

# United Way of Washtenaw County

United Way  
of Washtenaw County



GIVE. ADVOCATE. VOLUNTEER. LIVE UNITED.

Years Ended  
June 30,  
2019 and 2018

Financial  
Statements  
and  
Supplementary  
Information

# UNITED WAY OF WASHTENAW COUNTY

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## INDEPENDENT AUDITORS' REPORT

November 21, 2019

Board of Directors  
United Way of Washtenaw County  
Ann Arbor, Michigan

We have audited the accompanying financial statements of *United Way of Washtenaw County* (the "Organization"), a not-for-profit organization, which comprise the statements of financial position as of June 30, 2019 and 2018, 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.

### *Independent Auditors' 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 audit 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 auditor 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 Organization'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 Organization'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 Washtenaw County* as of June 30, 2019 and 2018, 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.

*Rehmann Johnson LLC*

# UNITED WAY OF WASHTENAW COUNTY

## Statements of Financial Position

	June 30	
	2019	2018
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 273,397	\$ 289,543
Current portion of pledges receivable, net	1,296,931	1,190,625
Investments	2,790,525	3,131,217
Prepaid expenses and other current assets	53,336	75,159
<b>Total current assets</b>	<b>4,414,189</b>	<b>4,686,544</b>
Pledges receivable, less current portion, net	105,000	102,131
Investments held for long-term purposes	2,435,426	2,458,441
Net property and equipment	1,353,473	1,398,375
<b>Total assets</b>	<b>\$ 8,308,088</b>	<b>\$ 8,645,491</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 21,724	\$ 24,938
Grants payable	1,261,125	1,391,502
Designations payable	453,380	573,736
Accrued liabilities and other	50,963	50,398
Current portion of capital lease obligation	12,324	7,200
<b>Total current liabilities</b>	<b>1,799,516</b>	<b>2,047,774</b>
Capital lease obligation, net of current portion	19,484	5,598
Pension obligation	-	237,669
<b>Total liabilities</b>	<b>1,819,000</b>	<b>2,291,041</b>
Net assets (Note 1)		
Without donor restrictions	3,120,414	2,964,333
With donor restrictions	3,368,674	3,390,117
<b>Total net assets</b>	<b>6,489,088</b>	<b>6,354,450</b>
<b>Total liabilities and net assets</b>	<b>\$ 8,308,088</b>	<b>\$ 8,645,491</b>

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

UNITED WAY OF WASHTENAW COUNTY

**Statement of Activities and Changes in Net Assets**

	Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support			
Campaign results			
Contributions	\$ 59,966	\$ 3,830,078	\$ 3,890,044
Uncollectible pledges	-	(7,596)	(7,596)
Donor designations	-	(1,196,762)	(1,196,762)
Net campaign results	59,966	2,625,720	2,685,686
Donor-advised funds contributions	931,696	-	931,696
Grants	153,651	-	153,651
Donated services and supplies	130,165	-	130,165
Special events	50,452	-	50,452
Other contributions and bequests	359,360	4,152	363,512
Net investment return	22,425	98,152	120,577
Service fees	77,411	-	77,411
Miscellaneous income	4,315	-	4,315
<b>Total revenue, gains, and other support</b>	<b>1,789,441</b>	<b>2,728,024</b>	<b>4,517,465</b>
Net assets released from restrictions	2,749,467	(2,749,467)	-
<b>Total revenue, gains, other support, and net assets released from restrictions</b>	<b>4,538,908</b>	<b>(21,443)</b>	<b>4,517,465</b>
Expenses			
Program services			
Grants awarded			
Grants to agencies	2,804,510	-	2,804,510
Less donor designations	1,196,762	-	1,196,762
Net grants to agencies	1,607,748	-	1,607,748
Donor-advised funds awarded	981,032	-	981,032
Community impact	1,081,954	-	1,081,954
Community service	122,614	-	122,614
Regional call center 2-1-1	35,584	-	35,584
Volunteer center	27,561	-	27,561
Financial stability	123,609	-	123,609
Total program services	3,980,102	-	3,980,102
Support services			
Management and general	735,723	-	735,723
Fundraising	692,722	-	692,722
Total support services	1,428,445	-	1,428,445
<b>Total expenses</b>	<b>5,408,547</b>	<b>-</b>	<b>5,408,547</b>
Decrease in net assets - before pension related changes	(869,639)	(21,443)	(891,082)
Pension related changes other than net periodic pension costs (Note 8)	1,025,720	-	1,025,720
<b>Changes in net assets</b>	<b>156,081</b>	<b>(21,443)</b>	<b>134,638</b>
Net assets, beginning of year, as restated	2,964,333	3,390,117	6,354,450
<b>Net assets, end of year</b>	<b>\$ 3,120,414</b>	<b>\$ 3,368,674</b>	<b>\$ 6,489,088</b>

