

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
MT. PLEASANT, MICHIGAN

FINANCIAL STATEMENTS
JUNE 30, 2023



WEINLANDER FITZHUGH
Certified Public Accountants & Advisors



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INDEPENDENT AUDITOR'S REPORT

October 16, 2023

Board of Directors
United Way of Gratiot and Isabella Counties
Mt. Pleasant, Michigan

Opinion

We have audited the accompanying financial statements of United Way of Gratiot and Isabella Counties (Organization), which comprise the statement of financial position as of June 30, 2023 and 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 United Way of Gratiot and Isabella Counties as of June 30, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS). 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 United Way of Gratiot and Isabella Counties 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 U.S. generally accepted accounting principles, 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 misstatement, 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 United Way of Gratiot and Isabella Counties' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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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 GAAS 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, misrepresentation or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 United Way of Gratiot and Isabella Counties' 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Gratiot and Isabella Counties' 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.

Weinlander Fitzhugh

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Statement of Financial Position
June 30, 2023

ASSETS

Current Assets

Cash and cash equivalents	\$ 605,172
Pledge receivables	314,646
Total current assets	919,818

Property and Equipment

Land and land improvements	20,278
Buildings and improvements	766,012
Equipment and office furniture	86,087
	872,377
Less allowance for depreciation	(443,367)
Total property and equipment	429,010

Other Assets

Lease deposit	850
Beneficial interest in endowment funds	179,530
Total other assets	180,380

Total Assets	\$ 1,529,208
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 5,233
Accrued payroll taxes and withholding	593
Designations payable	130,578
Agency allocations payable	7,500
Deferred revenue - contracts	2,175
Unearned revenue	18,671
Promise to give	68,549
Total liabilities	233,299

Net Assets

Without donor restrictions	
Investment in property and equipment	429,010
Designated for endowment	179,530
Undesignated	567,116
	1,175,656
With donor restrictions	120,253
Total net assets	1,295,909

Total Liabilities and Net Assets	\$ 1,529,208
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See accompanying notes to financial statements.

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Public Support and Revenues</u>			
Public support:			
Annual campaign	\$ 676,412	\$ 108,175	\$ 784,587
Less: uncollectible pledges	(40,814)	0	(40,814)
	<u>635,598</u>	<u>108,175</u>	<u>743,773</u>
 In-kind contributions	 63,307	 0	 63,307
Special Events:			
Arts United	53,024	0	53,024
Stuff the Bus	36,366	6,303	42,669
Holiday raffle	6,020	0	6,020
Fill a Mayflower	2,100	0	2,100
Golf United	5,710	4,350	10,060
	<u>103,220</u>	<u>10,653</u>	<u>113,873</u>
Total public support	<u>802,125</u>	<u>118,828</u>	<u>920,953</u>
 Revenues:			
Program revenues:			
Grant income	54,949	1,425	56,374
Other revenues:			
Rental income	67,048	0	67,048
Net investment return (loss)	18,595	0	18,595
Administrative income from designations	17,133	0	17,133
Miscellaneous	8,848	0	8,848
Interest income	1,019	0	1,019
	<u>112,643</u>	<u>0</u>	<u>112,643</u>
Total revenues	<u>167,592</u>	<u>1,425</u>	<u>169,017</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	77,471	(77,471)	0
Total public support and revenues	<u>1,047,188</u>	<u>42,782</u>	<u>1,089,970</u>
 <u>Expenses</u>			
Program services	859,415	0	859,415
Management and general	39,132	0	39,132
Fundraising	217,605	0	217,605
Total expenses	<u>1,116,152</u>	<u>0</u>	<u>1,116,152</u>
Change in net assets	(68,964)	42,782	(26,182)
Net assets at beginning of year	1,244,620	77,471	1,322,091
Net assets at end of year	<u>\$ 1,175,656</u>	<u>\$ 120,253</u>	<u>\$ 1,295,909</u>

See accompanying notes to financial statements.

