United Way of Genesee County

Financial Report
with Supplemental Information
June 30, 2020

Contents

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Independent Auditor's Report

To the Board of Trustees
United Way of Genesee County

We have audited the accompanying financial statements of United Way of Genesee County (the "Organization"), which comprise the statement of financial position as of June 30, 2020 and 2019 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 United Way of Genesee County as of June 30, 2020 and 2019 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

We draw attention to Notes 2 and 14 to the financial statements, which describe certain events that occurred related to the COVID-19 pandemic and the impact of COVID-19 on United Way of Genesee County.

To the Board of Trustees
United Way of Genesee County

As described in Note 2 to the financial statements, United Way of Genesee County adopted the provisions of Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, and the provisions of ASU No. 2017-07, *Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*.

Our opinion is not modified with respect to these matters.

Plante & Moran, PLLC

November 2, 2020

Statement of Financial Position

June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 1,384,658	$ 800,686
Investments (Note 3)	3,640,341	4,071,289
Accounts receivable - Net:		
Trade accounts receivable	20,226	28,271
Grants receivable	1,075,015	364,203
Total accounts receivable - Net	1,095,241	392,474
Pledges receivable - Annual campaign - Net	603,300	1,183,969
Prepaid expenses	65,528	49,387
Beneficial interest in trusts held by third party (Note 4)	658,016	658,523
Property and equipment - Net (Note 6)	19,543	38,526
Total assets	**$ 7,466,627**	**$ 7,194,854**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 205,107	$ 119,412
Designation payable	107,601	97,796
Accrued compensation	69,922	57,047
Postretirement benefit obligations (Note 7)	1,163,458	1,092,626
Paycheck Protection Program loan (Note 9)	308,420	-
Total liabilities	1,854,508	1,366,881
Net Assets		
Without donor restrictions:		
Undesignated	1,486,002	1,379,079
Board designated (Note 10)	1,500,000	1,500,000
With donor restrictions (Note 10)	2,626,117	2,948,894
Total net assets	5,612,119	5,827,973
Total liabilities and net assets	**$ 7,466,627**	**$ 7,194,854**

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Gross campaign results	$ -	$ 1,551,898	$ 1,551,898	$ -	$ 2,094,382	$ 2,094,382
Less provision for uncollectible pledges	-	(326,996)	(326,996)	-	(16,582)	(16,582)
Less donor designations	-	(309,933)	(309,933)	-	(123,138)	(123,138)
Net campaign results	-	914,969	914,969	-	1,954,662	1,954,662
Contributions and foundation grants	1,408,065	2,223,551	3,631,616	1,576,992	3,079,794	4,656,786
In-kind revenue	1,163,365	-	1,163,365	1,308,673	-	1,308,673
Bequests	601,433	-	601,433	-	-	-
Designations from other United Ways	251,318	-	251,318	64,946	-	64,946
Special event revenue:						
Gross revenue	9,268	-	9,268	24,196	-	24,196
Direct benefit to donor costs	(8,890)	-	(8,890)	(37,064)	-	(37,064)
Service fees	90,647	-	90,647	76,455	-	76,455
Net realized and unrealized gain on investments	77,292	-	77,292	100,610	-	100,610
Investment income - Net	110,039	-	110,039	87,059	-	87,059
Change in value of trusts held by third party	-	(507)	(507)	-	(4,581)	(4,581)
Miscellaneous income	16,058	-	16,058	5,072	-	5,072
Total revenue and support	3,718,595	3,138,013	6,856,608	3,206,939	5,029,875	8,236,814
Net Assets Released from Restrictions	3,460,790	(3,460,790)	-	5,308,620	(5,308,620)	-
Total revenue, support, and net assets released from restrictions	7,179,385	(322,777)	6,856,608	8,515,559	(278,745)	8,236,814
Expenses						
Program services:						
Gross funds awarded	1,721,509	-	1,721,509	1,423,361	-	1,423,361
Less donor designations	(309,933)	-	(309,933)	(123,138)	-	(123,138)
Net funds awarded	1,411,576	-	1,411,576	1,300,223	-	1,300,223
Community services	4,408,425	-	4,408,425	5,591,274	-	5,591,274
Labor	196,838	-	196,838	174,877	-	174,877
Community impact	233,865	-	233,865	293,870	-	293,870
Total program services	6,250,704	-	6,250,704	7,360,244	-	7,360,244
Support services:						
Management and general	317,686	-	317,686	336,880	-	336,880
Fundraising	488,551	-	488,551	527,126	-	527,126
Total expenses	7,056,941	-	7,056,941	8,224,250	-	8,224,250

See notes to financial statements.

