

Audited Financial Statements
and Other Supplementary Information

United Way of Genesee County

*Years Ended June 30, 2025 and 2024
with Report of Independent Auditors*

United Way of Genesee County

Audited Financial Statements
and Other Supplementary Information

Years Ended June 30, 2025 and 2024

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Report of Independent Auditors

Board of Directors
United Way of Genesee County
Flint, Michigan

Opinion

We have audited the accompanying financial statements of United Way of Genesee County (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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.

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, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Genesee County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 Genesee County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with 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 Genesee County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Genesee County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Initial and Final Pledge Campaign Uncollectible Reserves 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 is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information associated with pledge campaign years 2020, 2021, 2022, and 2023 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 the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Pledge campaign year 2019 presented in the Schedule of Initial and Final Pledge Campaign Uncollectible Reserves, which is the responsibility of management, is presented for the purposes of additional analysis and is not a required part of the statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Andrews Hooper Pavlik PLC

Bloomfield Hills, Michigan
November 5, 2025

United Way of Genesee County

Statements of Financial Position

	June 30	
	2025	2024
Assets		
Cash and cash equivalents	\$ 758,748	\$ 917,678
Investments	7,386,353	7,508,395
Accounts receivable – net:		
Trade accounts receivable	290	-
Grants receivable	5,721	145,391
Total accounts receivable – net	6,011	145,391
Pledges receivable – annual campaign – net	293,950	346,037
Prepaid expenses	40,019	48,532
Beneficial interest in trusts held by third party	767,622	721,832
Property and equipment – net	-	1,531
Operating lease right-of-use asset – net	317,815	78,274
Total assets	<u>\$ 9,570,518</u>	<u>\$ 9,767,670</u>
Liabilities and net assets		
Accounts payable and other liabilities	\$ 111,708	\$ 166,341
Designations payable	51,297	48,712
Accrued compensation	51,655	91,799
Deferred revenue	15,875	12,375
Postretirement benefit obligations	637,802	625,324
Operating lease liability	324,246	78,274
Total liabilities	1,192,583	1,022,825
Net assets:		
Without donor restrictions:		
Undesignated	4,805,328	4,785,572
Board designated	1,500,000	1,500,000
With donor restrictions	2,072,607	2,459,273
Total net assets	8,377,935	8,744,845
Total liabilities and net assets	<u>\$ 9,570,518</u>	<u>\$ 9,767,670</u>

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

United Way of Genesee County

Statements of Activities and Changes in Net Assets

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Gross campaign results	\$ -	\$ 1,029,487	\$ 1,029,487	\$ -	\$ 1,100,545	\$ 1,100,545
Less provision for uncollectible pledges	-	(27,174)	(27,174)	-	(25,702)	(25,702)
Less donor designations	-	(122,683)	(122,683)	-	(97,912)	(97,912)
Net campaign results	-	879,630	879,630	-	976,931	976,931
Contributions and foundation grants	1,041,317	2,508,730	3,550,047	872,783	2,453,751	3,326,534
Contributed nonfinancial assets	237,725	-	237,725	502,821	-	502,821
Designations from other United Ways	27,051	-	27,051	50,556	-	50,556
Service fees	101,168	-	101,168	99,249	-	99,249
Net realized and unrealized gain (loss) on investments	543,638	-	543,638	722,933	-	722,933
Investment income – net	239,925	-	239,925	247,367	-	247,367
Change in value of trusts held by third party	-	45,790	45,790	-	56,423	56,423
Miscellaneous income	8,509	-	8,509	10,826	-	10,826
Total revenue and support	2,199,333	3,434,150	5,633,483	2,506,535	3,487,105	5,993,640
Net assets released from restrictions	3,820,816	(3,820,816)	-	3,860,653	(3,860,653)	-
Total revenue, support, and net assets released from restrictions	\$ 6,020,149	\$ (386,666)	\$ 5,633,483	\$ 6,367,188	\$ (373,548)	\$ 5,993,640

