

**GREATER OTTAWA COUNTY  
UNITED WAY, INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2020 AND 2019**



**Greater Ottawa County  
United Way**

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## Independent Auditors' Report

August 27, 2020

To the Board of Directors  
Greater Ottawa County United Way, Inc.  
Holland, Michigan

We have audited the accompanying financial statements of Greater Ottawa County United Way, Inc. which comprise the statement of financial position as of March 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Ottawa County United Way, Inc. as of March 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program expenses on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Report on Summarized Comparative Information**

We have previously audited Greater Ottawa County United Way, Inc.'s March 31, 2019 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated June 25, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Ferris, Busscher & Zwierns, P.C.*

FERRIS, BUSSCHER & ZWIERS, P.C.  
Certified Public Accountants  
Holland, Michigan

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2020 AND 2019**

	2020	2019
<b>Assets</b>		
Current assets:		
Cash and equivalents	\$ 171,280	\$ 143,530
Investments	148,521	524,050
Restricted investments	203,214	173,077
Accounts receivable:		
2019 campaign pledges, net of allowance	631,366	-
2018 campaign pledges, net of allowance	18,692	871,529
2017 campaign pledges, net of allowance	-	76,433
Grants receivable, net of discount	156,250	171,500
Other pledges	70,813	500
Prepaid expenses	28,178	18,586
Total current assets	<u>1,428,314</u>	<u>1,979,205</u>
Grants receivable, net of current portion and discount	250,000	402,325
Leasehold improvements and equipment, net	62,234	74,993
Beneficial interest in assets held by others	<u>296,647</u>	<u>337,148</u>
Total assets	<u>\$ 2,037,195</u>	<u>\$ 2,793,671</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 32,086	\$ 17,642
Accrued payroll	10,816	-
Designations payable	292,779	209,011
Grants payable	-	11,239
Deposits	75,000	-
Total current liabilities	<u>410,681</u>	<u>237,892</u>
Net assets:		
Without donor restrictions	378,181	866,850
With donor restrictions	<u>1,248,333</u>	<u>1,688,929</u>
Total net assets	<u>1,626,514</u>	<u>2,555,779</u>
Total liabilities and net assets	<u>\$ 2,037,195</u>	<u>\$ 2,793,671</u>

See notes to financial statements

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEAR ENDED MARCH 31, 2020 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2019**

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
<b>Revenues, Gains and Other Support</b>				
Gross campaign 2017	\$ -	\$ -	\$ -	\$ 86,714
Gross campaign 2018	52,878	-	<b>52,878</b>	2,072,930
Less donor designations	-	-	-	(241,754)
Less allowance for uncollectible pledges	-	-	-	(109,871)
Net campaign 2018	<u>52,878</u>	<u>-</u>	<b>52,878</b>	<u>1,721,305</u>
Gross campaign 2019	-	2,096,189	<b>2,096,189</b>	-
Less donor designations	-	(299,800)	<b>(299,800)</b>	-
Less allowance for uncollectible pledges	-	(257,754)	<b>(257,754)</b>	-
Net campaign 2019	<u>-</u>	<u>1,538,635</u>	<b>1,538,635</b>	<u>-</u>
2017 campaign released from restrictions	76,433	(76,433)	-	-
2018 campaign released from restrictions	905,714	(905,714)	-	-
2019 campaign released from restrictions	918,458	(918,458)	-	-
Total net campaign	<u>1,953,483</u>	<u>(361,970)</u>	<b>1,591,513</b>	<u>1,808,019</u>
Other revenues, gains and support:				
Investment income, bank investments	21,783	-	<b>21,783</b>	43,843
Beneficial interests income (loss),				
Grand Haven Area Community Foundation	(28,912)	-	<b>(28,912)</b>	13,423
Administrative fees	10,428	-	<b>10,428</b>	7,273
Grants and bequests, net of discount	88,122	-	<b>88,122</b>	234,324
Other income	161,140	9,410	<b>170,550</b>	70,237
Contracted support	760,810	-	<b>760,810</b>	157,224
In-kind contributions	68,009	-	<b>68,009</b>	76,264
Loss on disposal of equipment	(59)	-	<b>(59)</b>	-
Released from restrictions	88,036	(88,036)	-	-
Total net campaign, other revenues, gains, and support	<u>3,122,840</u>	<u>(440,596)</u>	<b>2,682,244</b>	<u>2,410,607</u>
<b>Expenses</b>				
Program services:				
Allocations	1,083,688	-	<b>1,083,688</b>	1,138,039
Designations	299,800	-	<b>299,800</b>	241,754
Other program services	1,321,955	-	<b>1,321,955</b>	762,244
Total program services	<u>2,705,443</u>	<u>-</u>	<b>2,705,443</b>	<u>2,142,037</u>
General and administrative	564,034	-	<b>564,034</b>	428,311
Fundraising	342,032	-	<b>342,032</b>	378,453
Total expenses	<u>3,611,509</u>	<u>-</u>	<b>3,611,509</b>	<u>2,948,801</u>
Changes in net assets	(488,669)	(440,596)	<b>(929,265)</b>	(538,194)
Net assets at beginning of year	<u>866,850</u>	<u>1,688,929</u>	<b>2,555,779</b>	<u>3,093,973</u>
Net assets at end of year	<u>\$ 378,181</u>	<u>\$ 1,248,333</u>	<b>\$ 1,626,514</b>	<u>\$ 2,555,779</u>

