

UNITED WAY OF ST. CLAIR COUNTY
Port Huron, Michigan

ANNUAL FINANCIAL STATEMENTS
with Supplementary Information

FOR THE YEAR ENDED
MARCH 31, 2015



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

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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the 2014 financial statements have been restated to correct a misstatement in recording donor designated contributions. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the United Way of St. Clair County's March 31, 2014 financial statements, and our report dated June 11, 2014 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, 2014 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 and presented on pages 15-18 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 10, 2015

UNITED WAY OF ST. CLAIR COUNTY

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2015

	2015	2014
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 887,292	\$ 1,044,047
Investments	1,784,465	1,403,104
Pledges receivable (net of allowance for uncollectible pledges)		
Pledges from 2014/2015 campaign	588,002	-
Pledges from 2013/2014 campaign	-	688,989
Interest receivable	1,573	1,172
Other receivable	30,535	23,147
Prepaid expenses	13,140	10,567
Total Current Assets	3,305,007	3,171,026
Land, Building and Equipment:		
Net of Accumulated Depreciation	851,164	858,597
Other Assets:		
Beneficial interest in assets held by others	32,759	31,551
Total Assets	\$ 4,188,930	\$ 4,061,174
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 21,793	\$ 6,201
Accrued wages and taxes	1,497	1,214
Deferred revenue	50,060	-
Donor designations payable	42,765	44,872
Accrued liability for vacations	6,136	12,138
Total Current Liabilities	122,251	64,425
NET ASSETS:		
Unrestricted -		
Land, Building and Equipment	851,164	858,597
Other (See Note 10)	1,445,940	1,404,038
Total Unrestricted Net Assets	2,297,104	2,262,635
Temporarily Restricted	1,769,575	1,734,114
Total Net Assets	4,066,679	3,996,749
Total Liabilities and Net Assets	\$ 4,188,930	\$ 4,061,174

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, 2015

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total All Funds</u>	
			2015	2014
Revenues, Gains and Other Support:				
Current years campaign (for next period)				
Contributions received and receivable - next allocation period	\$ -	\$ 1,278,857	\$ 1,278,857	\$ 1,379,646
Less: donor designations	-	(42,765)	(42,765)	(44,872)
Less: allowance for uncollectible pledges	-	(50,000)	(50,000)	(52,930)
Total campaign for next allocation period	<u>-</u>	<u>1,186,092</u>	<u>1,186,092</u>	<u>1,281,844</u>
Contributions-				
Campaign current period	63,485	-	63,485	15,880
Other	15,512	-	15,512	11,694
Non-cash	-	4,593	4,593	4,881
Net investment income	10,385	567	10,952	10,097
Sponsorship of campaign events/ supplies and expense reimbursement	6,597	34,839	41,436	19,270
Special/capital improvement grants	-	30,500	30,500	29,000
	<u>95,979</u>	<u>70,499</u>	<u>166,478</u>	<u>90,822</u>
 Total Revenues, Gains and Other Support	 95,979	 1,256,591	 1,352,570	 1,372,666
 Net assets released from restrictions - Satisfaction of purpose/program restrictions	 1,221,130	 (1,221,130)	 -	 -
Total Revenues, Gains and Other Support	<u>1,317,109</u>	<u>35,461</u>	<u>1,352,570</u>	<u>1,372,666</u>
Expenses:				
Allocations to member agencies/community projects	682,151	-	682,151	734,175
Prior year donor designations	(44,872)	-	(44,872)	(101,736)
Organization grants/ community initiatives	41,911	-	41,911	120,633
United Way Worldwide dues	14,158	-	14,158	12,786
Community impact services	135,285	-	135,285	198,570
Direct services to people	71,743	-	71,743	75,231
Cancer services	1,233	-	1,233	5,340
Disabled/crippled children	5,649	-	5,649	852
Dental services	2,809	-	2,809	11,330
Emergency needs/ramps	80,845	-	80,845	89,677
Merges substance abuse treatment	18,589	-	18,589	16,905
Resource development	252,727	-	252,727	248,989
Organizational administration	20,412	-	20,412	22,224
Total Expenses	<u>1,282,640</u>	<u>-</u>	<u>1,282,640</u>	<u>1,434,976</u>
Change in Net Assets	34,469	35,461	69,930	(62,310)
Net Assets at beginning of year, as restated	<u>2,262,635</u>	<u>1,734,114</u>	<u>3,996,749</u>	<u>4,059,059</u>
Net Assets at end of year	<u>\$ 2,297,104</u>	<u>\$ 1,769,575</u>	<u>\$ 4,066,679</u>	<u>\$ 3,996,749</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, 2015