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

United Way of Genesee County

Statements of Activities and Changes in Net Assets

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Expenses						
Program services:						
Gross funds awarded	\$ 1,191,140	\$ -	\$ 1,191,140	\$ 1,179,778	\$ -	\$ 1,179,778
Less donor designations	(122,683)	-	(122,683)	(97,912)	-	(97,912)
Net funds awarded	1,068,457	-	1,068,457	1,081,866	-	1,081,866
Community services	3,909,453	-	3,909,453	4,057,961	-	4,057,961
Labor	123,449	-	123,449	191,463	-	191,463
Community impact	203,278	-	203,278	197,025	-	197,025
Total program services	5,304,637	-	5,304,637	5,528,315	-	5,528,315
Support services:						
Management and general	271,076	-	271,076	258,378	-	258,378
Fundraising	426,330	-	426,330	469,228	-	469,228
Total expenses	6,002,043	-	6,002,043	6,255,921	-	6,255,921
Increase (decrease) in net assets – before other changes to net assets	18,106	(386,666)	(368,560)	111,267	(373,548)	(262,281)
Other items – change in other postretirement benefit obligation	1,650	-	1,650	110,263	-	110,263
Increase (decrease) in net assets	19,756	(386,666)	(366,910)	221,530	(373,548)	(152,018)
Net assets at beginning of year	6,285,572	2,459,273	8,744,845	6,064,042	2,832,821	8,896,863
Net assets at end of year	\$ 6,305,328	\$ 2,072,607	\$ 8,377,935	\$ 6,285,572	\$ 2,459,273	\$ 8,744,845

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

United Way of Genesee County

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services					Support Services			Total
	Funds Awarded	Community Services	Labor	Community Impact	Total	Management and General	Fundraising	Total	
Gross funds awarded	\$ 1,191,140	\$ -	\$ -	\$ -	\$ 1,191,140	\$ -	\$ -	\$ -	\$ 1,191,140
Less donor designations	(122,683)	-	-	-	(122,683)	-	-	-	(122,683)
	<u>1,068,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,068,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,068,457</u>
Salaries	-	743,661	57,652	131,808	933,121	131,807	209,923	341,730	1,274,851
Employee benefits	-	144,305	12,518	34,819	191,642	44,624	63,007	107,631	299,273
Payroll taxes	-	54,229	4,645	9,082	67,956	9,612	15,147	24,759	92,715
Total salaries and related expenses	<u>-</u>	<u>942,195</u>	<u>74,815</u>	<u>175,709</u>	<u>1,192,719</u>	<u>186,043</u>	<u>288,077</u>	<u>474,120</u>	<u>1,666,839</u>
Contract and professional fees	-	116,143	9,241	4,356	129,740	43,838	53,102	96,940	226,680
Supplies	-	259,617	2,031	1,306	262,954	2,142	18,752	20,894	283,848
Occupancy	-	33,836	11,993	7,422	53,251	9,383	23,397	32,780	86,031
Telephone	-	4,457	1,427	1,787	7,671	3,047	2,387	5,434	13,105
Postage and shipping	-	498	176	109	783	227	301	528	1,311
Insurance	-	11,336	4,018	2,487	17,841	3,144	6,862	10,006	27,847
Mileage payments and auto expense	-	5,123	3,688	189	9,000	2,177	957	3,134	12,134
Conferences, meetings, and travel	-	9,602	498	345	10,445	4,524	1,783	6,307	16,752
Subscriptions and dues	-	20,423	6,895	4,205	31,523	5,616	12,462	18,078	49,601
Equipment rental and maintenance	-	36,408	7,913	4,897	49,218	6,396	13,512	19,908	69,126
Utilities	-	1,917	679	420	3,016	531	1,600	2,131	5,147
Miscellaneous	-	97,759	75	46	97,880	2,477	3,138	5,615	103,495
Depreciation	-	-	-	-	-	1,531	-	1,531	1,531
Help centers	-	-	-	-	-	-	-	-	-
Foundation grant expense	-	1,015,739	-	-	1,015,739	-	-	-	1,015,739
Fiscal sponsorship grant expense	-	1,354,400	-	-	1,354,400	-	-	-	1,354,400
Total functional expenses	<u>\$ 1,068,457</u>	<u>\$ 3,909,453</u>	<u>\$ 123,449</u>	<u>\$ 203,278</u>	<u>\$ 5,304,637</u>	<u>\$ 271,076</u>	<u>\$ 426,330</u>	<u>\$ 697,406</u>	<u>\$ 6,002,043</u>

