

Johnson & Company, P.C.
Certified Public Accountant

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Established 1976
www.CPAJohnson.com

December 5, 2023

To the Board of Directors of Barry County United Way

We have audited the statement of the financial position of Barry County United Way for the year ended March 31, 2023, and have issued our report thereon dated December 5, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to Lani Forbes dated May 24, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Barry County United Way (Organization) are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were management's estimate of the functional allocations of expenses, allowance for doubtful accounts and useful lives of depreciable property. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are disclosed in Note A to the financial statements. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 5, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed

from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the Barry County United Way. and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in cursive script that reads "Bradley S. Johnson".

Bradley S. Johnson, CPA, MST
Certified Public Accountant
Johnson & Company, P.C.
Hastings, Michigan

cc: Lani Forbes

BARRY COUNTY UNITED WAY
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
MARCH 31, 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Barry County United Way

We have audited the accompanying financial statements of Barry County United Way which comprise the statement of financial position as of March 31, 2023, with comparative totals as of March 31, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Organization as of March 31, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern for a reasonable period of time.

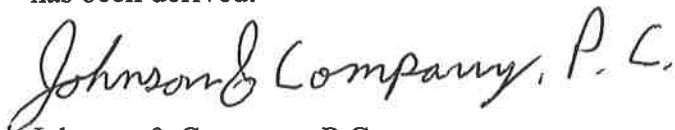
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on 2022 Financial Statements

The 2022 financial statements were audited by another accounting firm and they expressed an unmodified opinion in their report dated October 21, 2022. They have not performed any procedures over the Organization's financial statements since October 21, 2022.

Report on Summarized Comparative Information

In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Johnson & Company, P.C.
Certified Public Accountant
Hastings, Michigan
December 5, 2023

Barry County United Way
Statement of Financial Position
March 31, 2023
With Comparative Totals as of March 31, 2022

Assets			
		2023	2022
Current assets:		<u>\$ 1,912,774</u>	<u>\$ 1,708,051</u>
Cash and cash equivalents		-	-
Accounts receivable		17,106	201,577
Grant receivable		133,151	132,948
Pledges receivable, net of allowance			
Total current assets		<u>2,063,031</u>	<u>2,042,576</u>
Property, furniture and equipment, net of accumulated depreciation		<u>56,583</u>	<u>49,436</u>
Total assets		<u>\$ 2,119,614</u>	<u>\$ 2,092,012</u>
Liabilities and Net assets			
Current liabilities:			
Accounts payable		\$ 19,478	\$ 19,821
Accrued liabilities		1,211	1,336
Unexpended grant		51,001	19,748
Designated pledges payable		<u>52,174</u>	<u>85,719</u>
Total current liabilities		<u>123,864</u>	<u>126,624</u>
Total liabilities		<u>123,864</u>	<u>126,624</u>
Net assets:			
Without donor restrictions		1,593,654	1,540,710
With donor restrictions		<u>402,096</u>	<u>424,678</u>
Total net assets		<u>1,995,750</u>	<u>1,965,388</u>
Total liabilities and net assets		<u>\$ 2,119,614</u>	<u>\$ 2,092,012</u>

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

Barry County United Way
Statement of Activities
For the Year Ended March 31, 2023
With Comparative Totals For the Year Ended March 31, 2022

	<u>Without Donor Restrictions</u>	<u>2023 With Donor Restrictions</u>	<u>Total</u>	<u>2022 Total</u>
Operating activities:				
Revenues and other support:				
Contributions received - prior year	\$ 224,138	\$ -	\$ 224,138	\$ 146,846
Campaign pledges	-	803,643	803,643	703,941
Less:				
Donor designations		(52,174)	(52,174)	(85,720)
Allowance for uncollectible pledges	-	(171,964)	(171,964)	(61,129)
Net campaign revenue	224,138	579,505	803,643	703,938
Grant income	296,924	473,106	770,030	2,237,779
Miscellaneous Income		-	-	-
Volunteer center	3,216	-	3,216	3,130
Net assets released from restrictions	1,075,193	(1,075,193)	-	-
Total revenues and other support	1,599,471	(22,582)	1,576,889	2,944,847
Expenses:				
Program activities:				
Allocations	450,394	-	450,394	426,739
Community investment	879,857	-	879,857	1,761,581
Volunteer center	87,045	-	87,045	76,716
Supporting activities:				
Fundraising	56,028	-	56,028	52,504
Administrative	77,527	-	77,527	81,776
Total expenses	1,550,851	-	1,550,851	2,399,316
Change in net assets from operating activities	48,620	(22,582)	26,038	545,531
Non-operating activities:				
Interest income	4,324	-	4,324	4,549
Change in net assets from non-operating activities	4,324	-	4,324	4,549
Change in net assets	52,944	(22,582)	30,362	550,080
Net assets at beginning of year	1,540,710	424,678	1,965,388	1,415,308
Net assets at end of year	\$ 1,593,654	\$ 402,096	\$ 1,995,750	\$ 1,965,388

