
United Way for Southeastern Michigan

Financial Report
June 30, 2021

Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8-23

Independent Auditor's Report

To the Board of Directors
United Way for Southeastern Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of United Way for Southeastern Michigan (the "Organization"), which comprise the statement of financial position as of June 30, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way for Southeastern Michigan as of June 30, 2021 and 2020 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 2 to the financial statements, the Organization adopted the provisions of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective method as of July 1, 2020. Our opinion is not modified with respect to this matter.

As described in Note 18 to the financial statements, the Organization recognized a prior period adjustment. Our opinion is not modified with respect to this matter.

To the Board of Directors
United Way for Southeastern Michigan

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021 on our consideration of United Way for Southeastern Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way for Southeastern Michigan's internal control over financial reporting and compliance.

Plante & Moran, PLLC

December 15, 2021

United Way for Southeastern Michigan

Statement of Financial Position

June 30, 2021 and 2020

	2021	2020
		(As Restated)
Assets		
Cash	\$ 18,001,943	\$ 22,697,193
Marketable securities (Note 5)	56,771,894	30,594,066
Receivables - Net of allowances: (Note 4)		
Pledges	9,463,888	12,144,821
Grants and other	4,684,916	2,646,470
Beneficial interest (Notes 5 and 6)	1,424,077	1,153,789
Prepaid expenses and other assets	831,436	766,079
Capital assets - Net (Note 7)	688,992	807,563
	<u>\$ 91,867,146</u>	<u>\$ 70,809,981</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 4,174,027	\$ 4,006,344
Undistributed grants to community impact partners (Note 11)	13,585,294	20,199,678
Undistributed donor designations	7,563,058	5,814,253
Refundable advances	514,064	1,835,217
	<u>25,836,443</u>	<u>31,855,492</u>
Net Assets		
Net assets without donor restrictions:		
Undesignated	21,233,300	2,074,489
Board designated (Note 8)	32,686,382	28,296,353
Net assets with donor restrictions (Note 9)	12,111,021	8,583,647
	<u>66,030,703</u>	<u>38,954,489</u>
	<u>\$ 91,867,146</u>	<u>\$ 70,809,981</u>

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2021 and 2020

	2021			2020 (As Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Annual campaigns	\$ 21,153,834	\$ 7,266,674	\$ 28,420,508	\$ 27,014,560	\$ 3,740,045	\$ 30,754,605
Less donor designations	(7,705,424)	-	(7,705,424)	(8,972,206)	-	(8,972,206)
Less provision for uncollectible pledges	(669,983)	-	(669,983)	(1,527,159)	-	(1,527,159)
Net assets released from campaign restrictions	6,364,487	(6,364,487)	-	7,290,079	(7,290,079)	-
Net campaign results	19,142,914	902,187	20,045,101	23,805,274	(3,550,034)	20,255,240
COVID-19 campaign (Note 17)	8,258,986	5,638,797	13,897,783	9,768,434	12,109,686	21,878,120
Paycheck Protection Program loan forgiveness (Note 17)	598,158	-	598,158	1,872,747	-	1,872,747
Administrative fees and fee for service	781,477	-	781,477	774,314	-	774,314
Federal grants	7,650,226	-	7,650,226	3,708,750	-	3,708,750
State grants	9,411,478	-	9,411,478	3,637,069	-	3,637,069
County grants	690,313	-	690,313	492,506	-	492,506
Foundation grants	866	7,159,034	7,159,900	118,919	1,708,500	1,827,419
Other contributions	25,765,137	21,000	25,786,137	359,458	98,570	458,028
In-kind gifts revenue	1,985,173	-	1,985,173	3,800,586	-	3,800,586
Miscellaneous income	108,548	-	108,548	10,513	-	10,513
Change in value of beneficial interest	297,575	-	297,575	17,431	-	17,431
Net realized and unrealized gains (losses) on marketable securities	5,272,343	179,852	5,452,195	(1,660,630)	(60,183)	(1,720,813)
Interest and dividend income	1,379,238	55,155	1,434,393	1,668,219	49,590	1,717,809
Net assets released from restrictions	10,428,651	(10,428,651)	-	13,741,917	(13,741,917)	-
Total noncampaign support and revenue	72,628,169	2,625,187	75,253,356	38,310,233	164,246	38,474,479
Total public support and revenue	91,771,083	3,527,374	95,298,457	62,115,507	(3,385,788)	58,729,719
Expenses						
Program services:						
Gross grants to community impact partners	52,700,684	-	52,700,684	51,782,685	-	51,782,685
Less donor designations	(7,705,424)	-	(7,705,424)	(8,972,206)	-	(8,972,206)
Net funds awarded	44,995,260	-	44,995,260	42,810,479	-	42,810,479
Other program services	15,764,857	-	15,764,857	17,076,362	-	17,076,362
Total program services	60,760,117	-	60,760,117	59,886,841	-	59,886,841
Support services:						
Management and general	3,387,693	-	3,387,693	4,234,744	-	4,234,744
Fundraising	4,074,433	-	4,074,433	4,182,269	-	4,182,269
Total expenses	68,222,243	-	68,222,243	68,303,854	-	68,303,854
Increase (Decrease) in Net Assets	23,548,840	3,527,374	27,076,214	(6,188,347)	(3,385,788)	(9,574,135)
Net Assets - Beginning of year	30,370,842	8,583,647	38,954,489	36,559,189	11,969,435	48,528,624
Net Assets - End of year	\$ 53,919,682	\$ 12,111,021	\$ 66,030,703	\$ 30,370,842	\$ 8,583,647	\$ 38,954,489