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

United Way of Genesee County

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services					Support Services			Total
	Funds Awarded	Community Services	Labor	Community Impact	Total	Management and General	Fundraising	Total	
Gross funds awarded	\$ 1,179,778	\$ -	\$ -	\$ -	\$ 1,179,778	\$ -	\$ -	\$ -	\$ 1,179,778
Less donor designations	(97,912)	-	-	-	(97,912)	-	-	-	(97,912)
	1,081,866	-	-	-	1,081,866	-	-	-	1,081,866
Salaries	-	723,508	101,843	124,105	949,456	125,063	206,139	331,202	1,280,658
Employee benefits	-	133,476	26,647	31,955	192,078	50,076	65,231	115,307	307,385
Payroll taxes	-	50,789	7,678	8,571	67,038	8,594	14,786	23,380	90,418
Total salaries and related expenses	-	907,773	136,168	164,631	1,208,572	183,733	286,156	469,889	1,678,461
Contract and professional fees	-	214,590	7,874	7,974	230,438	36,316	95,777	132,093	362,531
Supplies	-	520,459	1,146	646	522,251	805	9,732	10,537	532,788
Occupancy	-	32,568	11,544	7,144	51,256	9,032	19,712	28,744	80,000
Telephone	-	6,048	2,394	1,824	10,266	3,569	3,851	7,420	17,686
Postage and shipping	-	716	228	141	1,085	188	389	577	1,662
Insurance	-	11,049	3,916	2,424	17,389	3,064	6,687	9,751	27,140
Mileage payments and auto expense	-	12,480	7,767	499	20,746	768	3,554	4,322	25,068
Conferences, meetings, and travel	-	10,950	2,249	374	13,573	2,625	5,713	8,338	21,911
Subscriptions and dues	-	22,741	7,595	4,820	35,156	6,202	13,987	20,189	55,345
Equipment rental and maintenance	-	42,795	8,099	5,012	55,906	6,523	14,411	20,934	76,840
Utilities	-	2,128	754	467	3,349	590	1,768	2,358	5,707
Miscellaneous	-	159,111	82	50	159,243	3,676	4,679	8,355	167,598
Depreciation	-	2,886	1,647	1,019	5,552	1,287	2,812	4,099	9,651
Help centers	-	55,532	-	-	55,532	-	-	-	55,532
Foundation grant expense	-	969,307	-	-	969,307	-	-	-	969,307
Fiscal sponsorship grant expense	-	1,086,828	-	-	1,086,828	-	-	-	1,086,828
Total functional expenses	\$ 1,081,866	\$ 4,057,961	\$ 191,463	\$ 197,025	\$ 5,528,315	\$ 258,378	\$ 469,228	\$ 727,606	\$ 6,255,921

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

United Way of Genesee County

Statements of Cash Flows

	Year Ended June 30	
	2025	2024
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (366,910)	\$ (152,018)
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents from operating activities:		
Depreciation	1,531	9,651
Bad debt expense	27,174	25,702
Change in postretirement benefit obligation	12,478	(90,108)
Operating lease right-of-use asset amortization	37,402	-
Realized and unrealized (gain) loss on investments	(543,638)	(722,933)
Change in value of trusts held by third party	(45,790)	(56,423)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accounts receivable	139,380	23,829
Pledges receivable – annual campaign	24,913	(6,219)
Prepaid expenses	8,513	(6,948)
Accounts payable and other liabilities	(54,633)	63,572
Designations payable	2,585	(10,300)
Accrued compensation	(40,144)	19,131
Deferred revenue	3,500	(55,532)
Operating lease liability	(30,971)	-
Net cash and cash equivalents from operating activities	(824,610)	(958,596)
Cash flows from investing activities		
Purchases of investments	(4,064,413)	(589,659)
Proceeds from sales and maturities of investments	4,730,093	977,571
Net cash and cash equivalents from investment activities	665,680	387,912
Net change in cash and cash equivalents	(158,930)	(570,684)
Cash and cash equivalents at beginning of year	917,678	1,488,362
Cash and cash equivalents at end of year	\$ 758,748	\$ 917,678
Supplemental Cash Flow Information		
Noncash activities – benefit related changes other than net periodic retiree benefit costs	\$ 1,650	\$ 110,263
Operating lease, right-of-use assets	\$ 355,217	\$ 78,274

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

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

1. Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The United Way of Genesee County (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 Directors.

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 statements 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.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

1. Nature of Organization and Summary of 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. Amounts recorded as pledges receivable are expected to be collected within 12 months after the beginning of scheduled payments.