Statement of Activities and Changes in Net Assets (Continued)

Years Ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Increase (Decrease) in Net Assets - Before other changes to net assets	$ 122,444	$ (322,777)	$ (200,333)	$ 291,309	$ (278,745)	$ 12,564
Other Items - Change in other postretirement benefit obligation	(15,521)	-	(15,521)	85,913	-	85,913
Increase (Decrease) in Net Assets	106,923	(322,777)	(215,854)	377,222	(278,745)	98,477
Net Assets - Beginning of year	2,879,079	2,948,894	5,827,973	2,501,857	3,227,639	5,729,496
Net Assets - End of year	**$ 2,986,002**	**$ 2,626,117**	**$ 5,612,119**	**$ 2,879,079**	**$ 2,948,894**	**$ 5,827,973**

See notes to financial statements.

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services					Support Services			
	Funds Awarded	Community Services	Labor	Community Impact	Total	Management and General	Fundraising	Total	Total
Gross funds awarded	$ 1,721,509	$ -	$ -	$ -	$ 1,721,509	$ -	$ -	$ -	$ 1,721,509
Less donor designations	(309,933)	-	-	-	(309,933)	-	-	-	(309,933)
	1,411,576	-	-	-	1,411,576	-	-	-	1,411,576
Salaries	-	659,936	119,450	136,316	915,702	156,519	206,787	363,306	1,279,008
Employee benefits	-	154,209	38,485	47,177	239,871	62,054	80,663	142,717	382,588
Payroll taxes	-	47,518	8,564	8,983	65,065	11,311	14,628	25,939	91,004
Total salaries and related expenses	-	861,663	166,499	192,476	1,220,638	229,884	302,078	531,962	1,752,600
Contract and professional fees	-	138,186	313	6,440	144,939	41,074	54,749	95,823	240,762
Supplies	-	1,167,071	1,182	1,269	1,169,522	2,327	30,035	32,362	1,201,884
Occupancy	-	28,600	8,080	11,400	48,080	10,520	27,010	37,530	85,610
Telephone	-	4,065	1,799	935	6,799	3,680	3,532	7,212	14,011
Postage and shipping	-	431	121	169	721	150	346	496	1,217
Insurance	-	6,055	1,711	2,413	10,179	2,227	4,530	6,757	16,936
Printing and publications	-	-	-	-	-	-	803	803	803
Mileage payments and auto expense	-	8,951	4,871	750	14,572	1,759	4,671	6,430	21,002
Conferences, meetings, and travel	-	14,372	1,002	651	16,025	4,393	9,447	13,840	29,865
Subscriptions and dues	-	19,811	5,598	8,507	33,916	9,830	26,419	36,249	70,165
Equipment rental and maintenance	-	27,274	3,378	5,631	36,283	4,545	11,392	15,937	52,220
Utilities	-	876	247	349	1,472	757	655	1,412	2,884
Miscellaneous	-	84,219	120	170	84,509	4,044	7,806	11,850	96,359
Depreciation	-	6,787	1,917	2,705	11,409	2,496	5,078	7,574	18,983
Foundation grant expense	-	1,206,907	-	-	1,206,907	-	-	-	1,206,907
Fiscal sponsorship grant expense	-	833,157	-	-	833,157	-	-	-	833,157
Direct benefit to donor costs	-	-	-	-	-	-	8,890	8,890	8,890
Total functional expenses	**$ 1,411,576**	**$ 4,408,425**	**$ 196,838**	**$ 233,865**	**$ 6,250,704**	**$ 317,686**	**$ 497,441**	**$ 815,127**	**$ 7,065,831**

See notes to financial statements.