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

# UNITED WAY OF WASHTENAW COUNTY

## Statement of Activities and Changes in Net Assets

	Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support			
Campaign results			
Contributions	\$ 55,869	\$ 4,132,053	\$ 4,187,922
Uncollectible pledges	-	(189,960)	(189,960)
Donor designations	-	(1,301,300)	(1,301,300)
Net campaign results	55,869	2,640,793	2,696,662
Donor-advised funds contributions	1,139,708	-	1,139,708
Grants	82,494	-	82,494
Donated services and supplies	111,351	-	111,351
Special events	45,345	-	45,345
Other contributions and bequests	393,989	49	394,038
Net investment return	8,242	173,157	181,399
Service fees	46,311	-	46,311
Miscellaneous income	2,894	-	2,894
<b>Total revenue, gains, and other support</b>	<b>1,886,203</b>	<b>2,813,999</b>	<b>4,700,202</b>
Net assets released from restrictions	2,762,183	(2,762,183)	-
<b>Total revenue, gains, other support, and net assets released from restrictions</b>	<b>4,648,386</b>	<b>51,816</b>	<b>4,700,202</b>
Expenses			
Program services			
Grants awarded			
Grants to agencies	3,033,619	-	3,033,619
Less donor designations	1,301,300	-	1,301,300
Net grants to agencies	1,732,319	-	1,732,319
Donor-advised funds awarded	1,138,500	-	1,138,500
Community impact	298,798	-	298,798
Community service	125,345	-	125,345
Regional call center 2-1-1	24,073	-	24,073
Volunteer center	30,034	-	30,034
Financial stability	137,460	-	137,460
Total program services	3,486,529	-	3,486,529
Support services			
Management and general	200,730	-	200,730
Fundraising	696,049	-	696,049
Total support services	896,779	-	896,779
<b>Total expenses</b>	<b>4,383,308</b>	<b>-</b>	<b>4,383,308</b>
Increase in net assets - before pension and other postretirement-related changes	265,078	51,816	316,894
Pension related changes other than net periodic pension costs (Note 8)	(197,868)	-	(197,868)
<b>Changes in net assets</b>	<b>67,210</b>	<b>51,816</b>	<b>119,026</b>
Net assets, beginning of year, as restated	2,897,123	3,338,301	6,235,424
<b>Net assets, end of year</b>	<b>\$ 2,964,333</b>	<b>\$ 3,390,117</b>	<b>\$ 6,354,450</b>

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

# UNITED WAY OF WASHTENAW COUNTY

## Statement of Functional Expenses

Year Ended June 30, 2019

	Grants, Designations, and Donor Advised	Salary, Benefits, and Taxes	Professional Fees, Contract Services, and UWW Dues	Occupancy, Equipment, Depreciation, and Insurance	Advertising, Event, and Other	Gifts in-kind	Total Expenses
<b>Program services</b>							
Grants and designations							
Grants to agencies	\$ 2,804,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,804,510
Less donor designations	1,196,762	-	-	-	-	-	1,196,762
Net grants to agencies	1,607,748	-	-	-	-	-	1,607,748
Donor advised giving	981,032	-	-	-	-	-	981,032
Community impact	-	986,657	17,832	38,410	38,755	300	1,081,954
Community service	-	73,447	8,514	18,763	21,890	-	122,614
Regional call center 2-1-1	-	-	-	-	35,584	-	35,584
Volunteer center	-	11,690	1,780	3,892	8,499	1,700	27,561
Financial stability	-	69,404	22,716	8,074	23,415	-	123,609
<b>Total program services</b>	<b>2,588,780</b>	<b>1,141,198</b>	<b>50,842</b>	<b>69,139</b>	<b>128,143</b>	<b>2,000</b>	<b>3,980,102</b>
<b>Support services</b>							
Management and general	-	599,743	49,595	39,102	44,783	2,500	735,723
Fundraising	-	281,548	45,184	61,142	179,183	125,665	692,722
<b>Total support services</b>	<b>-</b>	<b>881,291</b>	<b>94,779</b>	<b>100,244</b>	<b>223,966</b>	<b>128,165</b>	<b>1,428,445</b>
<b>Total expenses</b>	<b>\$ 2,588,780</b>	<b>\$ 2,022,489</b>	<b>\$ 145,621</b>	<b>\$ 169,383</b>	<b>\$ 352,109</b>	<b>\$ 130,165</b>	<b>\$5,408,547</b>

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



# UNITED WAY OF WASHTENAW COUNTY

## Statement of Functional Expenses

Year Ended June 30, 2018

	Grants, Designations, and Donor Advised	Salary, Benefits, and Taxes	Professional Fees, Contract Services, and UWW Dues	Occupancy, Equipment, Depreciation, and Insurance	Advertising, Event, and Other	Gifts in-kind	Total Expenses
<b>Program services</b>							
Grants and designations							
Grants to agencies	\$ 3,033,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,033,619
Less donor designations	1,301,300	-	-	-	-	-	1,301,300
Net grants to agencies	1,732,319	-	-	-	-	-	1,732,319
Donor advised giving	1,138,500	-	-	-	-	-	1,138,500
Community impact	-	218,457	16,718	34,406	29,217	-	298,798
Community service	-	82,462	8,101	16,504	18,278	-	125,345
Regional call center 2-1-1	-	-	-	-	24,073	-	24,073
Volunteer center	-	9,581	2,693	3,460	8,258	6,042	30,034
Financial stability	-	84,651	25,231	7,649	19,929	-	137,460
<b>Total program services</b>	<b>2,870,819</b>	<b>395,151</b>	<b>52,743</b>	<b>62,019</b>	<b>99,755</b>	<b>6,042</b>	<b>3,486,529</b>
<b>Support services</b>							
Management and general	-	49,597	65,814	38,511	46,658	150	200,730
Fundraising	-	312,710	37,100	56,531	184,549	105,159	696,049
<b>Total support services</b>	<b>-</b>	<b>362,307</b>	<b>102,914</b>	<b>95,042</b>	<b>231,207</b>	<b>105,309</b>	<b>896,779</b>
<b>Total expenses</b>	<b>\$ 2,870,819</b>	<b>\$ 757,458</b>	<b>\$ 155,657</b>	<b>\$ 157,061</b>	<b>\$ 330,962</b>	<b>\$ 111,351</b>	<b>\$ 4,383,308</b>