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014

	Program Services			
	Community Impact Services	Direct Services to People	Cancer Services For St. Clair County	United Way Disabled/Crippled Children's Fund
Salaries	\$ 70,082	\$ 44,708	\$ -	\$ -
Payroll taxes	5,595	3,473	-	-
Employee health and retirement benefits	18,756	11,642	-	-
	<u>94,433</u>	<u>59,823</u>	<u>-</u>	<u>-</u>
Telephone	1,876	1,164	-	-
Postage	-	-	-	-
Office supplies	2,840	944	-	-
Mileage	131	-	-	-
Insurance	1,539	955	-	-
Dues & membership fees	632	392	-	-
Equipment maintenance	823	510	-	-
Occupancy	8,528	3,175	-	-
Medications, materials and direct services	1,424	-	1,233	5,649
Conferences & conventions	1,038	132	-	-
Campaign events	-	-	-	-
Campaign printing	-	-	-	-
Campaign supplies	-	-	-	-
Accounting & auditing	-	-	-	-
First call for help	3,608	-	-	-
Community relations/projects	10,924	-	-	-
In-kind	-	-	-	-
	<u>33,363</u>	<u>7,272</u>	<u>1,233</u>	<u>5,649</u>
Depreciation	7,489	4,648	-	-
Total Functional Expenses	<u>\$ 135,285</u>	<u>\$ 71,743</u>	<u>\$ 1,233</u>	<u>\$ 5,649</u>

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

United Way Dental Services of St. Clair County	United Way Emergency Needs of St. Clair County	Merges Substance Abuse Treatment	Supporting Services		Totals	
			Resource Development	Organizational Administration	2015	2014
\$ -	\$ -	\$ -	\$ 120,223	\$ 8,022	\$ 243,035	\$ 299,964
-	-	-	9,646	579	19,293	25,143
-	-	-	32,338	1,940	64,676	54,428
-	-	-	162,207	10,541	327,004	379,535
-	-	-	3,235	194	6,469	4,905
-	-	-	5,090	385	5,475	4,886
-	45	-	2,622	157	6,608	4,761
-	-	-	2,395	-	2,526	3,302
-	-	-	2,653	159	5,306	5,702
-	15	-	1,090	65	2,194	881
-	-	-	1,418	85	2,836	3,872
-	-	-	8,820	529	21,052	20,616
2,809	79,506	18,589	-	-	109,210	119,992
-	-	-	1,192	22	2,384	1,318
-	-	-	14,863	-	14,863	7,502
-	-	-	19,618	-	19,618	17,635
-	-	-	10,019	-	10,019	8,041
-	-	-	-	7,500	7,500	7,500
-	-	-	-	-	3,608	3,409
-	1,279	-	-	-	12,203	43,752
-	-	-	4,593	-	4,593	4,881
2,809	80,845	18,589	77,608	9,096	236,464	262,955
-	-	-	12,912	775	25,824	26,628
\$ 2,809	\$ 80,845	\$ 18,589	\$ 252,727	\$ 20,412	\$ 589,292	\$ 669,118