A provision for uncollectible pledges relating to annual campaigns has been provided based on prior year collections and management's analysis regarding the collectability of outstanding amounts. The provision is computed on gross pledges receivable, including donor designations. Campaign pledges prior to the 2023 campaign have been deemed wholly uncollectible and have been written off. However, if any campaign pledges prior to the 2023 campaign year are collected, they will be recorded as income in the year received. The allowance for uncollectible pledges was \$15,721 as of June 30, 2024 and \$32,858 as of June 30, 2025.

The Organization receives contributions from individuals and businesses primarily located within the Genesee County, Michigan geographic region. Corporate and employee gifts of General Motors Corporation account for 16% of campaign pledges for fiscal year 2024 and 2025.

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 balances are considered collectible.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

1. Nature of Organization and Summary of Significant Accounting Policies (continued)

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 as of June 30, 2025 and 2024 was \$5,721 and \$145,391, 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 expensed 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.

Designated 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 statements of activities and changes in net assets.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

1. Nature of Organization and Summary of Significant Accounting Policies (continued)

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, where 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.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

1. Nature of Organization and Summary of Significant Accounting Policies (continued)

Contributed Nonfinancial Assets

The Organization receives volunteer services that are not recordable under accounting principles generally accepted in the United States of America. Numerous volunteers donate time to the Organization throughout the year. The value of volunteer services is not disclosed, as no objective basis is available to measure the value of such services.

Businesses, individuals, and others contribute materials and services toward the fulfillment of Organization programs and campaigns. To the extent that contributions of materials and services are objectively measurable and represent program or support expenditures that would otherwise be incurred by the Organization, they are reflected in both support service and program service expenses in the accompanying financial statements. Donated materials and services are recorded at the fair market value upon receipt. \$237,725 of donated materials and services was recognized by the Organization for the year ended June 30, 2025 and \$502,821 was recognized for the year ended June 30, 2024.

Total contributed nonfinancial assets consisted of the following for the years ended June 30:

	2025	2024
Contributed nonfinancial assets:		
Phone credits (211 line)	\$ 119,252	\$ 180,437
Event tickets	77,486	80,906
Program supplies/materials	16,676	218,237
Bus passes	18,750	18,750
Marketing and advertising	5,561	4,491
	\$ 237,725	\$ 502,821

The Organization's policy related to contributed nonfinancial assets is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by the appraisal or specialist depending on the type of asset.

The Organization received phone credits for United Way's 211 program in the amount of \$119,252 and \$180,437 for the years ended June 30, 2025 and 2024, respectively. The phone credits received through the United Way of South Central Michigan 211 call center are applied as a reduction to the invoices received from the call center to facilitate calls for residents of Genesee and Shiawassee Counties.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

1. Nature of Organization and Summary of Significant Accounting Policies (continued)

Contributed Nonfinancial Assets (continued)

The Organization received Detroit Pistons basketball tickets, access to suites, and food and beverage vouchers during the years ended June 30, 2025 and 2024. The tickets and vouchers were valued at fair market value by the donor at the time of the contribution. \$77,486 and \$80,906 was the value of tickets and vouchers provided to a local partner agency for taking children in their program to basketball games, respectively.

The Organization received program supplies and materials, with an estimated fair market value of \$16,676 and \$218,237, for the years ended June 30, 2025 and 2024, respectively. The supplies and materials received were used for the various donated programs.

The Organization received bus passes with an estimated fair market value of \$18,750 for the years ended June 30, 2025 and 2024. The bus passes received were distributed to local community agencies.

The Organization receives in-kind marketing and advertising from United Way Worldwide on an annual basis. The amounts recognized are a prorated portion of in-kind received for marketing and advertising by United Way Worldwide for marketing and advertising received from the National Football League. The estimated fair market value received was \$5,561 and \$4,491 for the years ended June 30, 2025 and 2024, respectively.

All contributed nonfinancial assets received by the Organization for the years ended June 30, 2025 and 2024 were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management.

Functional Allocation of Expenses

The costs of providing program and support services have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among various program and support services. 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 that allocates costs to the program and support services that benefited.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

1. Nature of Organization and Summary of Significant Accounting Policies (continued)

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 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 2025 and 2024. Accordingly, no tax expense was incurred during the years ended June 30, 2025 and 2024.