See notes to financial statements

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2020 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2019**

	Program Services	General and Administrative	Fundraising	Total 2020	Total 2019
Salaries and related expenses:					
Salaries	\$ 710,272	\$ 325,657	\$ 158,082	\$ 1,194,011	\$ 686,972
Payroll taxes, insurance and retirement	212,365	89,826	43,569	345,760	201,270
Total salaries and related expenses	<u>922,637</u>	<u>415,483</u>	<u>201,651</u>	<u>1,539,771</u>	<u>888,242</u>
Operating expenses:					
Advertising	33,129	11,628	20,962	65,719	73,989
Conferences, conventions and meetings	13,839	29,317	3,561	46,717	59,271
Contract labor	2,790	3,301	37,334	43,425	40,616
Equipment maintenance and expense	35,605	29,071	13,282	77,958	69,978
Insurance	4,464	1,327	2,029	7,820	5,088
Membership dues	24,162	9,786	11,530	45,478	49,513
Mileage	13,822	5,505	2,600	21,927	16,373
Miscellaneous	4,912	4,225	2,384	11,521	13,005
Occupancy	19,757	7,996	8,980	36,733	39,497
Postage and shipping	958	1,978	3,689	6,625	7,452
Printing and publications	18,741	2,889	12,758	34,388	11,275
Professional fees	-	17,387	-	17,387	14,263
Special events and fundraising	219,792	1,194	9,743	230,729	171,418
Special projects	-	-	-	-	52,958
Supplies	1,151	1,869	598	3,618	8,118
Telephone	6,196	2,498	3,581	12,275	13,864
Total operating expenses	<u>399,318</u>	<u>129,971</u>	<u>133,031</u>	<u>662,320</u>	<u>646,678</u>
Campaign expenses:					
Allocations	1,083,688	-	-	1,083,688	1,138,039
Designations	299,800	-	-	299,800	241,754
Campaign expenses	-	-	7,350	7,350	16,433
Total campaign expenses	<u>1,383,488</u>	<u>-</u>	<u>7,350</u>	<u>1,390,838</u>	<u>1,396,226</u>
Depreciation	<u>-</u>	<u>18,580</u>	<u>-</u>	<u>18,580</u>	<u>17,655</u>
Total functional expenses	<u>\$ 2,705,443</u>	<u>\$ 564,034</u>	<u>\$ 342,032</u>	<u>\$ 3,611,509</u>	<u>\$ 2,948,801</u>

See notes to financial statements

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED MARCH 31, 2020 AND 2019**

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (929,265)	\$ (538,194)
Noncash items included in change in net assets:		
Depreciation	18,580	17,655
Unrealized loss (gain) on investments and beneficial interests	50,316	(18,264)
Realized gain on investments and beneficial interests	-	(1,678)
Dividend and interest income from investments and beneficial interests, net	(19,660)	(26,908)
Loss on disposal of equipment	59	-
Change in operating assets and liabilities:		
Decrease in accounts receivable, prepaid expenses and grants receivable	385,574	252,758
Increase (decrease) in accounts, designations and grants payable, and deposits	172,789	(75,866)
Net cash used by operating activities	<u>(321,607)</u>	<u>(390,497)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments, net	355,237	171,625
Purchase of equipment	(5,880)	(7,299)
Net cash provided by investing activities	<u>349,357</u>	<u>164,326</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	27,750	(226,171)
Cash, cash equivalents, and restricted cash balance at beginning of year	<u>143,530</u>	<u>369,701</u>
Cash, cash equivalents, and restricted cash balance at end of year	<u>\$ 171,280</u>	<u>\$ 143,530</u>