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

# UNITED WAY OF WASHTENAW COUNTY

## Statements of Cash Flows

	Year Ended June 30	
	2019	2018
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 134,638	\$ 119,026
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	69,125	66,628
Contributions restricted for investment in endowment	(4,152)	(49)
Net realized and unrealized gains on investments	(44,647)	(114,635)
Uncollectible pledges	7,596	189,960
Loss on disposal of assets	984	1,818
Pension and postretirement obligations	112,331	28,929
Changes in operating assets and liabilities which (used) provided cash		
Pledges receivable	(116,771)	(128,931)
Prepaid expenses and other current assets	21,823	(46,086)
Accounts payable	(3,214)	(11,716)
Grants payable	(130,377)	(277,281)
Designations payable	(120,356)	132,564
Accrued liabilities and other	565	(31,144)
Pension obligation	(350,000)	-
<b>Net cash used in operating activities</b>	<b>(422,455)</b>	<b>(70,917)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(9,273)	(67,023)
Proceeds from sales of property and equipment	13,100	-
Purchases of investments	(410,401)	(495,492)
Proceeds from sales of investments	818,755	629,524
<b>Net cash provided by investing activities</b>	<b>412,181</b>	<b>67,009</b>
<b>Cash flows from financing activities</b>		
Contributions restricted for investment in endowment	4,152	49
Payments on capital lease	(10,024)	(6,666)
<b>Net cash used in financing activities</b>	<b>(5,872)</b>	<b>(6,617)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(16,146)</b>	<b>(10,525)</b>
Cash and cash equivalents, beginning of the year	289,543	300,068
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 273,397</b>	<b>\$ 289,543</b>
<b>Supplemental disclosures of cash flows information</b>		
Cash paid for interest	\$ 338	\$ 534

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

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

### 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Organization*

*United Way of Washtenaw County* (the “Organization”), is a not-for-profit corporation that was formed on January 13, 1972. Skilled volunteers recruited by the Organization grant undesignated funds to local nonprofits based on community needs. In addition, the Organization distributes funds to nonprofits that are designated by the donor. The Organization’s support is derived from voluntary contributions from the public. The Organization is governed by a volunteer Board of Directors. While the Organization is an affiliate of United Way Worldwide, it operates as an autonomous organization.

#### *Mission Statement*

The mission of the Organization is to connect people, resources, and agencies together to create a thriving community for everyone.

The Organization provides the following program services:

#### *Community Impact*

In an effort to coordinate an approach to better meet human service needs and to increase the efficiency and effectiveness as funders, the Coordinated Funding Model was developed. Together with the Office of Community & Economic Development (“OCED”) and the Ann Arbor Area Community Foundation (“the Community Foundation”), the Organization developed a funding model that supports shared, community-wide strategies, focusing the attention of donors, funders, and nonprofit service providers on outcomes and maximizing community resources to the greatest extent possible. Each organization brings capacity, knowledge, best practices, and experience, which result in improvements including comprehensive data reflecting community needs and a streamlined application process to access all funders at once. Approved programs that address the issues of hunger relief, housing, and homelessness, access to health care, early childhood, school-aged youth, and aging are funded annually. The Organization continues to fund several other programs such as Regional Call Center 2-1-1, Volunteer Center, etc., exclusive of Coordinated Funding. The Organization also retains a small flexible fund to address emerging needs or opportunities in the community.

#### *Community Service*

The Organization promotes United Way contributions from union members, recruits, volunteers for United Way, and other nonprofits serving the community and links families through the Community Labor Council and the AFL-CIO Community Services Programs.

#### *Regional Call Center 2-1-1*

The Organization provides callers with information about and referrals to human services for everyday needs and in times of crisis. United Way Regional Call Center 2-1-1 offers basic human needs resources; physical/mental health resources; employment support; support for older Americans and persons with disabilities; support for children, youth, and families; and volunteer opportunities.

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

### *Volunteer Center*

The Organization administers a volunteer network that allows local non-profits to post volunteer opportunities. These opportunities are made available to the community via a website allowing individuals and other non profits to assist with these projects. These services provide a way for the Organization to assist local non profits without providing direct financial support.

### *Financial Stability*

The Organization provides services designed towards helping citizens become more economically self-sufficient reducing their need for safety-net services that are used during crisis situations. These services include a Volunteer Income Tax Assistance (“VITA”) Program which uses the Internal Revenue Service certified volunteers to assist low-income individuals with the preparation and filing of their annual tax return. In addition, the Organization also provides Financial Empowerment Coaching through Americorp members designed at helping individuals develop healthy budgeting and spending habits as well as assistance with debt reduction and credit repair.

### *Basis of Presentation*

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) to focus on the Organization as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of transactions into two classes of net assets - net assets without donor restrictions and net assets with donor restrictions.

Net assets and revenues and support, expenses and gains or losses are classified based on the existence or absence of donor-imposed restrictions.

*Net Assets Without Donor Restrictions* - Net assets without donor restrictions are available for use at the discretion of management and/or the Board of Directors for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion (see Note 3).

*Net Assets With Donor Restrictions* - Net assets with donor restrictions consists of contributions that have been restricted by the donor for specific purposes or are time restricted. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

### *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 values 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.

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

### *Use of Estimates*

The preparation of financial statements in conformity with GAAP 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 income and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include, but are not limited to, the allowance for uncollectible pledges and the assumptions used in the actuarial valuations of the pension.