UNITED WAY OF ST. CLAIR COUNTY

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	2015	2014
Cash Flows From Operating Activities:		
Cash received from contributors	\$ 1,431,956	\$ 1,645,968
Event sponsorships and expense reimbursements	41,436	48,270
Allocations paid	(724,062)	(854,808)
Cash paid to suppliers and employees	(515,681)	(651,945)
Interest & dividends	10,556	12,066
Net Cash Provided by Operating Activities	244,205	199,551
Cash Flows From Investing Activities:		
Purchase of equipment and improvements	(18,391)	(10,682)
Endowment contribution	(1,208)	(1,685)
Net purchases of investments	(381,361)	(17,784)
Net Cash Used By Investing Activities	(400,960)	(30,151)
Net increase (decrease) in cash and cash equivalents	(156,755)	169,400
Cash and cash equivalents at beginning of year	1,044,047	874,647
Cash and cash equivalents at end of year	\$ 887,292	\$ 1,044,047
Reconciliation of Change in Net Assets to Cash Provided by Operating Activities:		
Change in net assets	\$ 69,930	\$(69,310)
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	25,824	26,628
(Increase) decrease in pledges receivable	100,987	(14,897)
Decrease in beneficial interest in trust	-	221,000
Increase in interest and other receivable	(7,789)	(8,330)
Increase in prepaid expenses	(2,573)	(3,484)
Increase in accounts payable	15,592	1,759
Increase in accrued wages and taxes	283	1,154
Increase (decrease) in accounts payable - donor designations	(2,107)	39,010
Decrease in deferred revenue	50,060	-
Decrease in accrued liability for vacations	(6,002)	(979)
Net Cash Provided by Operating Activities	\$ 244,205	\$ 199,551
Supplemental Disclosure of Cash Flow Information:		
Non-cash contributions	\$ 4,593	\$ 4,881

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

UNITED WAY OF ST. CLAIR COUNTY

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2015

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, 2015 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 2014-2015 campaign, plus 100% of any amounts remaining due from the 2013-14 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.

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

UNITED WAY OF ST. CLAIR COUNTY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

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

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 is expected to begin operations during 2015/2016 which is when the revenue will be recognized.

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, 2014, from which the summarized information was derived.

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 10, 2015, the date financial statements were available to be issued.

UNITED WAY OF ST. CLAIR COUNTY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

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, 2015 the Organization had bank balances of \$2,206,317 at financial institutions, of which \$2,132,003 was covered by depository insurance, with the remaining \$74,314 was uninsured and uncollateralized.

At March 31, 2015, investments of the Organization consist of the following:

Mutual Funds	\$ 501,366
Certificates of Deposit	<u>1,283,099</u>
 Total	 <u>\$ 1,784,465</u>

The Organization had the following return on investment for the year ended March 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Interest and Dividends	\$ 9,252	\$ 567
Unrealized Gain on Investments	<u>1,133</u>	<u>-</u>
 Total	 <u>\$ 10,385</u>	 <u>\$ 567</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, 2015:

	<u>2013/14</u>	<u>2014/15</u>	<u>Total</u>
Pledges receivable	\$ 64,762	\$ 638,002	\$ 702,764
Less: Allowance for uncollectible pledges	<u>(64,762)</u>	<u>(50,000)</u>	<u>(114,762)</u>
 Net pledges receivable	 <u>\$ -</u>	 <u>\$ 588,002</u>	 <u>\$ 588,002</u>

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.

UNITED WAY OF ST. CLAIR COUNTY

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

NOTE 5 - LAND, BUILDING AND EQUIPMENT:

The following is a summary of fixed assets for the year ended March 31, 2015:

Land and Building	\$	26,694
Building Improvements		360,786
Furniture and Equipment		91,134
Land and Building Dental Clinic		<u>712,286</u>
		1,190,900
Less - accumulated depreciation	(<u>339,736)</u>
	\$	<u>851,164</u>

NOTE 6 - FAIR VALUE MEASUREMENTS:

In accordance with ASC 820, CARE of Southeastern Michigan 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, 2015:

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>501,366</u>	\$ <u>501,366</u>	\$ <u>-</u>	\$ <u>-</u>

Level 1 classification consists of mutual funds with observable market prices.

The fair value of investments at March 31, 2015 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, 2015 was \$1,283,465.

UNITED WAY OF ST. CLAIR COUNTY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

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 \$28,070 for the year ended March 31, 2015.

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, 2015:

Dental Clinic Building	\$ 45,137
Operating Reserve Fund	750,000
Special Initiatives Fund	586,589
Capital-Main Facility Fund	<u>64,214</u>
	<u>\$ 1,445,940</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.