See notes to financial statements.

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services	Support Services			Total
		Management and General	Fundraising	Total	
Gross grants to community impact partners	\$ 52,700,684	\$ -	\$ -	\$ -	\$ 52,700,684
Less donor designations	(7,705,424)	-	-	-	(7,705,424)
Net allocations/awards	44,995,260	-	-	-	44,995,260
Salaries	6,987,678	1,941,783	1,993,547	3,935,330	10,923,008
Employee benefits	1,140,323	59,934	309,048	368,982	1,509,305
Payroll taxes and insurance	491,487	227,983	141,471	369,454	860,941
Total salaries and related expenses	8,619,488	2,229,700	2,444,066	4,673,766	13,293,254
Printing and publications	263,482	45,497	72,909	118,406	381,888
Occupancy	657,454	184,826	187,478	372,304	1,029,758
Supplies	104,433	5,827	10,022	15,849	120,282
Professional fees and contract services	2,968,408	503,521	548,223	1,051,744	4,020,152
Employee travel and training	1,597	4,326	855	5,181	6,778
Meeting and event cost	82,647	6,358	71,520	77,878	160,525
Insurance	34,782	17,546	11,252	28,798	63,580
Communication	181,868	9,056	45,281	54,337	236,205
Equipment expenses	311,430	72,275	306,522	378,797	690,227
Postage and shipping	14,518	8,351	13,585	21,936	36,454
Dues	726,556	39,853	15,112	54,965	781,521
Miscellaneous	55,369	85,747	21,000	106,747	162,116
In-kind expenses	1,577,021	128,177	279,975	408,152	1,985,173
Depreciation	165,804	46,633	46,633	93,266	259,070
Total functional expenses	<u>\$ 60,760,117</u>	<u>\$ 3,387,693</u>	<u>\$ 4,074,433</u>	<u>\$ 7,462,126</u>	<u>\$ 68,222,243</u>