See notes to financial statements



**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**1. Nature of Organization and Summary of Significant Accounting Policies**

***General***

Greater Ottawa County United Way, Inc. is a non-profit organization dedicated to increasing the organized capacity of people to care for one another. Through the Organization's Community Investment program, financial support is provided to approximately sixty member agencies to fund their own programs. These agencies' programs provide basic services (food, clothing, shelter), substance abuse counseling, domestic violence counseling, day care services, in-home care for the elderly, employment assistance for disabled persons, and much more.

The Organization is affiliated with United Way Worldwide and engages in collaborative efforts with other local United Ways. It is important to note that a founding principle of the United Way movement is local autonomy and the value of local citizens making decisions to meet local needs. United Way Worldwide has no governing or legal responsibility of local United Ways, and acts as a coordinating and advisory body.

***Fiduciary Responsibilities***

The Organization is the fiduciary for several community initiatives, including the Lakeshore Housing Alliance, the Housing Initiative and Housing Next. As part of the fiduciary duties the Organization is responsible for administering nearly one million dollars of grant funding. All revenues and expenses for these programs have been included on the Organization's statements of activities and statements of functional expenses.

The Organization began a fiduciary relationship with Ottawa Community Schools Network during the year ended March 31, 2020 (see note 12). All revenues and expenses for this program has been included on the Organization's statements of activities and statements of functional expenses.

The Organization maintains a fiscal sponsorship with the following programs within the community: Recovery Fest, Ottawa Food, Adult Learning Center, Grand Haven Hispanic Heritage Fiesta and The Gathering. The Organization receives funds on behalf of these projects and pays invoices with the funds received. The Organization has variance power over the funds for these projects and has included the cash asset of each of these programs on the Organization's statements of financial position. All revenues and expenses for these programs have been included on the Organization's statements of activities. The Organization retains a small administration fee for these projects, at the discretion of management.

***Basis of Accounting***

The Organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

***Net Assets***

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Organization, the environment in which it operates, the purpose specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

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

*Net Assets With Donor Restrictions*

Net assets with donor restrictions are resources that are restricted by a donor for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions. The Organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

***Cash and Equivalents***

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents, not including money market accounts which are included in investments for financial reporting purposes.

The Organization occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

***Investments***

Investments in equity securities with readily determinable fair values and all investments in debt securities are required to be measured at fair value in the statements of financial position.

***Restricted Investments***

The Organization serves as the fiduciary for several initiatives. A portion of the funds received for these initiatives are restricted along with the donor restrictions of other donations received. The Organization has the following restricted funds at March 31:

	2020	2019
Restricted investment – Grand Haven Hispanic Heritage Fiesta	\$ 1,150	\$ -
Restricted investment – The Gathering	1,665	-
Restricted investment – Adult Learning Center	1,716	-
Restricted investment – Recovery Fest	2,209	4,235
Restricted investment – Ottawa Food	10,269	1,700
Restricted investment – Housing Initiative	126,528	117,290
Restricted investment – Housing Next	37,703	25,852
Restricted investment – funds held for program expenses	<u>21,974</u>	<u>24,000</u>
Total restricted investments	<u>\$ 203,214</u>	<u>\$ 173,077</u>

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

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

***Promises to Give***

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. The majority of the promises to give are received from a broad base of Ottawa County contributors as a result of the annual campaign. An allowance for uncollectible promises is provided based on management's evaluation of the percent of total campaign revenue that will not be collected.