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services					Support Services			
	Funds Awarded	Community Services	Labor	Community Impact	Total	Management and General	Fundraising	Total	Total
Gross funds awarded	$ 1,423,361	$ -	$ -	$ -	$ 1,423,361	$ -	$ -	$ -	$ 1,423,361
Less donor designations	(123,138)	-	-	-	(123,138)	-	-	-	(123,138)
	1,300,223	-	-	-	1,300,223	-	-	-	1,300,223
Salaries	-	591,673	98,003	168,250	857,926	178,224	195,779	374,003	1,231,929
Employee benefits	-	142,641	34,816	58,826	236,283	52,652	81,033	133,685	369,968
Payroll taxes	-	45,048	7,537	12,321	64,906	12,856	15,127	27,983	92,889
Total salaries and related expenses	-	779,362	140,356	239,397	1,159,115	243,732	291,939	535,671	1,694,786
Contract and professional fees	-	140,134	16	12,270	152,420	41,324	48,729	90,053	242,473
Supplies	-	1,296,216	792	1,327	1,298,335	1,835	53,625	55,460	1,353,795
Occupancy	-	28,600	8,080	11,400	48,080	10,089	25,674	35,763	83,843
Telephone	-	4,801	1,776	1,170	7,747	3,711	4,261	7,972	15,719
Postage and shipping	-	816	231	337	1,384	421	709	1,130	2,514
Insurance	-	5,967	1,373	2,215	9,555	1,788	3,637	5,425	14,980
Printing and publications	-	-	43	-	43	43	13,544	13,587	13,630
Mileage payments and auto expense	-	24,038	5,169	959	30,166	1,786	6,254	8,040	38,206
Conferences, meetings, and travel	-	26,905	2,929	1,707	31,541	9,344	9,192	18,536	50,077
Subscriptions and dues	-	21,948	6,202	10,549	38,699	9,470	36,401	45,871	84,570
Equipment rental and maintenance	-	33,740	3,973	6,980	44,693	5,738	16,009	21,747	66,440
Utilities	-	862	244	344	1,450	477	1,246	1,723	3,173
Miscellaneous	-	63,652	304	434	64,390	2,710	6,930	9,640	74,030
Depreciation	-	11,996	3,389	4,781	20,166	4,412	8,976	13,388	33,554
Foundation grant expense	-	2,203,970	-	-	2,203,970	-	-	-	2,203,970
Fiscal sponsorship grant expense	-	948,267	-	-	948,267	-	-	-	948,267
Direct benefit to donor costs	-	-	-	-	-	-	37,064	37,064	37,064
Total functional expenses	**$ 1,300,223**	**$ 5,591,274**	**$ 174,877**	**$ 293,870**	**$ 7,360,244**	**$ 336,880**	**$ 564,190**	**$ 901,070**	**$ 8,261,314**

See notes to financial statements.

Statement of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
(Decrease) increase in net assets	$ (215,854)	$ 98,477
Adjustments to reconcile (decrease) increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	18,983	33,554
Bad debt expense	326,996	16,582
Change in postretirement benefit obligation	70,832	(32,728)
Realized and unrealized gain on investments	(77,292)	(100,610)
Change in value of trusts held by third party	507	4,581
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Accounts receivable	(702,767)	(103,353)
Pledges receivable - Annual campaign	253,673	147,245
Prepaid expenses	(16,141)	(127)
Accounts payable and agency liabilities	85,695	30,195
Designation payable	9,805	5,084
Accrued compensation	12,875	7,299
Net cash and cash equivalents (used in) provided by operating activities	(232,688)	106,199
Cash Flows from Investing Activities		
Purchase of property and equipment	-	(26,423)
Purchases of investments	(539,999)	(2,293,490)
Proceeds from sales and maturities of investments	1,048,239	651,934
Net cash and cash equivalents provided by (used in) investing activities	508,240	(1,667,979)
Cash Flows Provided by Financing Activities - Proceeds from debt	308,420	-
Net Increase (Decrease) in Cash and Cash Equivalents	583,972	(1,561,780)
Cash and Cash Equivalents - Beginning of year	800,686	2,362,466
Cash and Cash Equivalents - End of year	**$ 1,384,658**	**$ 800,686**
Supplemental Cash Flow Information - Noncash activities - Benefit-related changes other than net periodic retiree benefit costs	$ 57,458	$ 56,876

See notes to financial statements.

Note 1 - Nature of Business

United Way of Genesee County (the "Organization") is a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code whose purpose is to provide financial support for philanthropic, health and social, educational, and community organizations within Genesee County, Michigan through a public campaign for funds. The Organization's stated mission statement is threefold: uniting people, developing resources, and meeting community needs. The Organization is governed by a volunteer board of trustees.

Note 2 - Significant Accounting Policies

Flint Water Crisis

Cash contributions received and community services expenses decreased from fiscal year 2019 to 2020 due to the community's decreased response to the Flint water crisis during 2019 and 2020. Gross cash contributions related to the Flint water crisis totaled $162,885 and $409,973 and total expenditures were $264,325 and $269,114 for the years ended June 30, 2020 and 2019, respectively. Donated assets related to the Flint water crisis were $945,486 and $1,075,848, respectively, for the years ended June 30, 2020 and 2019. Donated assets related to the Flint water crisis comprised bottles of water and were valued based on the method described in the *Donated Services and Assets* significant accounting policy. Net assets with donor restrictions designated to the Flint water crisis at June 30, 2020 and 2019 totaled $49,627 and $200,649, respectively. United Way of Genesee County has not taken administrative fees out of any funds received for the Flint water crisis.