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

Barry County United Way
Statement of Functional Expenses
For the Year Ended March 31, 2023
With Comparative Totals as of March 31, 2022

	2023					2022	
	Program Activities		Supporting Activities			Total	Total
	Allocations	Community Investment	Volunteer Center	Fundraising	Administrative		
Salaries, taxes and benefits	\$ -	\$ 321,755	\$ 62,429	\$ 48,024	\$ 48,024	\$ 480,232	\$ 461,893
Workers compensation	-	-	-	-	-	-	-
Advertising	-	896	896	448	-	2,240	270
Bad Checks	-	-	-	-	-	-	106
Bank charges	-	12	12	5	19	48	-
Board designated projects	450,394	-	-	-	-	450,394	426,739
Campaign expenses	-	1,467	1,467	1,511	-	4,445	2,267
Computer supplies	-	36	33	15	53	137	5,183
Conferences	-	637	983	127	73	1,820	157
Credit card charges	-	129	119	54	193	495	576
Depreciation	-	-	-	-	5,924	5,924	3,503
Dues and subscriptions	-	250	2,625	1,853	982	5,710	2,849
Emergency assistance programs	-	541,086	-	-	-	541,086	1,433,037
Insurance	-	999	923	423	1,499	3,844	3,370
Maintenance and repairs	-	1,997	1,843	845	2,996	7,681	6,658
Meetings	-	248	229	105	372	954	580
Miscellaneous	-	45	42	19	65	171	562
National and state affiliation dues	-	-	-	-	9,852	9,852	17,685
Office supplies	-	662	611	280	993	2,546	5,716
Other special events	-	-	10,881	-	-	10,881	8,224
Postage and printing	-	699	645	-	1,344	2,688	4,065
Professional	-	2,340	2,160	990	3,510	9,000	4,750
Rent	-	4,178	443	886	823	6,330	6,209
Supplies	-	-	-	-	-	-	-
Telephone	-	2,267	567	378	567	3,779	4,917
Travel	-	154	137	65	238	594	-
Total expenses	\$ 450,394	\$ 879,857	\$ 87,045	\$ 56,028	\$ 77,527	\$ 1,550,851	\$ 2,399,316

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

Barry County United Way
Statement of Cash Flows
For the Year Ended March 31, 2023
With Comparative Totals For the Year Ended March 31, 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Increase in net assets	\$ 26,038	\$ 545,531
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Operating activities:		
Depreciation	5,924	3,503
Changes in operating assets and liabilities:		
(Increase) decrease in Accounts receivable	-	-
(Increase) decrease in Grant receivable	184,471	(195,359)
(Increase) decrease in Pledges receivable	(203)	(22,519)
Increase (decrease) in Accounts payable	(344)	3,924
Increase (decrease) in Accrued liabilities	(125)	(1,698)
Increase (decrease) in Unexpended grants	31,253	(6,062)
Increase (decrease) in Designated pledges	(33,545)	11,060
Net cash provided by operating activities	<u>213,469</u>	<u>338,380</u>
Cash flows from investing activities:		
Purchase of property, furniture and equipment	(13,071)	(27,753)
Interest income	4,325	4,549
Net cash provided (used) by investing activities	<u>(8,746)</u>	<u>(23,204)</u>
Net increase in cash and cash equivalents	204,723	315,176
Cash and cash equivalents at beginning of period	<u>1,708,051</u>	<u>1,392,875</u>
Cash and cash equivalents at end of period	<u>\$ 1,912,774</u>	<u>\$ 1,708,051</u>

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

Barry County United Way
Notes to Financial Statements
March 31, 2023
With Comparative Totals For the Year Ended March 31, 2022