Concentration of Credit Risk Arising for Deposit Accounts

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

Subsequent Events

Subsequent events have been evaluated through November 5, 2025, which is the date the financial statements were available to be issued.

Leases

Leases are classified as operating leases or finance leases at the lease commencement date. The Organization records leases on the statements of financial position in the form of a lease liability for the present value of future minimum payments under the lease terms and right-of-use asset equal to the lease liability adjusted for items such as deferred or prepaid rent, lease incentives, and any impairment of the right-of-use asset. The discount rate used in determining the lease liability is based on the rate implicit in the lease or the incremental borrowing rates the Organization could obtain for similar loans as of the date of commencement or renewal. The Organization does not record leases on the statements of financial position that are classified as short term (less than one year).

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

1. Nature of Organization and Summary of Significant Accounting Policies (continued)

Leases (continued)

At lease inception, the Organization determines the lease term by considering the minimum lease term and all optional renewal periods that the Organization is reasonably certain to renew. The lease term is also used to calculate straight-line rent expense. The depreciable life of leasehold improvements is limited by the estimated lease term, including renewals if they are reasonably certain to be renewed.

Operating lease expense consists of lease costs allocated over the remaining lease term on a straight-line basis and any impairment of the right-of-use asset. Operating lease rent expense is included in occupancy expense on the Organization's statements of functional expenses.

2. Investments

The investment objective of the Organization is to provide a reasonable level of liquidity to meet cash flow needs and, secondarily, to generate long-term growth of the Organization's assets available for investment in conjunction with a balanced operating budget under a prudent investment strategy (up to 60% 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 investment policy.

Investments consist of the following as of June 30:

	2025	2024
Certificates of deposit	\$ 514,595	\$ 561,928
Mutual funds – equity	4,628,393	5,006,988
Mutual funds – fixed income	2,166,837	1,752,885
Exchange traded funds	76,528	186,594
Total	<u>\$ 7,386,353</u>	<u>\$ 7,508,395</u>

Interest and dividend income, net of investment fees, earned during the year ended June 30, 2025 was \$239,925. Interest and dividend income, net of investment fees, earned during the year ended June 30, 2024 was \$247,367.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

3. 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 as of June 30, 2025 was \$767,622 and the balance as of June 30, 2024 was \$721,832. 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 \$28,969 were received in 2025, and \$27,921 in 2024.

4. 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 (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 as of June 30, 2025 totaled \$868,625 and \$813,068 as of June 30, 2024.

Income recognized annually for the income distributions received from the Community Foundation was \$27,994 for the year ended June 30, 2025, and \$26,823 for the year ended June 30, 2024.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

5. Property and Equipment

Property and equipment are summarized as follows as of June 30:

	2025	2024	Depreciable Life - Years
Transportation equipment	\$ 26,424	\$ 26,424	5
Computer equipment and software	117,741	117,741	3 – 5
Leasehold improvements	73,560	73,560	5 – 20
Total cost	<u>217,725</u>	<u>217,725</u>	
Less: Accumulated depreciation	<u>217,725</u>	<u>216,194</u>	
Net property and equipment	<u>\$ -</u>	<u>\$ 1,531</u>	

Depreciation expense for the year ended June 30, 2025 was \$1,531 and \$9,651 for the year ended June 30, 2024.

6. Other Postretirement Benefit Plan

The Organization has a plan that provides postretirement health benefits for certain individuals (Plan). Employees are eligible if they were hired prior to May 1, 2015 and have accrued ten years of service. 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 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	
	2025	2024
Benefit obligation	\$ 637,802	\$ 625,324

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

6. Other Postretirement Benefit Plan (continued)

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

	Other Postretirement Benefits	
	2025	2024
Beginning funded status	\$ (625,324)	\$ (715,432)
Service cost	(14,128)	(20,155)
Interest cost	(85,668)	(35,321)
Net actuarial gain (loss)	(12,478)	(31,462)
Benefits paid	19,198	17,946
Change due to change in assumptions	(31,676)	130,368
Other change	112,274	28,732
Ending funded status	\$ (637,802)	\$ (625,324)

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

	Other Postretirement Benefits	
	2025	2024
Net actuarial gain	\$ 1,029,034	\$ 1,041,512
Total	\$ 1,029,034	\$ 1,041,512