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services			
	Building Development	Allocations Services	Community Impact	Sub- Total
Agency allocations	\$ 0	\$112,000	\$ 0	\$ 112,000
Salaries and wages	68,781	68,295	56,177	193,253
Payroll taxes	5,142	5,105	4,248	14,495
Employee benefits	9,238	6,775	7,082	23,095
	<u>83,161</u>	<u>80,175</u>	<u>67,507</u>	<u>230,843</u>
Grants	0	289,084	300	289,384
In-kind contributions	0	0	0	0
Stuff the Bus	0	0	46,460	46,460
Utilities	30,220	379	396	30,995
Professional services	5,832	4,277	4,472	14,581
Marketing	0	0	6,664	6,664
Repairs and maintenance	19,259	0	0	19,259
United Way 2-1-1 grant	0	0	17,100	17,100
Software	5,058	3,709	3,878	12,645
Telephone and internet	10,352	815	852	12,019
Rent	3,150	2,310	2,415	7,875
Equipment rent and maintenance	3,214	2,138	2,235	7,587
Recognition and awards	2,743	2,012	2,103	6,858
Purchased services	4,238	0	0	4,238
Bank charges	600	430	473	1,503
Adopt a family	0	0	0	0
Professional development	2,019	1,481	1,445	4,945
Insurance	1,933	1,418	1,482	4,833
Membership dues and subscriptions	1,608	1,180	1,436	4,224
Printed materials	1,451	1,064	1,112	3,627
Golf United	0	0	0	0
Supplies	620	389	400	1,409
Conferences and meetings	608	450	704	1,762
Postage	591	433	453	1,477
Travel and transportation	239	176	374	789
	<u>93,735</u>	<u>311,745</u>	<u>94,754</u>	<u>500,234</u>
Total before depreciation	176,896	503,920	162,261	843,077
Depreciation	6,535	4,793	5,010	16,338
Total expenses	<u>\$ 183,431</u>	<u>\$508,713</u>	<u>\$167,271</u>	<u>859,415</u>

See accompanying notes to financial statements.

Supporting Services

<u>Management and General</u>	<u>Fundraising</u>	<u>Sub- Total</u>	<u>Total</u>
\$ 0	\$ 0	\$ 0	\$ 112,000
13,676	89,733	103,409	296,662
1,021	6,721	7,742	22,237
1,231	6,466	7,697	30,792
<u>15,928</u>	<u>102,920</u>	<u>118,848</u>	<u>349,691</u>
0	0	0	289,384
0	63,307	63,307	63,307
0	0	0	46,460
69	361	430	31,425
6,978	4,083	11,061	25,642
0	13,140	13,140	19,804
0	0	0	19,259
0	0	0	17,100
674	3,541	4,215	16,860
148	778	926	12,945
420	2,205	2,625	10,500
389	2,040	2,429	10,016
366	1,920	2,286	9,144
4,378	0	4,378	8,616
5,826	425	6,251	7,754
0	7,325	7,325	7,325
279	1,517	1,796	6,741
509	1,353	1,862	6,695
389	1,126	1,515	5,739
193	1,016	1,209	4,836
0	4,573	4,573	4,573
1,522	371	1,893	3,302
82	447	529	2,291
79	414	493	1,970
32	168	200	989
<u>22,333</u>	<u>110,110</u>	<u>132,443</u>	<u>632,677</u>
38,261	213,030	251,291	1,094,368
<u>871</u>	<u>4,575</u>	<u>5,446</u>	<u>21,784</u>
<u>\$ 39,132</u>	<u>\$ 217,605</u>	<u>\$ 256,737</u>	<u>1,116,152</u>

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Statement of Cash Flows
For the Year Ended June 30, 2023

<u>Cash Flows From Operating Activities</u>	
Change in net assets	\$ (26,182)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	21,784
Net unrealized loss on investments	(18,595)
Changes in operating assets and liabilities:	
Pledge receivable	(127,492)
Prepaid expense	2,115
Accounts payable	2,667
Accrued payroll taxes and withholdings	(1,196)
Designations payable	16,477
Deferred revenue - contracts	2,175
Unearned revenue	16,251
Promise to give	27,163
Net cash flows from operating activities	<u>(84,833)</u>
 <u>Cash Flows From Investing Activities</u>	
Purchase of fixed assets	<u>(3,081)</u>
Net change in cash	(87,914)
Cash at beginning of year	<u>693,086</u>
Cash at end of year	<u><u>\$ 605,172</u></u>

See accompanying notes to financial statements.

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The United Way of Gratiot and Isabella Counties (Organization) was formed July 1, 2016 with the merging of the United Way of Gratiot County and the United Way of Isabella County. The Organization is governed by a board of local volunteers, is a not-for-profit community organization, which raises resources for local human care agencies. Resources are raised through an annual campaign conducted throughout Gratiot and Isabella Counties. Local human care agencies are allocated available resources after critical review and evaluation of their needs by the Board of Directors and a community volunteer funds distribution committee.

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Revenue Recognition

Contributions and grants are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions and grants are recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not included as support until the conditions are substantially met.