COVID-19 Pandemic

During March 2020, the Organization received cash contributions in response to the COVID-19 pandemic that resulted in shelter-in-place and other emergency orders in the state of Michigan and across the nation. For the year ended June 30, 2020, gross cash contributions related to the COVID-19 pandemic totaled $381,472 and expenditures totaled $218,223. Net assets with donor restrictions designated to the COVID-19 pandemic at June 30, 2020 totaled $163,249. United Way of Genesee County has not taken administrative fees out of any funds received for the COVID-19 pandemic.

Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments in debt and equity securities are recorded at fair value based on quoted market prices. Certificates of deposit are recorded at cost.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Promises to Give

Unconditional intentions to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional intentions to give are recognized only when the conditions on which they depend are substantially met and the intentions become unconditional.

Note 2 - Significant Accounting Policies (Continued)

Pledges Receivable - Annual Campaign

Annual campaigns are conducted each year to raise support for allocation to participating agencies for the subsequent calendar year. All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. All pledges receivable are expected to be collected within 14 months after the beginning of scheduled payments.

A provision for uncollectible pledges relating to annual campaigns has been provided based on the prior year's experience and the expectations of management as to collectibility. The provision is computed on the gross pledges receivable, including donor designations. Campaign pledges prior to the 2018 campaign have been deemed wholly uncollectible and, therefore, were written off. However, if any campaign pledges prior to the 2018 campaign year are collected, they will be recorded as income in the year received. The allowance was $200,000 and $75,000 as of June 30, 2020 and 2019, respectively.

The Organization receives contributions from individuals and businesses mainly located in the Genesee County, Michigan geographic region. Corporate and employee gifts of General Motors Corporation account for 48 percent and 64 percent of campaign pledge receivables as of June 30, 2020 and 2019, respectively, and 43 percent and 55 percent of the campaign pledges for fiscal year 2020 and 2019, respectively.

Accounts Receivable

Accounts receivable are stated at invoice cost. Account balances are reviewed regularly to determine whether delinquent accounts should be written off. The Organization has no allowance for doubtful accounts for financial reporting purposes. All accounts receivable are considered collectible.

The Organization participated in a multiemployer pension plan, which has been terminated. The Organization had paid 100 percent of the required contributions for all participating member organizations. The amount billed to other participants was included in accounts receivable and amounted to $27,638 for the year ended June 30, 2019. The full amount was received during fiscal year 2020, and there was a $0 receivable balance at June 30, 2020.

Grants Receivable

Grants receivable include receivables for services rendered by the Organization in accordance with grant contracts and reimbursements that have not been received as of year end. Grants receivable also include contributions made to the Organization outside of the annual campaign, including corporate and foundation gifts. An allowance for doubtful accounts has not been established, as all grants receivable are deemed collectible. The balance at June 30, 2020 and 2019 was $1,075,015 and $364,203, respectively. The payments are expected to be received within one year.

Property and Equipment

Property and equipment are recorded at cost when purchased or at fair value at the date of donation. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives except for leasehold improvements, which are depreciated over the lesser of the estimated useful lives or the life of the lease. Costs of maintenance and repairs are charged to expense when incurred.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of property and equipment with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support. Absent explicit donor stipulations about how long the property and equipment must be maintained, the Organization reports expirations of donor restrictions over time based on an estimate of the useful lives of the donated or acquired property and equipment.

Note 2 - Significant Accounting Policies (Continued)

Designation 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 and changes in net assets.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Board-designated Net Assets

Board-designated net assets are net assets without donor restrictions designated by the board primarily for capital improvements. These designations are based on board actions, which can be altered or revoked at a future time by the board.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from bequests, measured at the time the agreements are entered, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient under the contract.

Contributions without donor-imposed restrictions are reported as support without donor restrictions. Other restricted gifts, including those for which restrictions are met in the period in which the gift is received, are reported as restricted support and net assets with donor restrictions.

Unconditional promises to give and pledges receivable (annual campaign) with payments due in future periods are assumed to have an implicit time restriction. Those restrictions are released as contributions are collected or when allocations are made to recipient organizations based on those future collections.

Donated Services and Assets

The Organization receives volunteer services that are not recordable under accounting principles generally accepted in the United States of America. A number of volunteers have donated time to the Organization. The value of volunteer services is not disclosed, as no objective basis is available to measure the value of such services. Donated materials and services are recorded at the fair market value upon receipt. As of June 30, 2020 and 2019, approximately $1,163,365 and $1,308,673, respectively, of donated materials and services has been recognized by the Organization.