The following is a schedule of unconditional campaign promises to give as of March 31:

	<b>2020</b>	<b>2019</b>
Receivable in less than one year	<b>\$ 1,017,683</b>	\$ 1,184,253
Allowance for uncollectible promises to give, 2019 campaign	<b>(257,754)</b>	-
Allowance for uncollectible promises to give, 2018 campaign	<b>(109,871)</b>	(109,871)
Allowance for uncollectible promises to give, 2017 campaign	<b>-</b>	(126,420)
	<b><u>        </u></b>	<u>        </u>
Net unconditional campaign promises to give	<b><u>\$ 650,058</u></b>	<b><u>\$ 947,962</u></b>

The following is a schedule of unconditional grant promises to give as of March 31:

	<b>2020</b>	<b>2019</b>
Receivable in less than one year	<b>\$ 156,250</b>	\$ 175,000
Receivable in one to five years	<b>250,000</b>	425,000
Total unconditional grant promises to give	<b>406,250</b>	600,000
Discounted to present value based on a discount rate of 0% and 2%, respectively	<b>-</b>	(26,175)
	<b><u>        </u></b>	<u>        </u>
Net unconditional grant promises to give	<b><u>\$ 406,250</u></b>	<b><u>\$ 573,825</u></b>

***Leasehold Improvements and Equipment***

Leasehold improvements and equipment are carried at cost and the provision for depreciation is computed on the straight-line method over the estimated useful lives of the assets. Fixed assets that have a useful life over one year are capitalized.

***Donated Property and Equipment***

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

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

***Classification of Transactions***

All revenues and net gains are reported as increases in net assets without donor restrictions in the statements of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

***Contributions***

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

***Donated Materials and Services***

The value of donated services included in the financial statements and the corresponding expenses for the years ended March 31, 2020 and 2019 are as follows:

	<b>2020</b>	<b>2019</b>
Advertising	\$ 47,820	\$ 54,700
Conferences	6,465	6,456
Events	6,430	10,008
Materials	2,000	5,100
Office space	<u>5,294</u>	<u>-</u>
 Total in-kind contributions	 <u><b>\$ 68,009</b></u>	 <u><b>\$ 76,264</b></u>

Numerous individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. No amounts have been reflected in the financial statements for these services because they did not meet the criteria for recognition under FASB ASC 958-605-20, nor is a value for these services readily determined.

***Tax Exempt Status***

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to federal or state income tax.

***Estimates***

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

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

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

***Expense Recognition and Allocation***

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statements of activities and statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

Payroll and related expenses are allocated based on activity reports generated by the Organization's management.

Occupancy and depreciation are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.

***Advertising Costs***

The Organization expenses all advertising costs as incurred.

***Change in Accounting Principle***

The Organization implemented FASB ASU No. 2016-01 in the current year, applying the changes prospectively. The ASU clarifies and improves guidance on the reporting of investments at fair market value. There was no adjustment to net assets.

The Organization implemented FASB ASU No. 2018-08 in the current year, applying the changes prospectively. The ASU clarifies and improves guidance for contributions received and made and provides guidance to organizations on how to account for exchange transactions. There was no adjustment to net assets.

***Subsequent Events***

The extent of the impact of the COVID-19 outbreak will depend on certain developments such as the duration of the outbreak and impact on our stakeholders, donors, employees, and investments all of which are uncertain and cannot be reasonably estimated at this time. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the world-wide COVID-19 pandemic. The Organization is closely monitoring their investment portfolio and its liquidity and are actively working to minimize the impact of these declines. The Organization's financial statements do not include adjustments to fair value that have resulted from these declines.

Subsequent to year end the Organization received \$232,500 in funding through the SBA's Paycheck Protection Program. No activity for this loan has been included in the Organization's March 31, 2020 financial statements as the funds were applied for and received subsequent to year end.

The Organization's management has evaluated events through August 27, 2020, the date on which the financial statements were available to be issued.

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**2. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of March 31, 2020 and 2019 are:

	<b>2020</b>	<b>2019</b>
Financial Assets:		
Cash and cash equivalents	\$ 171,280	\$ 143,530
Investments	351,735	697,127
Accounts receivable	70,813	-
Pledges receivable	650,058	948,462
Grants receivable	156,250	171,500
Beneficial interest in assets held by others	<u>296,647</u>	<u>337,148</u>
Total financial assets	<u>1,696,783</u>	<u>2,297,767</u>
Less financial assets held to meet donor-imposed restrictions:		
Time restricted net assets (note 10)	(795,119)	(1,119,462)
Purpose restricted net assets (note 10)	<u>(203,214)</u>	<u>(167,142)</u>
Less beneficial interest in assets held by others:		
Investments	<u>(284,155)</u>	<u>(325,559)</u>
Total available for general expenditures within one year	<u><u>\$ 414,295</u></u>	<u><u>\$ 685,604</u></u>