### *Cash and Cash Equivalents*

The Organization considers all highly liquid investments purchases with an original maturity of three months or less to be cash equivalents. The Organization maintains cash deposits with financial institutions, which at times, may exceed the federally insured limits.

### *Pledges Receivable and Campaign Revenue Recognition*

Contributions of cash and other assets, including unconditional promises to give in the future (pledges), are reported as support when received at fair value. These pledges, most of which are due within one year, consist of amounts designated to other organizations and amounts to be used for operations. Pledges receivable that are expected to be collected in future years are initially recorded at their estimated fair value using a probability weighted, discounted rate adjusted present value model. The unamortized discount represents the adjustment required to record promises expected to be received in future years at their fair value. Amortization of the discount is recorded as additional contribution revenue and used in accordance with any donor-imposed restrictions over the promise period. The unamortized discount amounted to \$6,861 at June 30, 2018. No such discount is recorded at June 30, 2019.

Contributions with donor-imposed time or purpose restrictions are reported as support with donor restrictions. All other contributions are reported as support without donor restrictions. Unconditional promises to give (pledges) with payments due in future periods are assumed to have an implicit time restriction. Those restrictions are released as contributions are collected or when grants are made to recipient organizations based on those future collections.

The provision for uncollectible pledges is computed based upon a five-year historical average, adjusted by management's estimates of current economic factors and applied to campaign results, excluding donor designations. The provision for uncollectible pledges is approximately \$100,000 and \$130,000 at June 30, 2019 and 2018, respectively.

### *Donor Designations to Agencies*

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 gross funds awarded in the statement of activities and changes in net assets. Service fees are withheld from these designated amounts in accordance with the agreement with the donor. Service fee revenue is recognized in the period when the designation is received from the donor.

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

### *Investments*

Investment securities purchased are stated at fair value, which is based on quoted market prices. Investment securities received as gifts are initially recorded at fair value at the date of donation. Income from investments, including realized and unrealized gains and losses, is allocated among net assets with donor restrictions and without donor restrictions based on donor restrictions or the absence thereof. Realized gains and losses are determined using the specific identification method. Investment return is reported net of external investment expenses.

### *Donor-Advised Funds*

Donor-advised funds are established with gifts from donors with the request that the donors be allowed to provide advice regarding the distribution of the transferred assets to unaffiliated beneficiaries. These donors have granted the Organization variance power, which allows the Organization the flexibility to modify the donors' advice as necessary to serve the charitable purposes of the Organization. When accounting for additions to donor-advised funds, the Organization records the assets received or promised as contribution revenue without donor restrictions and amounts awarded as donor-advised funds awarded on the statement of activities and changes in net assets.

### *Grants to Agencies*

Grants to agencies are reported as expense when unconditionally committed to the recipient by the Organization. Grants represent ongoing service delivery to recipients.

### *Donated Services and Supplies*

The Organization receives volunteer services that are not recordable under GAAP. A substantial number of volunteers have donated a significant amount of time in the Organization's fundraising campaigns, determination of the granting of the funds raised and in preparation of tax returns in the Organization's VITA program. The value of volunteer services is not disclosed, as no objective basis is available to measure the value of such services. Donated materials are recorded at the fair value at the time of receipt. The Organization received advertising and legal services and special event materials totaling approximately \$130,000 and \$111,000 for the years ended June 30, 2019 and 2018, respectively.

### *Property and Equipment and Depreciation*

All property and equipment purchased in excess of \$1,000 are capitalized. Ordinary maintenance and repairs are expensed. Property and equipment are stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Depreciation is provided over the shorter of the estimated useful lives of the respective assets or the lease term on a straight-line basis. A summary of depreciable lives follows:

Land improvements	25 years
Buildings	50 years
Furniture and equipment	3 - 15 years

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

### *Functional Allocation of Expenses*

Direct expenses, which can be clearly defined as incurred for a specific program are charged to that program. Natural expenses attributable to more than one functional expense category are allocated using a reasonable cost allocation method. Salaries and related employee benefits have been allocated to programs and services based on estimated time and effort. Other expenses are allocated based on estimates of usage.

### *Income Taxes*

The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Organization was granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to “unrelated business taxable income.”

The Organization has evaluated its income tax filing positions for fiscal years 2016 through 2019, the years which remain subject to examination as of June 30, 2019. The Organization concluded that there are no significant uncertain tax positions requiring recognition in the Organization’s financial statements. The Organization does not expect the total amount of unrecognized tax benefits (“UTB”) (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at June 30, 2019, and is not aware of any claims for such amounts by federal or state income tax authorities.

### *Fair Value Measurements*

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

A description of each category in the fair value hierarchy is as follows:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all-significant assumptions are observable in the market.
- Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

For a further discussion of fair value measurement, refer to Note 4 to the financial statements.

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

### *Reclassification*

Certain amounts as reported in the 2018 financial statements have been reclassified to conform with the 2019 presentation.

### *Change in Accounting Principle*

As of July 1, 2017, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This ASU (1) reduces the number of net asset classes presented from three to two; (2) modifies the presentation of underwater endowment funds and related disclosures; (3) requires the presentation of expenses by functional and natural classification in one location; (4) requires quantitative and qualitative disclosures about liquidity and availability of financial assets; (5) requires the presentation of investment return net of external and direct internal investment expenses; and (6) requires enhanced disclosures concerning board designated net assets.