The Organization receives funding from a local organization to provide human service needs in Gratiot and Isabella Counties. The funding organization provides an information reference service in Northeast Michigan. Generally, the Organization bills for services provided at the end of each month. Revenue for these services are recognized as exchange related transactions as they receive money for services performed. Performance obligations are determined based on the nature of the services provided by the Organization and the stipulations of the grant contract. The grants are all earned at a point in time. For the year ended June 30, 2023, the Organization recognized revenue of \$56,374 from grants that were earned through services performed.

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue for the Golf United was equal to the cost of direct benefits to the donors and contribution revenue for the difference. The Organization recognizes the contribution portion immediately and the exchange portion upon completion of the event. The fair market value of a ticket was \$34 and the number of tickets sold was 44. The fair market value of sponsorships range from \$75 to \$1,000 and the number of sponsors were 16. For the year ended June 30, 2023, \$6,746 and \$3,314 of the total Golf United revenue of \$10,060 are considered contributions and exchange portion, respectively. As of June 30, 2023, the Organization recognized deferred revenue of \$2,175 for the sale of tickets and sponsorships for the 2023 event that is held in July 2023. For the year ended June 30, 2022, the Organization recognized \$0 of deferred revenue.

Revenue for Sponsorships were equal to the cost of direct benefit to the donors and contribution revenue for the difference. The Organization recognizes the contribution portion immediately and the exchange portion upon completion of the event. Sponsorship structures range from \$2,500 to \$15,000. The fair market value of the sponsorships ranges from \$1,040 to \$4,835. For the year ended June 30, 2023, \$88,645 and \$58,855 of the total sponsorship revenue of \$147,500 are considered contributions and exchange portion, respectively. Note, total sponsorship revenue is included in annual campaign revenues.

Donated Services and Materials

Amounts that have been reported in the financial statements for voluntary donations of services are those services that create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation. Donated materials are recorded at fair market value at the date of the gift and reflected as in-kind contributions. The value of donated materials was \$63,307. In-kind donations consisted of materials and supplies, and services for the Organization's fundraising activities.

No amounts have been reflected in the statements for volunteer services. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations and various committee assignments.

Property and Equipment

Purchases of land, buildings and equipment having a unit cost of \$1,000 or more and an estimated useful life of more than three years are capitalized at cost. Donated assets are capitalized at the estimated fair market value at time of receipt. Certain donated services are capitalized as improvements when those services enhance the value of assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	10 years
Buildings and improvements	5-40 years
Equipment and office furniture	3-7 years

Leases

The Organization has elected the short-term lease exemption for their office space lease. In 2023, the lease agreement qualifies for exemption. The Organization leases office space on a year-to-year basis. Rent expense for the year ended June 30, 2023 was \$10,500.

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Notes to Financial Statements
For the Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Equivalents

The Organization maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Cash Flow Information

For purposes of the statement of cash flows, cash includes checking, savings and money market funds. Cash paid for interest was \$0 and for income taxes was \$0.

Allocations to Agencies

Allocations to agencies are reported as expenses when unconditionally committed to the recipient by the Organization.

Donor Designations Payable

The Organization receives pledges from donors designating the resources to specified agencies. The Organization collects these resources and disburses the funds to the designated agencies. Designated pledges are excluded from contribution revenue, and the related disbursements to specified agencies are excluded from allocations in the statement of activities. Unpaid amounts at June 30, 2023, are recorded as a liability in the statement of financial position.

Due to Others

The Organization acts as a fiduciary for other organizations, typically while those organizations are attempting to gain 501(c)(3) status. When the Organization receive fund on behalf of another organization, it is recorded as a liability "due to others". When the Organization makes payments on behalf of those same Organizations, those charges are also applied to the liability. The balance remaining in the account is owed back the original organization.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in the future are recorded at fair value, which is measured at the present value of future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received.

Conditional promises to give are not included as support until the conditions are substantially met.

Pledges receivable consisted of the following for the year ended June 30, 2023:

Gross pledges receivable - due in less than one year	\$ 208,771
Gross pledges receivable - due in more than one year	125,375
Less allowance for estimated uncollectible amounts	(14,700)
Less discount on pledges due in more than one year	<u>(4,800)</u>
Net pledges receivable	<u>\$ 314,646</u>

Pledges receivable are periodically evaluated for collectability based on past history with donors and their current financial condition. Provisions for uncollectible pledges receivable are determined on the basis of loss experience, known and inherent risks and current economic conditions.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions - Net assets subject to donor or certain grantor 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 donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources must be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Expense Allocation

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and other, which are allocated on the basis of estimates of time and effort.