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services	Support Services			Total
		Management and General	Fundraising	Total	
Gross grants to community impact partners	\$ 51,782,685	\$ -	\$ -	\$ -	\$ 51,782,685
Less donor designations	(8,972,206)	-	-	-	(8,972,206)
Net allocations/awards	42,810,479	-	-	-	42,810,479
Salaries	6,750,279	1,911,444	2,066,868	3,978,312	10,728,591
Employee benefits	1,301,045	415,724	398,894	814,618	2,115,663
Payroll taxes and insurance	486,900	205,190	152,567	357,757	844,657
Total salaries and related expenses	8,538,224	2,532,358	2,618,329	5,150,687	13,688,911
Printing and publications	178,367	46,417	162,828	209,245	387,612
Occupancy	938,715	66,845	69,273	136,118	1,074,833
Supplies	170,715	24,078	31,539	55,617	226,332
Professional fees and contract services	2,898,044	773,650	399,603	1,173,253	4,071,297
Employee travel and training	51,736	739	6,680	7,419	59,155
Meeting and event cost	83,857	19,352	205,162	224,514	308,371
Insurance	30,252	11,909	14,304	26,213	56,465
Communication	87,716	7,218	41,477	48,695	136,411
Equipment expenses	227,505	57,059	274,842	331,901	559,406
Postage and shipping	21,525	5,082	14,248	19,330	40,855
Dues	678,316	26,768	11,881	38,649	716,965
Miscellaneous	65,215	12,789	30,107	42,896	108,111
In-kind expenses	2,943,594	604,028	252,964	856,992	3,800,586
Depreciation	162,581	46,452	49,032	95,484	258,065
Total functional expenses	\$ 59,886,841	\$ 4,234,744	\$ 4,182,269	\$ 8,417,013	\$ 68,303,854

Statement of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
		(As Restated)
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 27,076,214	\$ (9,574,135)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation	259,070	258,065
Realized and unrealized (gains) losses on marketable securities	(5,452,195)	1,720,813
Change in beneficial interest	(297,575)	(17,431)
Provision for uncollectible pledges	669,983	1,527,159
Changes in operating assets and liabilities that provided (used) cash:		
Pledges receivable	2,010,950	800,234
Grants and other receivable	(2,038,446)	317,768
Prepaid expenses and other assets	(65,357)	(57,965)
Accounts payable and accrued liabilities	167,683	(1,373,955)
Undistributed grants to community impact partners	(6,614,384)	10,895,597
Undistributed donor designations	1,748,805	1,731,974
Refundable advances	(1,321,153)	1,835,217
Net cash provided by operating activities	16,143,595	8,063,341
Cash Flows from Investing Activities		
Purchases of capital assets	(140,499)	(160,837)
Purchases of marketable securities	(26,804,291)	(4,703,528)
Proceeds from sales of marketable securities	6,078,658	6,842,603
Distributions from beneficial interest	27,287	58,680
Net cash (used in) provided by investing activities	(20,838,845)	2,036,918
Net (Decrease) Increase in Cash	(4,695,250)	10,100,259
Cash - Beginning of year	22,697,193	12,596,934
Cash - End of year	\$ 18,001,943	\$ 22,697,193

June 30, 2021 and 2020

Note 1 - Nature of Business

United Way for Southeastern Michigan (UWSEM or the "Organization") is a Michigan nonprofit corporation dedicated to mobilizing the caring power of Detroit and southeastern Michigan to improve communities and individual lives in measurable and lasting ways.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of UWSEM have been prepared on the basis of generally accepted accounting principles (GAAP). 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 revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

UWSEM places its cash and certain investments with high credit quality financial institutions. UWSEM's cash balances include bank balances on deposit that exceed FDIC limits.

Investments

Investments in readily marketable securities are stated at current quoted market values or other observable inputs. The collective trust fund is recorded at fair value based on net asset value (or its equivalent) per unit.

Receivables

UWSEM's receivables consist of pledges and grants and other receivables.

Pledges receivable are associated with UWSEM's total annual campaign fundraising for UWSEM and other partnering agencies. A provision for uncollectible pledges is estimated based on an assessment of the prior year annual campaign pledges, which remain unpaid, and current market observations. All amounts deemed uncollectible are charged against the provision for uncollectible pledges in the period that determination is made.

Grants and other receivables include receivables for services rendered by UWSEM in accordance with grant contracts and reimbursements that have not been received as of year end. Grants and other receivables also include contributions made to UWSEM outside of the annual campaign. An allowance for doubtful accounts has not been established, as all grants and other receivables are deemed collectible.

Capital Assets

Capital assets are recorded at cost when purchased or at fair value at the date of donation and are being depreciated on a straight-line basis over their estimated useful lives, which range from 3 to 10 years. Costs of maintenance and repairs are charged to expense when incurred.