Note A: Summary of Significant Accounting Policies

Background - In 1936, Mrs. Florence Groos spearheaded the formation of the Barry Community Chest, the forerunner organization of the Barry County United Way. They worked diligently on raising funds for youth programming in the Hastings School District Area. Sixteen years later, this organization joined the United Way of America to form the Barry County United Way. Today, this organization, together with partner agencies was accessed over 48,000 times during the fiscal year by the residents throughout Barry County. While preparing youth to become accountable adults is still a focus of this organization, supporting families to achieve well being and success, helping senior adults find support and maintain independence, impacting people through positive change and addressing the urgent needs of our residents are also funded areas. Our mission is "to improve lives by mobilizing the caring power of Barry County communities." Our vision for the Barry County United Way is to build a stronger Barry County by mobilizing our communities to improve people's lives. To do this we will energize and inspire people to make a difference, craft human care agendas within and across our communities, build coalitions around these agendas, increase investments in these agendas by expanding and diversifying our own development efforts and supporting those of others, measure, communicate and learn from the impact of our efforts and reflect on the diversity of the communities we serve.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the Guide.) (ASC) 958-205 was effective January 1, 2018. The (ASC) has been applied retrospectively to all periods presented.

Under the provisions of the Guide, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions - Net assets that are subject to donor-imposed stipulations. This includes restrictions on assets that may or will be met, either by actions of the Organization and/or the passage of time. These restrictions also include stipulations on assets that they are to be maintained permanently by the organization. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents - For the statement of financial position and statement of cash Flows, the Organization considers cash and cash equivalents to consist of cash balances in checking accounts and certificates of deposit.

Accounts and Grant Receivables - The Organization considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Barry County United Way
Notes to Financial Statements
March 31, 2023
With Comparative Totals For the Year Ended March 31, 2022

Note A: Summary of Significant Accounting Policies (continued)

Pledges Receivable - An annual fundraising campaign is conducted each fall to obtain donations and pledges to fund the subsequent year's operations. The campaign pledge period consists of the period beginning April 1 through March 31 of the following year. Accordingly, a receivable is recorded at year-end for outstanding pledges with an allowance for amounts estimated to be uncollectible. Substantially all of the pledges receivable at March 31, 2023 are from corporations, employees and individuals. The Organization maintains reserves for potential uncollectible pledges that, in the aggregate, have not exceeded management's expectations. After two years, uncollected campaign pledges are written off.

Community-wide care donations and pledges are recorded as with donor restrictions revenues in the campaign year and released into without donor restrictions net assets as time restrictions are satisfied in the subsequent year. Donor designated pledges are accounted for as a liability until dispensed to the designated agency. Those amounts are not accounted for as contribution revenue by the Organization. Both community-wide care and donor-designated pledges are shown net of an estimated allowance for uncollectible pledges.

Fixed Assets - The Organization capitalizes all expenditures for fixed asset acquisitions in excess of \$500. Fixed assets are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Office equipment	5 years
Computer software	5 years
Furniture and fixtures	10 years
Leasehold improvements	20 years

During the years ended March 31, 2023 and 2022, depreciation expense was \$5,924 and \$3,503, respectively.

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

Contributions - Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statements of activities as net assets released from restrictions. If the restriction will be met in the same reporting period, the support may be recorded as without donor restriction.

Donated Services - The Organization receives donated services from a variety of unpaid volunteers assisting the Organization with various programs. However, these services were not recognized as contributions in the financial statements as they do not meet the necessary accounting criteria.

Measure of Operations - The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be a non-recurring nature.

Barry County United Way
Notes to Financial Statements
March 31, 2023
With Comparative Totals For the Year Ended March 31, 2022

Note A: Summary of Significant Accounting Policies (continued)

Federal Income Tax - The Organization is recognized as a tax-exempt organization under code Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for federal income tax has been made. The Organization is subject to federal income tax only on net unrelated business income under the provisions of Section 501(c) (3) of the Internal Revenue Code. The Organization has evaluated its tax positions and determined it has no uncertain tax position and has recorded no obligation for unrelated business income tax. No provision for federal or state income taxes is required as of March 31, 2023. The Organization's 2018 through 2022 returns are open for examination by the federal and state taxing authorities.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. These expenses include compensation and benefits allocated based on management estimates of time and effort used in various functional areas, as well as operating expenses allocated as described below:

<u>Expense</u>	<u>Basis of Allocation</u>
Salaries, taxes and benefits	Time and effort
Advertising	Detailed analysis
Bad Checks	Time and effort
Campaign	Total expense by functional area
Computer supplies	Resources, space used and time
Conferences	Detailed analysis
Credit card charges	Detailed analysis
Depreciation	Resources, space used and time
Dues and subscriptions	Detailed analysis
Emergency assistance	Time and effort
Insurance	Resources, space used and time
Maintenance and repairs	Resources, space used and time
Meetings	Detailed analysis
Miscellaneous	Detailed analysis
National and state affiliation dues	Time and effort
Office supplies	Resources, space used and time
Other special events	Detailed analysis
Postage and printing	Resources, space used and time
Professional	Resources, space used and time
Rent	Resources, space used and time
Telephone	Resources, space used and time
Training	Detailed analysis
Travel	Detailed analysis

Barry County United Way
Notes to Financial Statements
March 31, 2023
With Comparative Totals For the Year Ended March 31, 2022

Note A: Summary of Significant Accounting Policies (continued)

Advertising Costs - The Organization expenses advertising cost as incurred. Advertising expenditures for the years ended March 31, 2023 and 2022 were \$2,240 and \$270, respectively.

Summarized Prior Year Information - The financial statements include summarized comparative information from the prior year, which is not presented by net asset class and does not include sufficient detail to conform to generally accepted accounting principles. This information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2022, from which the comparative information was extracted. Certain amounts in the prior year statements have been reclassified for comparison purposes to conform to the current year presentation.

Note B: Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2023</u>	<u>2022</u>
Financial assets at year-end	\$ 2,119,614	\$ 2,092,012
Less those unavailable for general expenditures within one year due to:		
Property, furniture and equipment, net	(56,583)	(49,436)
Donor restricted for programs	<u>(402,096)</u>	<u>(424,678)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,660,935</u>	<u>\$ 1,617,898</u>

Note C: Pledges Receivable

Pledges receivable as of March 31, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Campaign pledges current year	\$ 172,167	\$ 166,544
Less:		
Allowance for uncollectible Pledges current year	<u>(39,016)</u>	<u>(33,596)</u>
Net campaign pledges current year	<u>\$ 133,151</u>	<u>\$ 132,948</u>
Campaign pledges prior year	\$ 132,948	\$ 27,532
Less:		
Allowance for uncollectible Pledges prior year	<u>(132,948)</u>	<u>(27,532)</u>
Net campaign pledges prior year	<u>\$ -</u>	<u>\$ -</u>

The allowance for uncollectible pledges is calculated based on a ten-year historical average for uncollectible pledges for the Barry County United Way.

Barry County United Way
Notes to Financial Statements
March 31, 2023
With Comparative Totals For the Year Ended March 31, 2022

Note D: Property, Furniture and Equipment

A summary of property, furniture and equipment at March 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Computers	\$ 8,618	\$ 8,618
Computer software	15,120	15,120
Equipment	4,332	4,332
Furniture	16,576	3,505
Leasehold improvements	<u>78,019</u>	<u>78,019</u>
 Total property, furniture and equipment	 122,665	 109,594
 Less: accumulated depreciation	 <u>(66,082)</u>	 <u>(60,158)</u>
 Net property, furniture and equipment	 <u>\$ 56,583</u>	 <u>\$ 49,436</u>

Note E: Unexpended Grant

Unexpended grant represents grant amounts received but not expensed during the year. The full amount of revenue is expected to be recognized in the next fiscal year.

Note F: Concentrations of Credit Risk

The Organization is required to disclose significant concentrations of credit risk regardless of the degree of risk. Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash investments and pledges receivable. The Organization places its cash and investments with high credit quality financial institutions. Although such investments and cash balances may exceed the federally insured limits at certain times during the year, in the opinion of management, risk is minimal. Credit risk with respect to pledges is minimal and accounted for by using an allowance for uncollectible receivables that is based upon 5% of all pledges received becoming uncollectible.

Note G: Lease Agreements

The Organization leases office space under an agreement with the Barry Community Foundation that was signed July 1, 2018 and expires June 30, 2023. The lease has been classified as an operating lease. Rental expenses for the years ended March 31, 2023 and 2022 were \$6,330 and \$6,209, respectively.

