are not considered pledges. We reviewed the proposed entries with management, and they have been accepted and posted to the General Ledger.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 21, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant factors. To our knowledge, there were no such consultations with other accountants.

To the Board of Directors
United Way of St. Clair County
Page Three

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.


Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This communication is intended solely for the information and use of the Board of Directors and management of the United Way of St. Clair County and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the opportunity to be of service to the Board of Directors of the United Way of St. Clair County.

A handwritten signature in blue ink that reads "UHY LLP". The letters are stylized and cursive.

Port Huron, Michigan
August 21, 2024