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

Classification of Net Assets

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

Note 2 - Significant Accounting Policies (Continued)

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of UWSEM.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UWSEM or by the passage of time when net assets are reclassified to net assets without donor restrictions. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

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

Board-designated Net Assets

Board-designated net assets are net assets without donor restrictions designated by the board for various purposes. These designations are based on board actions, which can be altered or revoked at a future time by the board of directors (see Note 8).

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Annual campaigns, COVID-19 funding, federal grants, state grants, foundation grants, and other contributions are revenue items reported on the statement of activities and changes in net assets using these revenue recognition principles. Grants received determined to be unconditional are reported as revenue when the promise to give is received. Grants received determined to be conditional contributions are recognized as revenue when services are provided (i.e., as barriers are overcome).

In December 2020, UWSEM received a \$25 million contribution from philanthropist MacKenzie Scott, which is included in other contributions on the statement of activities and changes in net assets as of June 30, 2021.

Concentration Risks

A significant portion of UWSEM's campaign revenue and pledges receivable is derived from employee contributions and corporate gifts or grants from the Detroit-based original auto equipment manufacturers. This amount is approximately \$10.0 and \$12.0 million of gross revenue for the years ended June 30, 2021 and 2020, respectively, and \$4.8 and \$7.4 million of gross pledges receivable at June 30, 2021 and 2020, respectively. The current and future economic health of the domestic automotive industry impacts collection of this revenue and future contribution levels and could result in a severe near-term negative impact to UWSEM.

Agent Transactions

UWSEM follows standards for accounting for transfers of assets to a not-for-profit organization that raises or holds contributions for others. These standards affect transactions in which UWSEM accepts contributions from a donor and transfers those assets to another entity that is specified by the donor. UWSEM refers to such funds as donor designations. Agency transactions are reported as an obligation to the specified beneficiary rather than as annual campaign revenue to UWSEM. Amounts due to beneficiary organizations are reported as undistributed donor designations on the statement of financial position.

Note 2 - Significant Accounting Policies (Continued)

In-kind and Contributed Services Revenue

During the years ended June 30, 2021 and 2020, in-kind gifts revenue largely relates to the Organization's COVID-19 response, including donations of personal protective equipment and media airtime for vaccination efforts. In addition, UWSEM receives services from a large number of volunteers who give significant amounts of their time to UWSEM's programs, fundraising campaigns, and management. Such services may include those that (a) create or enhance nonfinancial assets or (b) require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not contributed. No amounts have been recorded for types of donated services that do not meet these requirements. The value of recorded contributed services is determined based on the estimated fair values of such services.

Revenue Recognition - Administrative Fees and Fee for Service

UWSEM receives administrative fees and fee for service revenue for services provided to others, which are recognized using revenue recognition principles under Accounting Standards Codification (ASC) 606.

For administrative fees and fee for service revenue, UWSEM has performance obligations for services that are provided based on contracts established between the customer and the Organization. Services provided include administering the annual workplace giving campaigns, administering the 2-1-1 call center, and various other programs for the benefit of local area organizations, including Better with Breakfast Oakland County, Connect 313, and the American Heart Association Healthy Kids program. These services are provided over time based on the contract terms.

Under the typical payment terms, the customer is billed based on the rate structure of the service provided, as stated in the contract. There are no price concessions or finance arrangements associated with these services.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Total salaries and related expenses are allocated on the basis of time and effort. Marketing and information technology expenses are allocated based on internally conducted time studies. Other expenses utilized by all employees, such as occupancy and depreciation, are allocated on the basis of employee headcount. All other expenses are allocated based on specific identification of third-party invoices or grant agreements. Costs have been allocated between the various program and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

UWSEM is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

June 30, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncements

As of July 1, 2020, UWSEM adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted the new standard using the modified retrospective method to all contracts effective July 1, 2020 and is using a portfolio approach to group contracts with similar characteristics, such as administrative services revenue. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of net assets at the date of initial application. No cumulative-effect adjustment in net assets was recorded, as the adoption of the ASU did not significantly impact the Organization's reported historical revenue.