Future minimum annual rental commitments under the lease subsequent to March 31, 2023 are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2023	\$ 9,012
June 30, 2024	\$ 10,128
June 30, 2025	\$ 10,428
June 30, 2026	\$ 10,740
June 30, 2027	\$ 11,064
June 30, 2028	<u>\$ 11,400</u>
Total	<u>\$ 62,772</u>

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Note H: Pension Plan

The Organization has a SEP IRA plan covering all employees who have worked at least three years earning a minimum of \$460 per year. Under the plan, the Organization contributes 10% of each eligible employee's salary. Plan expenses incurred by the Organization during the years ended March 31, 2023 and 2022 were \$24,173 and \$24,995, respectively.

Note I: Net Assets with Donor Restrictions

Donor restricted net assets consist of the following at March 31, 2023:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Community investment	\$ 402,096	\$ 424,678
 Total	 <u>\$ 402,096</u>	 <u>\$ 424,678</u>

Note J: Net Assets Released from Restrictions

Net assets of \$1,075,193 and \$1,004,832 were released from donor restriction by incurring expenses satisfying the restricted purposes set by the donors for the years ended March 31, 2023 and 2022.

Note K: Commitments

As part of the annual allocation process, the Organization has committed approximately \$349,922.22 to be paid to various agencies in Barry County and the surrounding areas during the twelve-month period beginning April 1, 2023.

Note L: Fair Values of Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents, receivables, accounts payable, accrued liabilities and due to designated agencies: The carrying amounts reported in the Statement of Financial Position approximate fair value because of the short maturities of those instruments.

The estimated fair values of the Organization's financial instruments are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and equivalents	\$ 1,912,774	\$ 1,912,774
Grant receivable	\$ 17,106	\$ 17,106
Pledges receivable	\$ 133,151	\$ 133,151
Financial liabilities:		
Accounts payable	\$ 19,478	\$ 19,478
Accrued liabilities	\$ 1,211	\$ 1,211
Unexpended grant	\$ 51,001	\$ 51,001
Designated pledges payable	\$ 52,174	\$ 52,174

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Note M: Evaluation of Subsequent Events

The Organization has evaluated subsequent events through December 5, 2023, the date, which the financial statements were available to be issued.

Note N: Beneficial Interest in Assets of another Organization

The Florence Tyden Groos Memorial Fund was established in 2007 and is managed and held by the Barry Community Foundation. The purpose of this fund is to provide ongoing financial support for the administrative expenses of the Organization. The George Romney Fund purpose is to provide support ongoing support for the Voluntary Center serving Barry County. The Homelessness Prevention Fund purpose is to provide assistance and administration to the homeless prevention throughout Barry County. The Family Economic Security Office Fund purpose is to provide assistance with managing and budgeting personal financial situations. During the year ended March 31, 2023, distributions provided from the Florence Tyden Groos Memorial Fund of \$291,208, George Romney fund of \$18,093, the Homelessness Prevention Fund of \$6,755, and Family Economic Security Office of \$35,542 were used for the designated purpose. The following represents activity in the fund for the year ended March 31, 2023 and the beneficial interest in each fund by the Organization:

	Florence Tyden Groos Memorial Fund	George Romney Fund	Homelessness Prevention Fund	Family Economic Security Office
Total net assets at 3/31/2022	3,765,234	236,226	87,311	4,505
Capital loss - not recorded	(7,007)	(438)	(162)	(22)
Total net assets at 4/1/2022	3,758,227	235,788	87,149	4,483
Spendable contributions	-	-	-	33,200
Nonspendable contributions	76,100		200	-
Dividend and interest income	50,361	3,162	1,169	19
Capital gain - realized	(25,114)	(1,576)	(584)	149
Capital gain - unrealized	(225,645)	(14,165)	(5,229)	(1,064)
Grant expenses	(291,208)	(18,093)	(6,755)	(35,542)
Fund administration fee	(37,984)	(2,374)	(877)	(144)
Total net assets at 3/31/2023	<u>\$ 3,304,737</u>	<u>\$ 202,742</u>	<u>\$ 75,073</u>	<u>\$ 1,101</u>
Nonspendable net assets	<u>\$ 3,450,551</u>	<u>\$ 216,650</u>	<u>\$ 76,700</u>	<u>\$ 16,675</u>