The above table reflects the Organization's financial assets as of March 31, 2020 and 2019, reduced by amounts not available for general use because of contractual, donor-imposed or time restrictions within one year. The Organization's beneficial interest in assets held by others is investments held with the Grand Haven Area Community Foundation. The Organization is allowed to withdrawal 4% of a three-year rolling average of the three most recent December 31 fund balances. The Organization may request additional funds above the 4% if funds are needed for a capital expenditure or if the Organization incurs an unexpected loss (see note 4).

**3. Leasehold Improvements and Equipment**

The capitalized value of leasehold improvements and equipment, and related accumulated depreciation, at March 31 are as follows:

	<b>2020</b>	<b>2019</b>
Leasehold improvements	\$ 11,425	\$ 11,425
Office equipment	<u>175,145</u>	<u>175,052</u>
Total leasehold improvements and equipment	<u>186,570</u>	<u>186,477</u>
Accumulated depreciation	<u>(124,336)</u>	<u>(111,484)</u>
Leasehold improvements and equipment, net	<u><u>\$ 62,234</u></u>	<u><u>\$ 74,993</u></u>

Depreciation expense for the years ended March 31, 2020 and 2019 was \$18,580 and \$17,655, respectively.

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**4. Beneficial Interest in Assets Held by Others**

The following was recorded on the Organization's statements of financial position as of March 31 and is being held at the Grand Haven Area Community Foundation:

	<b>2020</b>	<b>2019</b>
Volunteer Center Endowment Fund	<b>\$ 278,516</b>	\$ 317,103
Volunteer Center Designated Fund	<u>18,131</u>	<u>20,045</u>
<b>Total beneficial interest in assets held by others</b>	<b><u>\$ 296,647</u></b>	<b><u>\$ 337,148</u></b>

The Foundation has legal ownership of these assets and has the right to redirect the return to another beneficiary without the approval of the donor, the Organization, or any other party if distributions to the Organization become unnecessary, impossible, or inconsistent with the needs of the community. All distributions in excess of the annual 4% rolling-balance must be requested by the Organization and approved by the Foundation's board of trustees.

**5. Fair Values of Assets**

The Organization adopted the Financial Accounting Standards Board's (FASB) standard regarding Fair Value Measurements. The standard establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets valued using level 3 inputs are based on pricing models, discounted cash flow methodologies or similar techniques where at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant management judgment or estimation. Valuation techniques utilized to determine fair values are consistently applied.

**Fair Value Measurements Using:**

	Fair Value	Quoted Prices in Active Markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>March 31, 2020</b>				
Fifth Third Investments	\$ 351,735	\$ 351,735	\$ -	\$ -
Grand Haven Area Community Foundation	<u>296,647</u>	<u>-</u>	<u>-</u>	<u>296,647</u>
<b>Total</b>	<b><u>\$ 648,382</u></b>	<b><u>\$ 351,735</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 296,647</u></b>
<b>March 31, 2019</b>				
Fifth Third Investments	\$ 697,127	\$ 697,127	\$ -	\$ -
Grand Haven Area Community Foundation	<u>337,148</u>	<u>-</u>	<u>-</u>	<u>337,148</u>
<b>Total</b>	<b><u>\$ 1,034,275</u></b>	<b><u>\$ 697,127</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 337,148</u></b>

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**5. Fair Values of Assets (Continued)**

Level 3 investments include pooled funds managed by Grand Haven Area Community Foundation on behalf of the Organization. The following is a summary of the activity of the level 3 investments as of March 31:

	2020	2019
Fair value, beginning	\$ 337,148	\$ 331,514
Ordinary income	7,608	7,635
Investment income (loss):		
Realized	-	1,678
Unrealized	(32,939)	7,474
Management fees	(3,581)	(3,364)
Distributions	(11,589)	(7,789)
Fair value, ending	<u>\$ 296,647</u>	<u>\$ 337,148</u>

**6. Designations Payable**

Designations payable consist of the following as of March 31:

	2020	2019
Gross designations:		
Nonmember agencies	\$ 44,104	\$ 46,118
Other United Ways	121,151	106,079
Member agencies	66,898	63,337
COVID-19 emergency	66,930	-
Total gross designations	<u>299,083</u>	<u>215,534</u>
Designations paid by companies directly	(4,040)	(3,137)
Administrative fee	<u>(2,264)</u>	<u>(3,386)</u>
Total designations payable	<u>\$ 292,779</u>	<u>\$ 209,011</u>

**7. Concentrations**

The Organization received corporate and employee pledges from two companies totaling approximately 25% of the gross campaign revenue reported in both the 2019 campaign and the 2018 campaign.