As of July 1, 2020, the Organization adopted FASB ASU No. 2018-13, *Fair Value Measurement (Topic 820)*, which removed disclosure requirements related to transfers between Levels 1 and 2 and disclosures of the changes in unrealized gains and losses for recurring Level 3 fair value measurements, as described in Note 5. The Organization adopted the new standard on a prospective basis. The standard did not require a restatement of prior year amounts.

Upcoming Accounting Pronouncements

The FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for UWSEM's year ending June 30, 2023 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. Upon adoption of the new standard, UWSEM expects to record long-term assets and lease liabilities of approximately \$9 million to \$10 million. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions that charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). Contributed nonfinancial assets will be reported by category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and a description of the fair value techniques used to arrive at a fair value measurement. The new guidance will be effective for UWSEM's year ending June 30, 2022 and will be applied using the retrospective method.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including December 15, 2021, which is the date the financial statements were available to be issued.

June 30, 2021 and 2020

Note 3 - Liquidity and Availability of Resources

The Organization's financial assets available within one year of June 30 for general expenditures are as follows:

	2021	2020 (As Restated)
Cash	\$ 18,001,943	\$ 22,697,193
Marketable securities	56,771,894	30,594,066
Beneficial interest	1,424,077	1,153,789
Pledges receivable less allowance	9,463,888	12,144,821
Grants and other receivables	4,684,916	2,646,470
	<u>90,346,718</u>	<u>69,236,339</u>
Financial assets - At year end		
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Long-term portion of pledges receivable	50,000	625,000
Restricted by Community Foundation of Southeastern Michigan	1,424,077	1,153,789
Restricted by donors with purpose restrictions	11,195,506	7,378,726
Restricted by donors for endowment	790,515	779,921
Undistributed grants to community impact partners	13,585,294	20,199,678
Undistributed donor designations	7,563,058	5,814,253
	<u>34,608,450</u>	<u>35,951,367</u>
Total amounts unavailable for general expenditure within one year		
Board designations:		
Board designated for emergency and stabilization	4,338,205	4,338,602
Board designated for quasi endowment	27,377,775	21,747,751
	<u>31,715,980</u>	<u>26,086,353</u>
Total amounts unavailable to management without board's approval		
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 24,022,288</u>	<u>\$ 7,198,619</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

Additionally, the Organization has board-designated net assets without donor restrictions that, while the Organization does not intend to spend these for purposes other than identified, the amounts could be made available for current operations with board approval if necessary. The board-designated net assets consist of an emergency and stabilization fund and funds functioning as an endowment. Additional information on the funds functioning as an endowment can be found in Notes 8 and 10. During the year ended June 30, 2021, the board authorized a \$710,000 release of funds from the board-designated quasi endowment for additional community impact grants and \$1,500,000 from the emergency stabilization fund to provide for additional COVID-19 funding.

In the budget for the fiscal year ending June 30, 2022, the board has authorized \$970,000 from the quasi endowment to stabilize programs in the upcoming year.

June 30, 2021 and 2020

Note 4 - Receivables

Receivables as of June 30 consist of pledges receivable and grants receivable.

Included in pledges receivable are unconditional promises to give generated from the annual campaign. Pledges receivable are as follows:

	2021	2020 (As Restated)
Gross promises to give	\$ 11,661,397	\$ 15,287,826
Less allowance for uncollectible pledges	<u>(2,197,509)</u>	<u>(3,143,005)</u>
Net pledges receivable	<u>\$ 9,463,888</u>	<u>\$ 12,144,821</u>
Amounts due in:		
Less than one year	\$ 11,611,397	\$ 14,662,826
One to five years	<u>50,000</u>	<u>625,000</u>
Total	<u>\$ 11,661,397</u>	<u>\$ 15,287,826</u>

The table below represents balances included in grants and other receivables. All amounts are expected to be collected within one year.

	2021	2020
Promises to give campaign	\$ 382,635	\$ 142,779
Promises to give grants	3,969,449	1,365,240
Promises to give COVID-19	126,226	1,008,276
Other receivables	<u>206,606</u>	<u>130,175</u>
Grants and other receivables	<u>\$ 4,684,916</u>	<u>\$ 2,646,470</u>

Note 5 - Fair Value Measurements

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

The following tables present information about UWSEM’s assets measured at fair value on a recurring basis at June 30, 2021 and 2020 and the valuation techniques used by UWSEM to determine those fair values.