UNITED WAY OF ST. CLAIR COUNTY

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS – (cont'd):

Temporarily restricted net assets are available at March 31, 2015 for the following purposes or periods:

Campaign for 2015 Funding Year	\$ 1,186,092
Cancer Services	42,762
Disabled/Crippled Children	30,048
Dental Services	165,182
Emergency Needs/Ramps	121,206
Merges Substance Abuse Treatment	<u>224,285</u>
	<u>\$ 1,769,575</u>

Net assets were released during the year ended March 31, 2015 from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restriction accomplished -	
Cancer Services	\$ 5,649
Disabled/Crippled Children	1,233
Emergency Needs/Ramps	80,845
Dental Services	2,809
Merges Substance Abuse Treatment Services	18,589
Other Contributions/Grants	<u>39,432</u>
	148,557
Time restriction expired -	
Campaign for 2014 funding year	<u>1,072,573</u>
	<u>\$ 1,221,130</u>

NOTE 12 - FIRST CALL FOR HELP LINE:

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	\$ 1,028
Benefits and Taxes	154
Telephone and Answering Service	<u>3,608</u>
	<u>\$ 4,790</u>

UNITED WAY OF ST. CLAIR COUNTY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

NOTE 13 - DONOR DESIGNATED FUNDS:

The Organization has five 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 and Merges Substance Abuse Treatment 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.

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.

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

NOTE 14 - RESTATEMENT OF NET ASSETS

The March 31, 2014 financial statements have been restated to remove donor designated contributions to other restricted funds of the reporting entity. As a result of this change current liabilities decreased and temporarily restricted net assets increased by \$187,724, revenue and expense decreased \$91,850 and \$53,406, respectively, and beginning April 1, 2013 net assets increased by \$149,280.

SUPPLEMENTARY FINANCIAL INFORMATION

UNITED WAY OF ST. CLAIR COUNTY

COMBINING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2015

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014

	<u>General</u>	<u>Cancer Services</u>	<u>Disabled/ Crippled Children</u>	<u>Dental Services</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 392,970	\$ 12,130	\$ 2,019	\$ 165,182
Investments	1,725,943	30,520	28,002	-
Pledges receivable (net of allowance for uncollectible pledges)				
Pledges from 2014/2015 campaign	588,002	-	-	-
Pledges from 2013/2014 campaign	-	-	-	-
Interest receivable	1,434	112	27	-
Other receivable	35	-	-	-
Prepaid expenses	13,140	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	2,721,524	42,762	30,048	165,182
Land, Building and Equipment:				
Net of Accumulated Depreciation	851,164	-	-	-
Other Assets:				
Beneficial interest in assets held by others	32,759	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 3,605,447</u>	<u>\$ 42,762</u>	<u>\$ 30,048</u>	<u>\$ 165,182</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 21,793	\$ -	\$ -	\$ -
Accrued wages and taxes	1,497	-	-	-
Deferred revenue	50,060	-	-	-
Donor designations payable	42,765	-	-	-
Accrued liability for vacations	6,136	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	122,251	-	-	-
NET ASSETS:				
Unrestricted -				
Land, Building and Equipment	851,164	-	-	-
Other (See Note 10)	1,445,940	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Net Assets	2,297,104	-	-	-
Temporarily Restricted	1,186,092	42,762	30,048	165,182
	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets	3,483,196	42,762	30,048	165,182
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 3,605,447</u>	<u>\$ 42,762</u>	<u>\$ 30,048</u>	<u>\$ 165,182</u>

Emergency Needs/Ramps	Merges Substance Abuse Treatment	Total All Funds	
		2015	2014
\$ 90,706	\$ 224,285	\$ 887,292	\$ 1,044,047
-		1,784,465	1,403,104
-	-	588,002	-
-	-	-	688,989
-	-	1,573	1,172
30,500	-	30,535	23,147
-	-	13,140	10,567
<u>121,206</u>	<u>224,285</u>	<u>3,305,007</u>	<u>3,171,026</u>
-	-	851,164	858,597
-	-	32,759	31,551
<u>\$ 121,206</u>	<u>\$ 224,285</u>	<u>\$ 4,188,930</u>	<u>\$ 4,061,174</u>
\$ -	\$ -	\$ 21,793	\$ 6,201
-	-	1,497	1,214
-	-	50,060	-
-	-	42,765	44,872
-	-	6,136	12,138
<u>-</u>	<u>-</u>	<u>122,251</u>	<u>64,425</u>
-	-	851,164	858,597
-	-	1,445,940	1,404,038
<u>121,206</u>	<u>224,285</u>	<u>2,297,104</u>	<u>2,262,635</u>
<u>121,206</u>	<u>224,285</u>	<u>1,769,575</u>	<u>1,734,114</u>
<u>121,206</u>	<u>224,285</u>	<u>4,066,679</u>	<u>3,996,749</u>
<u>\$ 121,206</u>	<u>\$ 224,285</u>	<u>\$ 4,188,930</u>	<u>\$ 4,061,174</u>