As a result of the adoption of ASU 2016-14, net assets as of July 1, 2018 were reclassified as follows:

Net Asset Classifications	ASU 2016-14 Classifications		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
As previously presented			
Unrestricted	\$ 2,964,333	\$ (5,004)	\$ 2,959,329
Temporarily restricted	-	1,473,399	1,473,399
Permanently restricted	-	1,921,722	1,921,722
<b>Total net assets</b>	<b>\$ 2,964,333</b>	<b>\$ 3,390,117</b>	<b>\$ 6,354,450</b>

As a result of the adoption of ASU 2016-14, net investment was return was reclassified as follows for the year ended June 30, 2018:

Net Investment Return	ASU 2016-14 Classifications		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
As previously presented			
Unrestricted	\$ 8,242	\$ 2,579	\$ 10,821
Temporarily restricted	-	170,578	170,578
Permanently restricted	-	-	-
<b>Total net investment return</b>	<b>\$ 8,242</b>	<b>\$ 173,157</b>	<b>\$ 181,399</b>



# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

As a result of the adoption of ASU 2016-14, net assets as of July 1, 2017 were reclassified as follows:

Net Asset Classifications	ASU 2016-14 Classifications		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
As previously presented			
Unrestricted	\$ 2,897,123	\$ (7,583)	\$ 2,889,540
Temporarily restricted	-	1,424,211	1,424,211
Permanently restricted	-	1,921,673	1,921,673
<b>Total net assets</b>	<b>\$ 2,897,123</b>	<b>\$ 3,338,301</b>	<b>\$ 6,235,424</b>

### Subsequent Events

In preparing these financial statements, the Organization has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to June 30, 2019, the most recent statement of financial position presented herein, through November 21, 2019, the date these financial statements were available to be issued. No significant such events or transactions were identified.

## 2. INVESTMENTS

The fair value of investments as of June 30 is as follows:

	2019	2018
Cash equivalents	\$ 32,968	\$ 117,637
Mutual funds		
Fixed income	725,066	717,549
Balanced	-	288,884
Equity	1,566,775	766,893
Global	-	472,033
Total mutual funds	2,291,841	2,245,359
Beneficial interest in funds held by the Community Foundation	109,577	95,445
Certificates of deposit	2,291,054	2,683,274
Money market funds	500,511	447,943
<b>Total investments</b>	<b>\$ 5,225,951</b>	<b>\$ 5,589,658</b>

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

The activity in the investment funds of the Organization and the Community Foundation for the year ended June 30, 2019 is as follows:

	Investments	Community Foundation	Total
Balance, beginning of year	\$ 5,494,213	\$ 95,445	\$ 5,589,658
Net investment return	111,937	9,584	121,521
Purchases and contributions	325,267	8,260	333,527
Distributions and grants	(815,043)	(3,712)	(818,755)
Total activity	(377,839)	14,132	(363,707)
Balance, end of year	<u>\$ 5,116,374</u>	<u>\$ 109,577</u>	<u>\$ 5,225,951</u>

The activity in the investment funds of the Organization and the Community Foundation for the year ended June 30, 2018 is as follows:

	Investments	Community Foundation	Total
Balance, beginning of year	\$ 5,516,238	\$ 92,817	\$ 5,609,055
Net investment return	175,461	5,938	181,399
Purchases and contributions	428,477	251	428,728
Distributions and grants	(625,963)	(3,561)	(629,524)
Total activity	(22,025)	2,628	(19,397)
Balance, end of year	<u>\$ 5,494,213</u>	<u>\$ 95,445</u>	<u>\$ 5,589,658</u>

### 3. NET ASSETS AND ENDOWMENTS

The Organization's Board of Directors has designated, from net assets without donor restrictions, net assets of \$100,000 at June 30, 2019 and 2018 with the intention of making an additional contribution to the Community Foundation. Additionally, from net assets without donor restrictions, net assets of \$68,613 and \$117,949 at June 30, 2019 and 2018, respectively, are designated for donor-advised funds to be awarded.

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	2019	2018
Subject to the passage of time	\$ 933,248	\$ 931,676
<b>Endowments</b>		
Accumulated investment returns available for appropriation	509,552	536,719
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriations		
Donor-restricted endowments	<u>1,925,874</u>	<u>1,921,722</u>
<b>Total endowments</b>	<u>2,435,426</u>	<u>2,458,441</u>
<b>Total net assets with donor restrictions</b>	<u>\$ 3,368,674</u>	<u>\$ 3,390,117</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Funds with original gift values of \$1,921,722, fair values of \$1,916,718, and deficiencies of \$5,004 were reported in net assets with donor restrictions as of June 30, 2018. No such deficiency exists at June 30, 2019.

The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization complies with the MI-PMIFA, an enacted version of Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), and has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's endowment funds are donor-restricted endowment funds.

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

The Board of Directors of the Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

The following tables summarize the changes in the Organization’s endowment during the years ended June 30:

	2019 With Donor Restrictions	2018 With Donor Restrictions
<b>Endowment net asset comparison by type of fund as of June 30:</b>		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	\$ 1,925,874	\$ 1,921,722
Accumulated investment return	<u>509,552</u>	<u>536,719</u>
<b>Total donor-restricted endowments endowments</b>	<b><u>\$ 2,435,426</u></b>	<b><u>\$ 2,458,441</u></b>

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

	2019 With Donor Restrictions	2018 With Donor Restrictions
Changes in endowment net assets for the years ended June 30:		
Net investment return	\$ 98,152	\$ 173,157
Contributions	4,152	49
Appropriation of endowment assets for expenditure	<u>(125,319)</u>	<u>(112,486)</u>
Changes to endowment net assets	(23,015)	60,720
Endowment net assets Beginning of year	<u>2,458,441</u>	<u>2,397,721</u>
End of year	<u><u>\$ 2,435,426</u></u>	<u><u>\$ 2,458,441</u></u>

### *Return Objectives and Risk Parameters*

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods. The primary objective under this investment policy, as approved by the board of directors, is to accept a moderate level of risk in exchange for capital appreciation and growth of principal.