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

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

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

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

Notes to Financial Statements

June 30, 2021 and 2020

Note 5 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at June 30, 2021					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at June 30, 2021
Marketable securities:					
Money market funds, certificates of deposit, and other short-term investments	\$ 27,699,510	\$ -	\$ -	\$ -	\$ 27,699,510
Equity securities:					
Mutual funds	17,845,032	-	-	-	17,845,032
Collective trust fund	-	-	-	2,419,826	2,419,826
Debt securities - Mutual funds	8,807,526	-	-	-	8,807,526
Total marketable securities	54,352,068	-	-	2,419,826	56,771,894
Beneficial interest	-	-	1,424,077	-	1,424,077
Total assets	\$ 54,352,068	\$ -	\$ 1,424,077	\$ 2,419,826	\$ 58,195,971

Assets Measured at Fair Value on a Recurring Basis at June 30, 2020					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at June 30, 2020
Marketable securities:					
Money market funds, certificates of deposit, and other short-term investments	\$ 7,702,313	\$ -	\$ -	\$ -	\$ 7,702,313
Equity securities:					
Mutual funds	11,733,287	-	-	-	11,733,287
Collective trust fund	-	-	-	1,703,474	1,703,474
Mutual funds	9,454,992	-	-	-	9,454,992
Total marketable securities	28,890,592	-	-	1,703,474	30,594,066
Beneficial interest	-	-	1,153,789	-	1,153,789
Total assets	\$ 28,890,592	\$ -	\$ 1,153,789	\$ 1,703,474	\$ 31,747,855

UWSEM measures the beneficial interest in funds held at the Community Foundation for Southeastern Michigan (CFSEM) at fair value on a recurring basis. The fair value of the beneficial interest was determined primarily based on Level 3 inputs. UWSEM estimates the fair value of these investments based upon UWSEM's relative share of assets held and reported by CFSEM, unless the facts and circumstances indicate the fair value would be different from the present value of the estimated future distributions.

The net change in value of the beneficial interest is recognized in the statement of activities and changes in net assets. See further discussion in Note 6.

June 30, 2021 and 2020

Note 5 - Fair Value Measurements (Continued)

Investments in Entities that Calculate Net Asset Value per Share

UWSEM holds shares or interests in investment companies at year end where the fair value of the investment held is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	June 30, 2021	June 30, 2020		June 30, 2021	
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Collective trust fund	\$ 2,419,826	\$ 1,703,474	\$ -	Daily	Daily

The collective trust fund is designed to provide investment results that correspond to the price and yield performance of publicly traded common stocks of large-sized domestic companies, as represented by Standard & Poor's 500 Growth Index. The trust invests approximately 100 percent in equities as of June 30, 2021 and 2020. Net asset value of the trust is determined daily, and units are issued and redeemed at the calculated net asset value.

Note 6 - Community Foundation Endowment Fund

UWSEM acquired an endowment fund held by the Community Foundation for Southeastern Michigan as part of a merger between UWSEM and the United Way of Oakland County (UWOC). The endowment was originally created using funds without donor restrictions and, therefore, is shown within net assets without donor restrictions on the financial statements. However, UWSEM does not have the ability to draw on the corpus of the endowment unless approval is granted by CFSEM. The recorded amount of approximately \$1,424,000 and \$1,154,000 as of June 30, 2021 and 2020, respectively, represents the present value of the estimated future income stream from the underlying endowment assets. The investment is recorded at fair market value. The purpose of the endowment fund is to provide operating support for UWSEM from endowment earnings.

In addition, certain funds donated by outside donors for the benefit of UWSEM are held and managed by CFSEM. Such contributions are subject to variance power maintained by CFSEM. The fair market value of these funds is approximately \$13,000 at June 30, 2021 and \$10,000 at June 30, 2020. Earnings are available for distribution to UWSEM at the discretion of CFSEM; therefore, interest and principal balances are not reflected in the financial statements.