**8. Leases**

The Organization has committed to a one-year extension of their lease agreement for office space in Holland. The one-year extension requires monthly payments of \$2,416. The lease expires December 31, 2020.

The Organization is leasing a copy machine under a four-year lease. The lease requires monthly payments of \$447 and expires June 2021.



**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**8. Leases (Continued)**

The Organization is leasing a postage machine under a month-to-month lease. The lease requires payments of \$172 a quarter plus applicable sales and use taxes.

Total lease expense for the years ended March 31, 2020 and 2019 was \$40,760 and \$40,044 respectively.

Future minimum payments for non-cancelable leases are as follows as of March 31:

2021	\$ 27,108
2022	1,341

**9. Retirement Plans**

The Organization sponsors a 403(b) retirement savings plan for all employees of the Organization except those working less than 1,000 hours annually. Contributions to the plan are based upon 5% of eligible employee wages. The retirement plan contribution was \$56,680 and \$33,921 for the years ended March 31, 2020 and 2019, respectively.

**10. Net Assets With Donor Restrictions**

At March 31, net assets with donor restrictions are available for the following purposes or periods:

	2020	2019
Time restrictions:		
Pledges receivable, 2017 campaign	\$ -	\$ 202,853
Pledges receivable, 2018 campaign	128,563	981,400
Pledges receivable, 2019 campaign	877,931	-
Allowance for uncollectible, 2017 campaign	-	(126,420)
Allowance for uncollectible, 2018 campaign	(109,871)	(109,871)
Allowance for uncollectible, 2019 campaign	(257,754)	-
Grants receivable for future periods	<u>406,250</u>	<u>573,825</u>
Total net assets with time restrictions	<u>1,045,119</u>	<u>1,521,787</u>
Purpose restrictions:		
Housing Initiative	126,528	117,290
Housing Next	37,703	25,852
Funds received for future programs	21,974	24,000
Funds received for fiscal sponsorships	<u>17,009</u>	<u>-</u>
Total net assets with purpose restrictions	<u>203,214</u>	<u>167,142</u>
Total net assets with donor restrictions	<u><b>\$1,248,333</b></u>	<u><b>\$1,688,929</b></u>

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**11. Endowment Funds**

During 1998, the Volunteer Center of Greater Ottawa County United Way, Inc. received funding of \$50,000 for the establishment of an endowment fund on its behalf at the Community Foundation of the Holland/Zeeland Area. The amounts contributed by donors to the endowment fund are owned and controlled by the Community Foundation and are not reflected on Greater Ottawa County United Way, Inc.'s statements of financial position. Greater Ottawa County United Way, Inc. is able to request on an annual basis a calculated amount from the earnings of the endowment fund to be used to fund the operations of the Volunteer Center. The fair market value of the endowment fund, as reported by the Community Foundation of the Holland/Zeeland Area, was \$156,933 and \$179,389 as of March 31, 2020 and 2019, respectively.

In July 2001, Greater Ottawa County United Way, Inc. established an endowment fund with the Community Foundation of the Holland/Zeeland Area. This fund was funded with a donation for the purpose of providing substance abuse services. The amounts contributed by the donor to the endowment fund are owned and controlled by the Community Foundation and are not reflected on Greater Ottawa County United Way, Inc.'s statements of financial position. Greater Ottawa County United Way, Inc. is able to request on an annual basis a calculated amount from the earnings of the endowment fund. The fair market value of the endowment fund, as reported by the Community Foundation of the Holland/Zeeland Area, was \$39,464 and \$44,730 as of March 31, 2020 and 2019, respectively.