Income from endowment assets accrues to the individual funds at the rate earned by the combined assets unless otherwise specified by the donor. Investments are diversified amongst equity and fixed income securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. In general, investment distribution percentage targets are 40% to 80% equity, 10% to 55% in bonds and 0% to 30% in cash equivalents.

### *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified assets allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

### *Spending Policy*

The Organization has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior five quarters. In establishing this policy, the Organization considered the long-term expected return on its endowment.

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

### 4. FAIR VALUE MEASUREMENTS

The Organization utilizes fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Investments are recorded at fair value on a recurring basis.

Following is a description of the valuation methodologies and key inputs used to measure financial assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified.

*Money Market Funds and Mutual Funds:* Shares held in money market funds and mutual funds traded on national securities exchanges are valued at the net asset value (“NAV”) of shares held by the Organization at year end. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities then divided by the number of shares outstanding (Level 1).

*Beneficial Interest in Funds Held by the Community Foundation:* The Organization is allocated its portion of the total fair values of the underlying securities of the Community Foundation, a measure considered equivalent to net asset value. The underlying securities held by the Community Foundation cannot be liquidated or redeemed by the Organization (Level 3).

#### Assets Recorded at Fair Value on a Recurring Basis

The following tables set forth by level, within the fair value hierarchy, the recorded amount of assets measured at fair value on a recurring basis as of June 30:

2019	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds	\$ 2,291,841	\$ -	\$ -	\$ 2,291,841
Money market funds	500,511	-	-	500,511
Beneficial interest in funds held by the Community Foundation	-	-	109,577	109,577
<b>Total assets at fair value</b>	<b>\$ 2,792,352</b>	<b>\$ -</b>	<b>\$ 109,577</b>	<b>\$ 2,901,929</b>

2018	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds	\$ 2,245,359	\$ -	\$ -	\$ 2,245,359
Money market funds	447,943	-	-	447,943
Beneficial interest in funds held by the Community Foundation	-	-	95,445	95,445
<b>Total assets at fair value</b>	<b>\$ 2,693,302</b>	<b>\$ -</b>	<b>\$ 95,445</b>	<b>\$ 2,788,747</b>

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets measured at fair value on a recurring basis for the years ended June 30:

Community Foundation	2019	2018
Balance of recurring Level 3 assets at beginning of year	\$ 95,445	\$ 92,817
Net investment return	9,584	5,938
Purchases	8,260	251
Distributions	(3,712)	(3,561)
Balance of recurring Level 3 assets at end of year	<u>\$ 109,577</u>	<u>\$ 95,445</u>

## 5. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following assets at June 30:

	2019	2018
Land	\$ 81,195	\$ 81,195
Land improvements	33,327	33,327
Buildings	1,878,914	1,887,307
Furniture and equipment	285,291	326,329
Total	2,278,727	2,328,158
Less accumulated depreciation	925,254	929,783
Net property and equipment	<u>\$ 1,353,473</u>	<u>\$ 1,398,375</u>

## 6. LEASES

The Organization conducts a portion of its operations with leased property, a portion of which meet capitalization criteria specified by GAAP. The future minimum lease payments under capital leases are as follows:

Year	Amount
2020	\$ 12,324
2021	6,324
2022	6,324
2023	6,324
2024	2,108
Total	33,404
Less amount representing interest	1,596
Present value of net minimum lease payments	31,808
Less current portion	12,324
Capital lease obligation, net of current portion	<u>\$ 19,484</u>

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

Equipment acquired under the capital leases has been capitalized and is included in property and equipment. As of June 30, 2019 and 2018, approximately \$25,000 and \$33,000, respectively has been capitalized as equipment with related accumulated depreciation of approximately \$3,000 and \$21,000, respectively. Interest rates on the capital lease is 3.4%.

### 7. LINE OF CREDIT

The Organization has available an unsecured line of credit, which allows the Organization to borrow up to \$500,000. Interest is payable at the bank's prime rate (5.5% at June 30, 2019). This line of credit is due on demand and there were no outstanding borrowings at June 30, 2019 or 2018.

### 8. RETIREMENT PLANS

#### *Defined Benefit Pension Plan and Other Postretirement Benefit Plan*

The Organization sponsored a defined benefit pension plan covering employees who met certain minimum service requirements. Costs were computed in accordance with the projected unit credit method with service cost equal to the annual cost of projected benefits for eligible employees. As of April 30, 2007, the Board of Directors froze the plan. During fiscal 2018, management in conjunction with board approval decided to terminate the pension plan. A final payment of \$2,146,917 was paid to settle the plan during the year ended June 30, 2019.

The Organization also has a plan that provides postretirement health benefits to a retired employee. During 2018, only one individual remained in the plan and the Organization determined that the liability for this benefit was not material to the financial statements and began accounting for these payments as they are made. As a result, the Organization reversed the liability and the related unrecognized prior service benefit and actuarial net gains to account for the effective settlement of the plan. The impact on post retirement health plan benefits expense for 2018 was a net credit of \$219,226.

During the year ended June 30, 2019, the Organization completed the termination of the postretirement health benefits plan. The termination included the settlement of the remaining plan obligation utilizing lump-sum distributions and the purchase of nonparticipating annuities. At June 30, 2019, the settlement of the plan is complete and no obligations remain.



# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

### *Obligation and Funded Status*

The benefit obligation is projected to a measurement date at June 30. Changes in the projected benefit obligation (equal to accumulated benefit obligation) and plan assets during each year and the funded status of the plan is summarized as follows at June 30, 2019 and 2018:

	Defined Benefit Pension Plan	
	2019	2018
<b>Change in projected and accumulated benefit obligation</b>		
Benefit obligation, beginning of year	\$ 2,080,409	\$ 1,994,652
Interest cost	100,997	96,795
Actuarial loss	7,167	64,811
Lump sum benefits paid	(2,146,917)	-
Benefits paid	(41,656)	(75,849)
	<u>-</u>	<u>2,080,409</u>
<b>Benefit obligation, end of year</b>	<u>-</u>	<u>2,080,409</u>
<b>Change in plan assets</b>		
Fair value of plan assets, beginning of year	1,842,740	1,785,912
Investment (loss) return	(4,167)	132,677
Organization contribution	350,000	-
Lump sum benefits paid	(2,146,917)	-
Benefits paid	(41,656)	(75,849)
	<u>-</u>	<u>1,842,740</u>
<b>Fair value of plan assets, end of year</b>	<u>-</u>	<u>1,842,740</u>
<b>Deficiency in funded status, end of year</b>	<u>\$ -</u>	<u>\$ (237,669)</u>

Amounts recognized on the statements of financial position at the end of each year consist of the following classifications:

	Defined Benefit Pension Plan	
	2019	2018
<b>Liabilities</b>		
Noncurrent	\$ -	\$ 237,669
<b>Total</b>	<u>\$ -</u>	<u>\$ 237,669</u>

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

The components of net periodic benefit cost, which are included in expenses, are as follows in each year:

	Defined Benefit Pension Plan	
	2019	2018
Interest cost on projected		
Benefit obligation	\$ 100,997	\$ 96,795
Expected return on plan assets	(124,779)	(122,651)
Recognized actuarial loss	58,406	38,574
Settlement loss	1,103,427	-
<b>Net periodic benefit cost</b>	<b>\$ 1,138,051</b>	<b>\$ 12,718</b>

Prior to the settlement of the pension plan, the Organization adjusted the funded status in a liability account to reflect the current funded status of the plan on the statements of financial position. Any gains or losses that arose during the year but were not recognized as components of net periodic benefit cost were recognized below the (decrease) increase in net assets - before other changes on the statements of activities and changes in net assets.

The following table presents items not yet recognized as a component of net periodic benefit cost for the years ended June 30:

	Defined Benefit Pension Plan	
	2019	2018
Unrecognized actuarial net loss	\$ -	\$ 1,025,720
Net amount recognized in net assets without donor restrictions - end of year	-	1,025,720
Net amount recognized in net assets without donor restrictions - beginning of year	1,025,720	1,009,509
<b>Pension - related changes other than net periodic benefit cost</b>	<b>\$ 1,025,720</b>	<b>\$ 16,211</b>

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

### Assumptions

Significant assumptions used in determining net periodic benefit cost and the related pension obligation are as follows for the years ended June 30, 2019 and 2018:

	Defined Benefit Pension Plan	
	2019	2018
Discount rate used to determine benefit obligations	5.00%	5.00%
Assumptions used to determine net periodic benefit cost		
Discount rate	5.00%	5.00%
Expected long-term rate on plan assets	7.00%	7.00%

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

### Defined Benefit Pension Plan Assets

The Organization's pension plan weighted average asset allocation at June 30, 2018, by asset category, is as follows:

Asset category	
Fixed income	81%
Cash equivalents	19%
	<hr/>
Total	100%
	<hr/> <hr/>

Prior to the settlement of the pension plan, the goal of the pension plan investment program was to fully fund the obligation to pay defined pension benefits in accordance with the plan documents and to provide returns that, along with appropriate funding from the Organization, maintain an asset/liability ratio that was in compliance with all applicable laws and regulations and assures timely payment of retirement benefits.

The Organization classified the pension plan's investments at fair value in three levels based on the markets in which the investments are traded and the reliability of the assumptions used to determine fair value. Level 1 refers to securities valued using quoted prices in active markets for identical assets. Level 2 refers to securities not traded in an active market but for which observable market inputs are readily available. Level 3 refers to securities valued based on significant unobservable inputs.

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

The fair values of the Organization’s pension plan assets at June 30, 2018 by major asset classes are as follows:

Asset category	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Fixed income	\$ 1,498,714	\$ -	\$ -	\$ 1,498,714
<b>Total assets</b>	<b>\$ 1,498,714</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,498,714</b>

The difference between the plan assets of \$1,842,740 and total investments per the fair value table of \$1,498,714 above is \$344,026, for June 30, 2018, held in a deposit account not subject to fair market valuation.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018.

*Mutual funds:* Shares held in mutual funds traded on national securities exchanges are valued at the net asset value (“NAV”) of shares held by the pension plans at year end. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities then divided by the number of shares outstanding.

### *Defined Contribution Plans*

The Organization has an employee 401(k) salary deferral plan. All employees who have reached the age of 21 are eligible to participate in the plan. The Organization makes matching and discretionary contributions for all eligible employees with service of at least one year and 1,000 hours of service. The Organization matches 3% of employee salary up to the salary deferral. Total matching contributions for the years ended June 30, 2019 and 2018 were approximately \$12,000 and \$14,000, respectively. No discretionary contributions were made during the years ended June 30, 2019 and 2018.