Note 7 - Capital Assets

The cost of capital assets is summarized as follows:

	2021	2020
Leasehold improvements	\$ 292,639	\$ 292,639
Furniture and equipment	4,005,033	3,864,534
Total cost	4,297,672	4,157,173
Accumulated depreciation	3,608,680	3,349,610
Net property and equipment	\$ 688,992	\$ 807,563

Depreciation expense for 2021 and 2020 was \$259,070 and \$258,065, respectively.

June 30, 2021 and 2020

Note 8 - Board-designated Net Assets

Board-designated net assets at June 30, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Board-designated net assets:		
Emergency and stabilization	\$ 4,338,607	\$ 5,838,602
Funds functioning as endowment	<u>28,347,775</u>	<u>22,457,751</u>
Total	<u>\$ 32,686,382</u>	<u>\$ 28,296,353</u>

Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Subject to expenditures for a specified purpose:		
Education	\$ 1,138,666	\$ 1,878,361
Economic mobility and family finances	1,451,935	1,130,603
COVID-19	101,254	1,106,536
Early childhood	409,967	944,979
Utility assistance	4,136,251	901,287
Ride United	1,024,608	520,111
Community information exchange	664,635	-
Basic needs and other	<u>2,268,190</u>	<u>896,849</u>
Total subject to expenditures for a specified purpose	11,195,506	7,378,726
Subject to the passage of time:		
Fiscal year 2021 operations	-	75,000
Pledges receivable for future operations	<u>125,000</u>	<u>350,000</u>
Total subject to the passage of time	125,000	425,000
Subject to the Organization's spending policy and appropriation - Endowment:		
Original donor corpus	787,855	787,855
Accumulated endowment earnings (losses)	<u>2,660</u>	<u>(7,934)</u>
Total subject to the Organization's spending policy and appropriation - Endowment	<u>790,515</u>	<u>779,921</u>
Total	<u>\$ 12,111,021</u>	<u>\$ 8,583,647</u>

Note 10 - Donor-restricted and Board-designated Endowments

UWSEM's endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

June 30, 2021 and 2020

Note 10 - Donor-restricted and Board-designated Endowments (Continued)

Interpretation of Relevant Law

The board of directors of UWSEM has interpreted the Uniform Prudent Management of Institutional Funds Act (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, UWSEM classifies as net assets with donor restrictions (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. Amounts are classified within net assets with donor restrictions until those amounts are appropriated for expenditure by UWSEM in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, UWSEM considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of UWSEM and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of UWSEM
- The investment policies of UWSEM

Endowment Net Asset Composition by Type of Fund
as of June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 790,515	\$ 790,515
Board-designated endowment funds	28,347,775	-	28,347,775
Total	<u>\$ 28,347,775</u>	<u>\$ 790,515</u>	<u>\$ 29,138,290</u>

Changes in Endowment Net Assets for the Fiscal
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 22,457,751	\$ 779,921	\$ 23,237,672
Investment return:			
Investment income	1,610,194	55,154	1,665,348
Net appreciation (realized and unrealized)	5,248,676	190,447	5,439,123
Total investment gain	6,858,870	245,601	7,104,471
Appropriation of endowment assets for expenditure	(710,000)	-	(710,000)
Other changes	(258,846)	(235,007)	(493,853)
Endowment net assets - End of year	<u>\$ 28,347,775</u>	<u>\$ 790,515</u>	<u>\$ 29,138,290</u>

June 30, 2021 and 2020

Note 10 - Donor-restricted and Board-designated Endowments (Continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 779,921	\$ 779,921
Board-designated endowment funds	22,457,751	-	22,457,751
Total	\$ 22,457,751	\$ 779,921	\$ 23,237,672

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 24,382,086	\$ 790,514	\$ 25,172,600
Investment return:			
Investment income	1,559,845	49,590	1,609,435
Net depreciation (realized and unrealized)	(1,584,180)	(60,183)	(1,644,363)
Total investment loss	(24,335)	(10,593)	(34,928)
Appropriation of endowment assets for expenditure	(1,900,000)	-	(1,900,000)
Endowment net assets - End of year	\$ 22,457,751	\$ 779,921	\$ 23,237,672