UNITED WAY OF ST. CLAIR COUNTY

**ORGANIZATION GRANTS AND COMMUNITY INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014**

	Program Specific Funding	Required Designation Remittances	Total	
			2015	2014
Allocation of affiliated organizations/community projects:				
Blue Water Community Action	\$ 8,500	\$ -	\$ 8,500	\$ 23,500
Blue Water Hospice	-	6,243	6,243	9,621
Blue Water League of the Blind	809	-	809	1,752
Blue Water Safe Horizons	135,000	-	135,000	130,221
Catholic Charities of SE MI	55,661	-	55,661	99,794
Comprehensive Youth Services, The Harbor	35,000	-	35,000	32,074
Council on Aging, serving St. Clair County	15,000	-	15,000	15,147
DHS- Foster Kids Care	4,501	-	4,501	7,000
Downriver Community Services	-	367	367	5,370
Epilepsy Foundation of Michigan	-	-	-	74
Girl Scouts-Michigan Waterways Council	15,200	-	15,200	13,960
Hemophilia Foundation of Michigan	16,646	-	16,646	16,620
I.M.P.A.C.T.	30,000	-	30,000	30,000
Michigan Crossroads BSA	29,500	-	29,500	29,024
Michigan League for Human Services	500	-	500	525
Mid-City Nutrition Program	10,000	-	10,000	7,957
MI Rehab Voc. Assess. Match	54,000	-	54,000	54,000
People's Clinic for Better Health	10,529	-	10,529	40,000
SONS	36,926	-	36,926	22,098
St. Clair County RESA - Imagination Library	39,769	-	39,769	36,340
The ARC of St. Clair County	63,000	-	63,000	44,049
Visiting Nurses Association	115,000	-	115,000	115,000
YMCA (Blue Water Area)	-	-	-	49
Total Program Allocations by Agency	\$ 675,541	\$ 6,610	\$ 682,151	\$ 734,175
Organization grants/community initiatives:				
Algonac Schools	\$ -	\$ -	\$ -	\$ 6,000
Baker College Project	-	-	-	7,500
Literacy & Beyond - Interviewing for Success	5,875	-	5,875	-
The Harbor - Breakfast-Lunch Program	3,800	-	3,800	-
The Harbor - Emergency Funds	12,712	-	12,712	-
SONS - Middle School Blast	5,746	-	5,746	-
SCCC College - Path to Employment	7,500	-	7,500	-
Release of Contract Stipulation	-	-	-	100,000
Other Agency Designation Payments- United Ways	-	6,278	6,278	7,133
Total Expenses From Specific Funds	\$ 35,633	\$ 6,278	\$ 41,911	\$ 120,633

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/EFSP FUNDS
FOR THE YEAR ENDED MARCH 31, 2015**

Cancer Services Direct Services to Individuals:

Housing/Rent Assistance	\$ 1,299
Medical Assistance	2,973
Utility Assistance	<u>1,377</u>
Total Cancer Services Direct Services to Individuals	<u>5,649</u>

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

Dental Needs Expense	<u>2,809</u>
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Disabled/Crippled Children Direct Services to Individuals:

Medical Assistance	<u>1,233</u>
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Emergency Services Direct Services to Individuals:

Housing/Rent Assistance	23,361
Medical/Vision Assistance	560
Misc. Assistance - Food/transportation/Plumbing	2,140
Utility Assistance	<u>26,006</u>
Total Emergency Direct Services to Individuals	<u>52,067</u>

Grants to Community Enterprises for Individuals Ramps/Construction

	<u>28,778</u>
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Emergency Food & Shelter Program (EFSP) Food Pantries:

Blue Water Community Food Pantry Port Huron	16,000
Downriver Bread of Life Nutrition Center Marine City	7,000
Downriver Helping Hands Food Pantry Marine City	1,750
SOS Marysville Food Pantry	2,750
Trinity United Methodist Food Pantry Algonac	<u>3,000</u>
Total Emergency Food & Shelter Program (EFSP) Food Pantries	<u>30,500</u>

Grants to IMPACT for Merges Substance Abuse Treatment Services

	<u>18,589</u>
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Total Grants/Expenditures From Donor Designated/EFSP Funds

	<u>\$ 139,625</u>
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