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	
	2025	2024
Net Periodic Benefit Cost, Employer Contributions, and Benefits Paid		
Net periodic benefit cost	\$ (99,796)	\$ (40,942)
Employer contributions	19,198	17,946
Benefits paid	19,198	17,946

As the plan is not pre-funded, no contributions other than those necessary to cover benefit payments are anticipated.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

6. Other Postretirement Benefit Plan (continued)

Assumptions

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

	Other Postretirement Benefits	
	2025	2024
Discount rate	5.25%	5.25%

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

	Other Postretirement Benefits	
	2025	2024
Discount rate	4.75%	4.75%

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 as of June 30:

	Other Postretirement Benefits	
	2025	2024
Health care cost trend rate assumed for next year (pre-65)	7.25%	7.25%
Health care cost trend rate assumed for next year (post-65)	5.50%	5.50%

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

6. Other Postretirement Benefit Plan (continued)

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

Cash Flow – Estimated Future Benefit Payments

Years Ending June 30	Other Postretirement Benefits
2026	\$ 22,789
2027	38,076
2028	39,693
2029	41,126
2030	27,881
2031 – 2035	212,923

7. Net Assets

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

Net Assets without Donor Restrictions

This portion of the Organization's 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, investment income available for operations, and all operating expenses are reported in this category. Net assets without donor restrictions of \$1,500,000 have been designated as operating reserve as of June 30, 2025 and 2024 by the Organization's Board of Directors.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

7. Net Assets (continued)

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted as follows:

	2025	2024
Purpose restricted:		
Don Burkes Memorial Bone Marrow	\$ -	\$ 77,223
Ramp program	9,100	11,646
Berston program	30,000	120,000
United Way as grantee	1,023,232	1,231,247
Time restricted – general operations	242,653	297,325
To be held in perpetuity	767,622	721,832
Total	<u>\$ 2,072,607</u>	<u>\$ 2,459,273</u>

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.

8. 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 \$29,028 for the plan year ended June 30, 2025, and \$27,791 for the plan year ended June 30, 2024. Employer matching contributions are up to 3.00% of the employee's salary each pay period and were \$40,117 for the plan year ended June 30, 2025, and \$32,346 for the plan year ended June 30, 2024.

9. 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.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

9. Fair Value Measurements (continued)

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 considering 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 inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following tables present information about the Organization's assets measured at fair value on a recurring basis as of June 30, 2025 and 2024 and the valuation techniques used by the Organization to determine those fair values:

2025	Assets Measured at Fair Value on a Recurring Basis			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market mutual funds	\$ 441,046	\$ -	\$ -	\$ 441,046
Exchange traded funds	76,528	-	-	76,528
Mutual funds – equity	4,628,393	-	-	4,628,393
Mutual funds – fixed income	2,166,837	-	-	2,166,837
Endowment investments – trusts held by third party – beneficial interest	-	-	767,622	767,622
Total investments	\$ 7,312,804	\$ -	\$ 767,622	\$ 8,080,426

2024	Assets Measured at Fair Value on a Recurring Basis			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market mutual funds	\$ 517,249	\$ -	\$ -	\$ 517,249
Exchange traded funds	186,594	-	-	186,594
Mutual funds – equity	5,006,988	-	-	5,006,988
Mutual funds – fixed income	1,752,885	-	-	1,752,885
Endowment investments – trusts held by third party – beneficial interest	-	-	721,832	721,832
Total investments	\$ 7,463,716	\$ -	\$ 721,832	\$ 8,185,548

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

9. Fair Value Measurements (continued)

Investments per the statements of financial position include CDs of \$514,595 as of June 30, 2025, and \$561,928 as of June 30, 2024, that are not included above. Listed above are money market mutual funds of \$441,046 as of June 30, 2025, and \$517,249 as of June 30, 2024, that are not included in investments on the statement of financial position.

The fair value of beneficial interest in perpetual trusts as of June 30, 2025 and June 30, 2024 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 as of June 30, 2025 and June 30, 2024, the unrealized gain for the year ended June 30, 2025 was \$45,790, and the unrealized gain was \$56,423 for the year ended June 30, 2024.