Note 2 - Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing program and support services have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and support services benefited. Those expenses include salaries and benefits, depreciation, occupancy, and other office costs. Salaries and benefits, depreciation, occupancy, and other office costs are allocated based on a time and cost study of where efforts are made and program and support services benefited.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Federal Income Taxes

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the state of Michigan, the Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). There were no unrelated business activities in 2020 and 2019. Accordingly, no tax expense was incurred during the years ended June 30, 2020 and 2019.

Concentration of Credit Risk Arising for Deposit Accounts

The Organization maintains cash balances at several institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation in accordance with applicable program limits. At times, balances may exceed federally insured limits.

Reclassification

Certain 2019 amounts have been reclassified to conform to the 2020 presentation. The most significant reclassification is to present payments to the national organization as operating expense on the statement of activities and changes in net assets and as subscriptions and dues on the statement of functional expenses. Previously, payments to the national organization were presented as other items expense on the statement of activities and changes in net assets and were excluded from the statement of functional expenses. There was no impact on net assets as of June 30, 2019.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including November 2, 2020, which is the date the financial statements were available to be issued.

Adoption of New Accounting Pronouncements

As of July 1, 2019, the Organization adopted ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The standard has been applied on a modified prospective basis. Under the clarified guidance, the standard did not have a significant impact on the contributions received by the Organization and did not require a restatement of prior year amounts.

Note 2 - Significant Accounting Policies (Continued)

Also for the year ended June 30, 2020, applied retrospectively to all years presented, the Organization adopted ASU No. 2017-07, *Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.* This standard requires the presentation of the service cost component of net benefit cost to be in the same line item as other compensation costs arising from services rendered by the pertinent employees during the period. All other components of net benefit cost are presented separately from the service cost component and outside of income from operations. As a result, $85,913 related to changes in the postretirement plan obligation has been reclassified from program and support services to change in other postretirement benefit obligation within other changes to net assets for the year ended June 30, 2019.

Upcoming Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In accordance with FASB guidance issued amidst the COVID-19 pandemic, the Organization has elected a one-year deferral for the implementation of ASU No. 2014-09. Therefore, the new guidance will be effective for the Organization's year ending June 30, 2021. The ASU permits application of the new revenue recognition guidance using one of two retrospective application methods. Management is currently evaluating which application will be used. The Organization expects the new standard will result in increased disclosures for the financial statements but does not expect the new standard to significantly impact the amount or timing of revenue recognized.

The FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending June 30, 2023 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires clarification on financial information about important noncash contributions that the Organization receives, known as in-kind contributions. The standard provides new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure rules for recognized contributed services. The new guidance will be effective for the Organization's year ending June 30, 2022 and will be applied on a retrospective basis. The Organization expects the new standard will result in increased disclosures for financial statements but has not yet determined the impact on the timing of recognition of in-kind contributions.

Note 3 - Investments

The investment objective of the Organization is to first provide for a reasonable level of liquidity to meet cash flow needs and, secondarily, to provide for long-term growth of assets available for investment in conjunction with a balanced operating budget under a prudent investment strategy (up to 60 percent of assets to be allocated to professional money managers). The investment of assets is intended to be done in a prudent manner, based upon sound financial judgment, to minimize credit and inflationary risk, which could erode investment principal. The finance committee must approve exceptions to the policy.

Investments consist of the following:

	2020	2019
Certificates of deposit	$ 492,258	$ 638,475
Mutual funds - Equity (Note 12)	2,171,719	2,509,355
Mutual funds - Fixed income (Note 12)	849,857	918,132
Common stock (Note 12)	126,507	5,327
Total	$ 3,640,341	$ 4,071,289

Interest and dividend income, net of investment fees, earned during the years ended June 30, 2020 and 2019 was $110,039 and $87,059, respectively.

Note 4 - Beneficial Interest in Trusts Held by Third Party

The Organization is the income beneficiary of various trusts held by financial institutions. Under the terms of the trust agreements, the Organization has the irrevocable right to receive a percentage of the income earned on trust assets in perpetuity; however, the Organization will never receive the assets held in the trusts. An asset with donor restrictions has been recorded based on the present value of the estimated future cash receipts from the trusts' assets. The balance at June 30, 2020 and 2019 was $658,016 and $658,523, respectively. Annual distributions from the trusts are reported as investment income, which increases net assets without donor restrictions. Adjustments to the amount reported as an asset, based on an annual review using the same basis as was used to measure the asset initially, are recognized as an unrealized gain or loss with donor restrictions.