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Events Occurring After Reporting Date

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the accompanying independent auditor's report, which is the date the financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificate of deposits.

The following table reflects the Organization's financial assets as of June 30, 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations.

Cash and cash equivalents	\$ 605,172
Receivables	314,646
Beneficial interest in endowment	179,530
Total financial assets	<u>1,099,348</u>
Amounts restricted by third parties	(120,253)
Non-spendable portion of community foundation	<u>(132,686)</u>
	<u>(252,939)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 846,409</u>

NOTE 3 - INCOME TAXES

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. As of June 30, 2023, the Organization's federal returns generally remain open for the last three years.

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 4 - ENDOWMENT FUND WITH MT. PLEASANT AREA COMMUNITY FOUNDATION AND GRATIOT COUNTY COMMUNITY FOUNDATION

The Organization is the beneficiary under endowment fund agreements with the Mt. Pleasant Area Community Foundation and the Gratiot County Community Foundation (Foundations). A portion of the assets, \$179,530 is included in the statement of financial position of the Organization. The remaining portion, \$49,761 is included on the statement of financial position of the Mt. Pleasant Area Community Foundation. The Organization does not exercise any control over the principal of the funds but, based on a formula, certain amounts of the funds may be distributed to and expended by the Organization.

Variance power has been granted to the Foundations for the assets in the endowment funds. If the Organization ceases to exist or no longer performs its functions under the provisions of the agreement, the Foundations shall continue to administer and disburse fund assets in a manner deemed appropriate.

The endowment funds includes funds designated by the Organization. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Organization to function as endowments, are classified and reported based on the existence or absence of donor-imposed restriction.

Investment and spending policies are determined by the Mt. Pleasant Area Community Foundation and the Gratiot County Community Foundation.

Endowment Net Asset Composition by Type of Fund as of June 30, 2023

	<u>Without Donor Restrictions</u>
Board designated endowment funds	<u>\$ 179,530</u>

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 4 - ENDOWMENT FUND WITH MT. PLEASANT AREA COMMUNITY FOUNDATION AND GRATIOT COUNTY COMMUNITY FOUNDATION (CONTINUED)

Changes in Endowment Net Assets for the Year Ended June 30, 2023

	Without Donor Restrictions
Endowment net assets, beginning of year	\$ 160,936
Investment return:	
Contribution	6,975
Investment income	3,750
Net appreciation (realized and unrealized)	14,808
Total investment return	25,533
Appropriation of endowment assets for expenditure:	
Administrative and investment fees	(1,939)
Distribution from Fund	(5,000)
Total expenditures	(6,939)
Endowment net assets, end of the year	\$ 179,530

NOTE 5 - LEASES INCOME

The Organization leases office space in the Wilcox Non-Profit to tenants, including both affiliated and unaffiliated agencies, under non-cancellable operating leases with varying terms. Collections from the leases are recorded as rental income. Essentially all of the Organizations property and equipment are used in leasing activities.

The following is a schedule of future minimum rental under the leases:

2024	\$ 65,072
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UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 6 – RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for specified purpose:

ESFP Funds	\$ 1,425
Mini grants	1,078
	2,503

Subject to the passage of time:

Annual Campaign 2023-2024	107,097
Stuff The Bus 2023-2024	6,303
Golf Outing 2023-2024	4,350
	\$ 120,253

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2023:

Expiration of time restrictions

Annual Campaign 2022-2023	\$ 58,160
ESFP Funds	14,139
Fill the Mayflower 2022-2023	500
Stuff The Bus 2022-2023	2,122
Golf Outing 2022-2023	2,550
	\$ 77,471

UNITED WAY OF GRATIOT AND ISABELLA COUNTIES
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 7 – RETIREMENT PLAN

The Organization offers a retirement plan to all salaried full-time employees. The Organization's policy is to match retirement contributions up to a maximum of 3% of the employee's annual salary. Total retirement expense for the year ended June 30, 2023 was \$7,425.

NOTE 8 – ADOPTION OF NEW ACCOUNTING STANDARDS

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among Organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2021 (the beginning of the earliest comparative period presented) using a modified retrospective approach, with certain practical expedients available.

The Organization has elected the following practical expedient: As an accounting policy election, to apply short-term lease exception, which does not require the capitalization of leases with terms of 12 months or less.

The standard had no material impact on our balance sheet, and did not have an impact on our statement of income nor statement of cash flow.