10. Liquidity and Availability of Resources

The following reflects the Organization's financial assets, 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 as of June 30:

	2025	2024
Cash and cash equivalents	\$ 758,748	\$ 917,678
Accounts and grants receivable	6,011	145,391
Pledges receivable – Net of allowance and designations payable	242,653	297,325
Investments	7,386,353	7,508,395
Financial assets – at year end	8,393,765	8,868,789
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	1,062,332	1,440,116
Allocations to be paid within one year	887,520	897,520
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,443,913	\$ 6,531,153

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.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

10. Liquidity and Availability of Resources (continued)

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, 2025 and 2024. These amounts have been included in the total financial assets available to management for general expenditure within one year.

11. Lease Commitments

Effective January 1, 2025, the Organization entered into a five-year operating lease agreement for office space located at 111 E. Court Street, Suite 3a, Flint, Michigan, with total lease payments of \$395,820. There is no automatic renewal option detailed within the lease agreement. Monthly rental payments increase annually on January 1 and are summarized in the table below. This lease has been classified as an operating lease.

<u>During the Period:</u>	<u>Rent (\$)</u>
January 1, 2025 to December 31, 2025	\$ 6,150
January 1, 2026 to December 31, 2026	6,365
January 1, 2027 to December 31, 2027	6,590
January 1, 2028 to December 31, 2028	6,820
January 1, 2029 to December 31, 2029	7,060

The Organization had a two-year operating lease agreement for office space at 111 E. Court Street, Flint, Michigan, with a monthly rental payment of \$6,667 that was set to expire on June 30, 2025. However, the Organization reached an agreement to move to a smaller office suite within the same building and entered a new lease that became effective on January 1, 2025 and is disclosed above.

Effective October 1, 2024, the Organization entered into a two-year operating lease agreement for office space located at 205 N Water Street, Suite 208-B, Owosso, Michigan, with monthly rental payment of \$300 and total lease payments of \$7,200. There is no automatic renewal option detailed within the lease agreement. This lease has been classified as an operating lease.

The Organization entered into a five-year operating lease agreement for rental of a copy machine in 2018. The lease expired in October 2023 and monthly payments were \$346. This lease was classified as an operating lease.

The Organization entered into a five-year operating lease agreement for rental of a copy machine in November 2023. This lease expires in November 2028 and monthly payments are \$192. This lease has been classified as an operating lease.

United Way of Genesee County

Notes to Financial Statements

June 30, 2025

11. Lease Commitments (continued)

Lease cost	2025	2024
Operating lease (building lease) cost	\$ 70,577	\$ 80,004
Operating lease (copier) cost	2,299	2,917
Total operating lease cost	\$ 72,876	\$ 82,921
Cash and noncash activities		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ (79,602)	\$ (82,291)

Future minimum lease payments under these operating lease agreements as of June 30, 2025 are as follows for each fiscal year:

Year Ended June 30	Amount
2026	\$ 78,690
2027	78,630
2028	80,460
2029	83,280
2030	42,360
Total	363,420
Effects of discounting	(39,174)
Lease liabilities recognized	\$ 324,246

As of June 30, 2025, the weighted-average remaining lease term for the operating leases is 4.46 years. The weighted average discount rate associated with the operating leases is 5%, which is the Organization's incremental borrowing rate at the inception of the leases.

12. Other Commitments

During the year ended June 30, 2025, the Board of Directors of the Organization approved community impact program allocations (amounts payable to local agencies) totaling \$887,520. These allocations apply to and will be paid during the fiscal year ending June 30, 2026.

Other Supplementary Information

United Way of Genesee County

Schedule of Initial and Final Pledge Campaign Uncollectible Reserves:
2019 Through 2023 Pledge Campaigns

Pledge Campaign Year	Agency Fiscal Year	Percentage of Campaign Collected as of Fiscal Year End	Total Campaign Pledges	Initial Uncollectible Reserve Established		Final Uncollectible Reserve Realized	
				Dollar Amount	Percent of Campaign	Dollar Amount	Percent of Campaign
2019	2020	48.24%	\$ 1,551,898	\$ 200,000	12.89%	\$ 159,137	10.25%
2020	2021	51.67%	\$ 1,495,418	\$ 128,000	8.56%	\$ 82,947	5.55%
2021	2022	64.60%	\$ 1,161,113	\$ 35,000	3.01%	\$ 37,387	3.22%
2022	2023	68.44%	\$ 1,314,581	\$ 35,000	2.66%	\$ 25,702	1.96%
2023	2024	67.29%	\$ 1,100,545	\$ 15,721	1.43%	\$ 27,174	2.47%