Income distributions of $32,636 and $23,588 were received in 2020 and 2019, respectively.

Note 5 - Beneficial Interests Held by Third Party with Variance Power

The Organization has a beneficial interest in specific funds held by Community Foundation of Greater Flint (the "Community Foundation"). Under the terms by which the Community Foundation has accepted the gift, the Organization can expect to receive distributions of income earned on these funds in perpetuity. The Organization will never receive the assets held by the Community Foundation. According to the terms of the gift, the income received from the beneficial interest can be used only for (1) responses to short-term crisis conditions impacting human survival among groups of people, (2) initial program startup to meet emerging new human needs, or (3) capital needs (e.g., land, buildings, and equipment).

These assets held by the Community Foundation are not recorded on the financial statements of the Organization since the Community Foundation maintains variance power over the distributions of income from this gift and could legally redirect the income from the assets to a different income beneficiary. Because the Community Foundation maintains variance power, the Organization has no legal right to the annual income from the assets. While the Community Foundation has the legal right to change the beneficiary, the Organization's management does not expect such a change to occur and expects to continue to receive income distributions annually from the assets held at the Community Foundation.

The fair value of the investments held by the Community Foundation in funds where the Community Foundation has variance power at June 30, 2020 and 2019 totaled $681,880 and $696,770, respectively.

Note 5 - Beneficial Interests Held by Third Party with Variance Power (Continued)

Income recognized annually for the income distributions received from the Community Foundation was $25,923 and $44,261 in 2020 and 2019, respectively.

Note 6 - Property and Equipment

Property and equipment are summarized as follows:

	2020	2019	Depreciable Life - Years
Transportation equipment	$ 26,423	$ 26,423	5
Computer equipment and software	125,369	125,369	3-5
Leasehold improvements	73,560	73,560	5-20
Total cost	225,352	225,352	
Accumulated depreciation	205,809	186,826	
Net property and equipment	$ 19,543	$ 38,526	

Depreciation expense for 2020 and 2019 was $18,983 and $33,554, respectively.

Note 7 - Other Postretirement Benefit Plan

The Organization has a plan that provides postretirement health benefits for certain individuals (the "Plan"). Employees are eligible if they retired on or after January 1, 1995 as a full-time employee. Eligible employees may receive benefits under the Plan after attaining the age of 60 as an active employee and after completing 10 or more years of service at the Organization and are not eligible for any other health care package, excluding Medicare. Benefits provided include hospital/medical benefits to the employee only and do not include the spouse or other dependents. The Organization funds the Plan in the year in which the benefits are paid.

Obligations and Funded Status

	Other Postretirement Benefits	
	2020	2019
Benefit obligation	$ 1,163,458	$ 1,092,626

Amounts recognized in the statement of financial position consist of the following:

	Other Postretirement Benefits	
	2020	2019
Beginning funded status	$ (1,092,626)	$ (1,125,354)
Service cost	(55,311)	(53,185)
Interest cost	(46,235)	(43,718)
Net actuarial (loss) gain	(34)	76,688
Benefits paid	30,748	30,954
Plan changes	-	1,197
Change due to change in assumptions	-	20,792
Funded status	$ (1,163,458)	$ (1,092,626)

Note 7 - Other Postretirement Benefit Plan (Continued)

Amounts not yet recognized as components of net periodic benefit cost consist of the following:

	Other Postretirement Benefits	
	2020	2019
Net actuarial gain	$ 634,187	$ 577,081
Transition obligation	(129,424)	(194,136)
Total	$ 504,763	$ 382,945

In accordance with generally accepted accounting principles, the benefit obligation presented in the table above presents the accumulated benefit obligation for the postretirement benefits.

Components of net periodic benefit cost and other amounts recognized in the statement of activities and changes in net assets are as follows:

	Other Postretirement Benefits	
	2020	2019
Net Periodic Benefit Cost, Employer Contributions, and Benefits Paid		
Net periodic benefit cost	$ 70,832	$ 179,152
Employer contributions	30,748	30,954
Benefits paid	30,748	30,954
Other Changes in Plan Assets and Benefit Obligations Recognized		
Total recognized in benefit-related changes other than net periodic retiree cost - Net (loss) gain	$ (15,521)	$ 85,913

Assumptions

Weighted-average assumptions used to determine benefit obligations at June 30 are as follows:

	Other Postretirement Benefits	
	2020	2019
Discount rate	2.50%	4.00%

Weighted-average assumptions used to determine net periodic benefit cost for the years ended June 30 are as follows:

	Other Postretirement Benefits	
	2020	2019
Discount rate	4.00%	4.00%

The overall expected rate of return on plan assets represents a weighted-average composite rate based on the historical rates of returns of the respective asset classes adjusted for anticipated market movements.