The Organization has an employee 403(b) salary deferral plan. This plan is inactive and no new participants have been accepted since January 2009.

## 9. CONCENTRATION

The Organization receives pledges from employees at businesses and organizations located throughout Washtenaw County. As of and for the year ended June 30, 2019, employees at two local organizations accounted for approximately 24% of the total campaign revenues and 47% of the outstanding pledges receivable balances.

# UNITED WAY OF WASHTENAW COUNTY

## Notes to Financial Statements

### 10. RELATED PARTY TRANSACTIONS

The Organization has insurance and pension management relationships with entities whose officers are members of the Board of Directors. In addition, the Organization awarded grants and assistance to an organization whose superintendent is also a member of the Board of Directors. A summary of expenses resulting from business conducted with the related entities or individuals is as follows for the years ended June 30:

	2019	2018
Insurance	\$ 15,713	\$ 11,643
Information technology	43,812	138,388
Grants awarded	20,000	96,758
Pension management	7,008	18,922

### 11. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2019, comprise the following:

<b>Financial assets</b>	
Cash and cash equivalents	\$ 273,397
Pledges and contributions receivable	1,401,931
Investments	<u>5,225,951</u>
Total financial assets at June 30, 2019	6,901,279
<b>Less amounts unavailable for general expenditures within one year</b>	
Board designated net assets	100,000
Spendable net assets with donor time restrictions	105,000
Endowment assets subject to endowment spending policy and appropriation	<u>2,435,426</u>
Total financial assets available for general use within one year	<u><u>\$ 4,260,853</u></u>

The Organization maintains a policy of structuring 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 weekly requirements in short-term investments. The Organization also has access to a line of credit.



**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

November 21, 2019

Board of Directors  
United Way of Washtenaw County  
Ann Arbor, Michigan

We have audited the financial statements of *United Way of Washtenaw County* (the "Organization") as of and for the years ended June 30, 2019 and 2018, and have issued our report thereon dated November 21, 2019, which expressed an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on these financial statements as a whole. The supplemental schedules of grants and donor designations are presented for purposes of additional analysis and are 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.



**SUPPLEMENTARY INFORMATION  
FOR THE YEARS ENDED  
JUNE 30, 2019 AND 2018**

# UNITED WAY OF WASHTENAW COUNTY

## Schedules of Grants and Donor Designations

	Year Ended June 30	
	2019	2018
Aid in Milan	\$ 9,000	\$ 10,260
Ann Arbor Meals on Wheels	15,000	15,000
Ann Arbor YMCA	72,500	72,500
Area Agency on Aging B-1	15,000	25,000
Avalon Housing	15,000	-
Catholic Social Services	147,429	155,429
Center for Independent Living	20,000	-
Children's Literacy Network	-	10,000
Child Care Network	186,500	185,000
CivCity Initiative	-	5,000
Community Action Network	25,000	20,000
Community Resource Center	13,000	13,000
Corner Health Center	100,995	114,495
Eastern Michigan University	18,000	-
Erikson Elementary School	3,923	-
Fair Housing Center of Southeast & MidMichigan	5,000	-
Faith in Action	10,000	10,000
Family Learning Institute	-	7,000
Food Gatherers	30,986	20,000
Foundations Preschool of Washtenaw County	65,000	65,000
Friends in Deed	21,500	15,000
Girls Group	25,000	-
Girl Scouts Heart of Michigan	6,780	-
Greenpath	2,880	-
Growing Hope	17,754	32,754
Home of New Vision	10,000	10,000
Housing Bureau for Seniors	11,100	1,100
Jewish Family Services	55,000	10,000
Legal Services of South Central MI	160,224	154,684
Manchester Community Resource Center	-	7,000
Mentor2Youth	13,600	13,600
Michigan Ability Partners	56,394	56,394
Michigan Organization on Adolescent Sexual Health	-	22,000
Milan Seniors for Healthy Living	15,000	15,000
Neutral Zone	-	10,249
NEW	26,137	131,050
Northfield Human Services	1,500	-
Ozone House Youth & Family	40,000	55,000
Packard Health, Inc.	51,375	51,375
Peace Neighborhood Center	10,000	10,000

(Continue)

See independent auditors' report on supplementary information.



# UNITED WAY OF WASHTENAW COUNTY

## Schedules of Grants and Donor Designations

	Year Ended June 30	
	2019	2018
Riverside Arts Center	\$ 5,000	\$ -
SafeHouse Center	15,000	15,000
Saline Area Social Service	5,000	5,000
Senior Crisis Intervention Program Fund	20,000	20,000
SOS Community Services	-	25,000
Student Advocacy Center	73,935	73,935
U of M Optimize Team	2,500	5,000
Washtenaw Community College	50,000	50,000
Washtenaw County Summer Intern	-	1,758
Washtenaw County Public Health	-	5,000
Washtenaw Health Plan	-	25,000
Washtenaw Housing Alliance	16,625	25,000
Washtenaw Intermediate School	80,375	70,000
Washtenaw Area Council for Children	14,625	14,625
Washtenaw Literacy	16,163	28,163
Washtenaw International High School	10,000	-
Ypsilanti District Library	3,000	5,000
Ypsilanti Meals on Wheels	33,948	40,948
Grants Returned	(15,000)	-
<b>Total grants to agencies</b>	<b>1,607,748</b>	<b>1,732,319</b>
Donor designations	1,196,762	1,301,300
Donor-advised funds awarded	981,032	1,138,500
<b>Gross funds awarded</b>	<b>\$ 3,785,542</b>	<b>\$ 4,172,119</b>

See independent auditors' report on supplementary information.