In 1997, Greater Ottawa County United Way, Inc. established an endowment fund with the Grand Haven Area Community Foundation. The amounts contributed by third parties to the endowment fund are owned and controlled by the Community Foundation and are not reflected on Greater Ottawa County United Way, Inc.'s statements of financial position. Greater Ottawa County United Way, Inc. is able to request on an annual basis a calculated amount from earnings of the endowment. The fair market value of the endowment fund, as reported by the Grand Haven Area Community Foundation, was \$187,284 and \$213,518 as of March 31, 2020 and 2019, respectively.

**12. Commitments**

The Organization entered into a service agreement with Allegan County United Way commencing January 1, 2017. Services provided to Allegan County United Way include fiduciary, human resources, administrative, communications, marketing, supervision and mentoring. Annual payments of \$140,200 plus a service fee of 12% are due in quarterly installments. The agreement expires December 31, 2020 and can be renewed under similar terms.

The Organization entered into a service agreement with Ottawa Community Schools Network commencing April 19, 2019. Services provided to Ottawa Community Schools Network include human resources and administration. Ottawa Community Schools Network reimburses the Organization for all payroll costs, including wages, payroll taxes and employee benefits. The Organization also receives a 5% service fee for the administrative work. The original agreement expired at the conclusion of the 2019/2020 school year, and it was renewed for an additional year under similar terms.

## **Supplementary Information**

**GREATER OTTAWA COUNTY UNITED WAY, INC.**  
**SCHEDULES OF PROGRAM EXPENSES**  
**YEAR ENDED MARCH 31, 2020 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2019**

	Community Investment	Lakeshore Housing Alliance	Students Live United	Volunteer Centers	Other Programs	2020 Total	2019 Total
Salaries and related expenses:							
Salaries	\$ 84,674	\$ 59,803	\$ 26,542	\$ 57,100	\$ 482,153	<b>\$ 710,272</b>	\$ 317,852
Payroll taxes, insurance and retirement	25,583	22,078	6,165	17,389	141,150	<b>212,365</b>	98,097
Total salaries and related expenses	<u>110,257</u>	<u>81,881</u>	<u>32,707</u>	<u>74,489</u>	<u>623,303</u>	<b><u>922,637</u></b>	<u>415,949</u>
Operating expenses:							
Advertising	14,450	5,747	5,747	7,185	-	<b>33,129</b>	2,275
Conferences, conventions and meetings	2,695	2,089	141	5,340	3,574	<b>13,839</b>	23,163
Contract labor	254	102	102	101	2,231	<b>2,790</b>	980
Equipment maintenance and expense	16,767	8,981	3,107	6,606	144	<b>35,605</b>	38,492
Insurance	2,029	812	812	811	-	<b>4,464</b>	3,052
Membership dues	10,042	4,530	3,823	4,305	1,462	<b>24,162</b>	26,528
Mileage	1,009	1,320	819	1,344	9,330	<b>13,822</b>	7,388
Miscellaneous	2,233	893	893	893	-	<b>4,912</b>	150
Occupancy	8,981	3,592	3,592	3,592	-	<b>19,757</b>	23,717
Postage and shipping	421	207	149	181	-	<b>958</b>	884
Printing and publications	3,539	887	1,377	938	12,000	<b>18,741</b>	3,323
Special events and fundraising	110,870	16,290	2,283	11,077	79,272	<b>219,792</b>	154,787
Special projects	-	-	-	-	-	<b>-</b>	52,500
Supplies	319	119	175	165	373	<b>1,151</b>	1,186
Telephone	2,050	1,042	1,042	942	1,120	<b>6,196</b>	7,870
Total operating expenses	<u>175,659</u>	<u>46,611</u>	<u>24,062</u>	<u>43,480</u>	<u>109,506</u>	<b><u>399,318</u></b>	<u>346,295</u>
Campaign expenses:							
Allocations	1,083,688	-	-	-	-	<b>1,083,688</b>	1,138,039
Designations	299,800	-	-	-	-	<b>299,800</b>	241,754
Total campaign expenses	<u>1,383,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>1,383,488</u></b>	<u>1,379,793</u>
Total program expenses	<u>\$ 1,669,404</u>	<u>\$ 128,492</u>	<u>\$ 56,769</u>	<u>\$ 117,969</u>	<u>\$ 732,809</u>	<b><u>\$ 2,705,443</u></b>	<u>\$ 2,142,037</u>

See independent auditors' report