Assumed Health Care Cost Trend Rates at June 30

	Other Postretirement Benefits	
	2020	2019
Health care cost trend rate assumed for next year (pre-65)	8.25 %	7.50 %
Health care cost trend rate assumed for next year (post-65)	6.50 %	5.00 %

Note 7 - Other Postretirement Benefit Plan (Continued)

Cash Flow - Estimated Future Benefit Payments

The following postemployment benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Years Ending		Other Postretirement Benefits
2021	$	31,950
2022		27,189
2023		41,066
2024		43,200
2025		42,150
2026-2030		231,693

Note 8 - Line of Credit

The Organization opened a new line of credit agreement during the fiscal year. Under the line of credit agreement with Huntington National Bank, the Organization has available borrowings of approximately $750,000. Interest is payable monthly at a rate of 0.5 percent below the index rate, which was 3.25 percent as of June 30, 2020 (an effective rate of 2.75 percent at June 30, 2020). The line of credit is unsecured. The current line of credit was initiated on May 19, 2020, with a maturity date of May 5, 2021. No balance was outstanding on the line of credit as of June 30, 2020.

Note 9 - Paycheck Protection Program Loan

During the year ended June 30, 2020, the Organization received a Paycheck Protection Program (PPP) loan in the amount of $308,420. Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and staffing level and salary maintenance requirements are met. The Organization may use the funds on qualifying expenses over a covered period of at least 8 weeks and up to 24 weeks. At the conclusion of the covered period, any balance that is not forgiven by the Small Business Administration (SBA) will be repaid over a period of two years at a 1 percent interest rate, with monthly payments of principal and interest beginning six months after the conclusion of the covered period. Based on the loan amount, irrespective of any potential forgiveness that may be granted in the future, monthly principal and accrued interest would be repaid in 18 installments of approximately $17,270 per month.

At June 30, 2020, the outstanding balance on the PPP loan is $308,420, which is classified as debt on the statement of financial position.

Note 10 - Net Assets

The Organization's net assets are categorized and reported as follows:

Net Assets without Donor Restrictions

This portion of the Organizations net assets is available for general obligations and is not subject to any donor-imposed restrictions. Revenue earned from contributions without donor restrictions, grants without donor restrictions, building rental, investment income available for operations, and all operating expenses is reported in this category. Net assets without donor restrictions of $1,500,000 have been designated as operating reserve for the years ended June 30, 2020 and 2019 based on the board resolutions.

Note 10 - Net Assets (Continued)

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted as follows:

	2020	2019
Purpose restricted:		
Flint water crisis	$ 49,627	$ 200,649
Don Burkes Memorial Bone Marrow	77,223	77,223
Ramp Program	44,637	38,193
COVID-19	163,249	-
Berston Program	82,414	189,818
United Way as grantee	835,252	644,587
Flint Kids Play	-	12,729
Play Ground Builds	-	41,000
Time restricted - General operations	715,699	1,086,172
To be held in perpetuity	658,016	658,523
Total	$ 2,626,117	$ 2,948,894

The portion of the Organization's net assets limited by donor-imposed restrictions that require the gift be maintained in perpetuity consist of the beneficial interests held by third parties.

Note 11 - Defined Contribution 401(k) Plan

The Organization has established a defined contribution retirement plan covering all employees of the Organization who are eligible under plan provisions. Employer discretionary contributions, which are determined each year by management, were $30,053 and $29,259 for the plan years ended June 30, 2020 and 2019, respectively. Employer matching contributions are up to 3 percent of the employee's salary each pay period and were $30,277 and $24,382 for the plan years ended June 30, 2020 and 2019, respectively.

Note 12 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management’s own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 12 - Fair Value Measurements (Continued)

The following tables present information about the Organization's assets measured at fair value on a recurring basis at June 30, 2020 and 2019 and the valuation techniques used by the Organization to determine those fair values.

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2020
Investments:				
Money market mutual funds	$ 101,209	$ -	$ -	$ 101,209
Equity securities - Corporate	126,507	-	-	126,507
Mutual funds - Domestic equity	2,171,719	-	-	2,171,719
Mutual funds - Corporate fixed income	849,857	-	-	849,857
Endowment investments - Trusts held by third party - Beneficial interest	-	-	658,016	658,016
Total investments	$ 3,249,292	$ -	$ 658,016	$ 3,907,308

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2019
Investments:				
Money market mutual funds	$ 212,657	$ -	$ -	$ 212,657
Equity securities - Corporate	5,327	-	-	5,327
Mutual funds - Domestic equity	2,509,355	-	-	2,509,355
Mutual funds - Corporate fixed income	918,132	-	-	918,132
Endowment investments - Trusts held by third party - Beneficial interest	-	-	658,523	658,523
Total investments	$ 3,645,471	$ -	$ 658,523	$ 4,303,994

Investments per the statement of financial position include CDs of $492,258 and $638,475 as of June 30, 2020 and 2019, respectively, which are not included above. Listed above are money market mutual funds of $101,209 and $212,657 as of June 30, 2020 and 2019, respectively, which are not included in investments on the statement of financial position.

The fair value of beneficial interest in perpetual trusts at June 30, 2020 and 2019 was determined primarily based on Level 3 inputs. The Organization estimates the fair value of these investments in beneficial trusts based on the fair value of the assets in the trust unless the facts and circumstances indicate the fair value would be different from the present value of estimated future distributions.

Of the Level 3 assets still held by the Organization at June 30, 2020 and 2019, the unrealized loss for the years ended June 30, 2020 and 2019 was $507 and $4,581, respectively.

Note 13 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2020	2019
Cash and cash equivalents	$ 1,384,658	$ 800,686
Accounts and grants receivable	1,095,241	392,474
Pledges receivable - Net of allowance and designations payable	495,699	1,086,173
Short-term investments	3,280,958	3,590,246
Financial assets - At year end	6,256,556	5,869,579
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	1,252,402	1,204,199
Allocations to be paid within one year	1,045,775	1,115,000
Financial assets available to meet cash needs for general expenditures within one year	$ 3,958,379	$ 3,550,380

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in various short-term investments. The Organization's board has designated net assets to support both strategic initiatives and a short-term disruption in revenue in the amount of $1,500,000 as of June 30, 2020 and 2019. These amounts have been included in the total financial assets available to management for general expenditure within one year.

Note 14 - COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. Shelter-in-place and other emergency orders resulted in United Way of Genesee County moving to a work-from-home environment in mid-March. Staff began to report to the office on a limited basis after the shelter-in-place order was lifted; however, staff have continued to perform work primarily from a remote environment through the report date. Shelter-in-place and other emergency orders resulted in the cancellation of in-person events through the report date.

As of the statement of financial position date, $66,000 was included in the Organization's provision for uncollectible pledges as a result of the COVID-19 pandemic. Additionally, the decline in campaign results and contributions was impacted by the COVID-19 pandemic due to shutdowns of corporations that provide employee payroll contributions and other financial constraints. Due to significant uncertainty surrounding the situation, management will continue to use their judgment in evaluating the need to record future impairments. In addition, while the Organization’s changes in net assets, cash flows, and financial condition will be negatively impacted as the 2020 pledge campaign continues, the extent of the impact cannot be reasonably estimated at this time.

Additionally, as described in Note 9, the Organization received a Paycheck Protection Program loan, which the Organization has recorded as debt on the statement of financial position and can be forgivable if the loan is spent on qualifying expenses and staffing level requirements are met.

Note 15 - Subsequent Events

Subsequent to year end, the board of trustees approved program allocations (amounts payable to local agencies) of $1,045,775. These allocations will be paid during the fiscal year ending June 30, 2021.

Supplemental Information

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Independent Auditor's Report on Supplemental Information

To the Board of Trustees
United Way of Genesee County

We have audited the financial statements of United Way of Genesee County (the "Organization") as of and for the years ended June 30, 2020 and 2019 and have issued our report thereon dated November 2, 2020, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of initial and final pledge campaign uncollectible reserves is presented for the purpose 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 audits 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.

Plante & Moran, PLLC

November 2, 2020

Schedule Initial and Final Pledge Campaign Uncollectible Reserves
2014 Through 2018 Pledge Campaigns

				Initial Uncollectible Reserve Established		Final Uncollectible Reserve Realized	
Pledge Campaign Year	Agency Fiscal Year	Percentage of Campaign Collected as of Fiscal Year End	Total Campaign Pledges	Dollar Amount	Percent of Campaign	Dollar Amount	Percent of Campaign
2014	2015	60.55%	$ 2,399,628	$ 143,978	6.00%	$ 136,476	5.69%
2015	2016	46.48	1,787,468	143,614	8.00	116,939	6.54
2016	2017	45.74	2,259,065	112,953	5.00	1,205	0.01
2017	2018	47.20	2,129,167	127,750	6.00	79,835	3.75
2018	2019	40.23	2,094,382	75,000	4.00	196,067	9.36