Return Objectives and Risk Parameters

UWSEM has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding in general support of UWSEM, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that UWSEM must hold in perpetuity, as well as board-designated funds. Under this policy, as approved by the board of directors, UWSEM has established a total return objective to provide an average rate of return of approximately 7 percent annually over time. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, UWSEM 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). UWSEM targets a diversified asset allocation of equity-based and fixed-income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

UWSEM has a policy of appropriating for distribution each year up to 3 percent of its endowment fund's average fair value. According to the policy, additional earnings may be used over time with the total of annual support and additional spending limited to the cumulative earnings over a trailing five-year period. In establishing this policy, UWSEM considered the long-term expected return on its endowment. This is consistent with UWSEM's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

June 30, 2021 and 2020

Note 11 - Undistributed Grants to Community Impact Partners

Unconditional grants are recognized as an expense at the time the grant is awarded.

The following summarizes the changes in undistributed grants to community impact partners:

	2021	2020
Undistributed grants to community impact partners - Beginning of year	\$ 20,199,678	\$ 9,304,081
Grants approved	12,329,588	32,534,273
Payments made	(18,943,972)	(21,638,676)
Undistributed grants to community impact partners - End of year	<u>\$ 13,585,294</u>	<u>\$ 20,199,678</u>

Undistributed grants to community impact partners at June 30, 2021 are scheduled for payment in 2022.

Note 12 - Postretirement Benefit Plan

As a result of the merger of UWOC and United Way Community Services in 2005, UWSEM assumed a UWOC defined benefit plan covering substantially all former full-time UWOC employees. Benefits are based on years of service and the employee's compensation during the final year of employment. UWSEM's funding policy is to make the minimum annual contribution required by applicable regulations.

Information pertaining to the plan is as follows for the years ended June 30, 2021 and 2020:

Obligations and Funded Status

	Pension Benefits	
	2021	2020
Projected benefit obligation	\$ 1,126,208	\$ 1,075,365
Fair value of plan assets	990,206	651,675
Funded status at end of year	<u>\$ (136,002)</u>	<u>\$ (423,690)</u>

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

	Pension Benefits	
	2021	2020
Accounts payable and accrued liabilities	\$ 136,002	\$ 423,690

The net periodic benefit cost of the defined benefit pension plan, which is included in the functional expenses of UWSEM, includes the following components for the years ended June 30, 2021 and 2020:

	Pension Benefits	
	2021	2020
Service cost	\$ 11,069	\$ 11,172
Interest cost	17,782	29,805
Actual return on plan assets	(296,509)	(6,239)
Amortization of unrecognized loss	8,959	4,095
Asset gain (loss) deferred	254,139	(41,673)
Total net periodic benefit cost	<u>\$ (4,560)</u>	<u>\$ (2,840)</u>

June 30, 2021 and 2020

Note 12 - Postretirement Benefit Plan (Continued)

Amounts accumulated and not yet recognized as components of net periodic benefit cost related to net loss as of June 30, 2021 and 2020 total \$85,259 and \$291,887, respectively. There are no amounts expected to be reclassified as net periodic benefit cost in the following fiscal year.

	Pension Benefits	
	2021	2020
Change in Benefit Obligation		
Benefit obligation - Beginning of year	\$ 1,075,365	\$ 1,135,232
Service cost	11,069	11,172
Interest cost	17,782	29,805
Change due to assumption change	(7,469)	40,909
Actuarial loss	63,939	11,870
Expense charges	(6,624)	(11,408)
Annuities purchased or benefits paid	(27,854)	(173,751)
Effects of settlement	-	31,536
Benefit obligation - End of year	<u>\$ 1,126,208</u>	<u>\$ 1,075,365</u>
Change in Plan Assets		
Fair value of plan assets - Beginning of year	\$ 651,675	\$ 776,459
Actual return on plan assets	296,509	6,239
Employer contributions	76,500	54,136
Expense charges	(6,624)	(11,408)
Annuities purchased or benefits paid	(27,854)	(173,751)
Fair value of plan assets - End of year	<u>\$ 990,206</u>	<u>\$ 651,675</u>

Assumptions

The following assumptions were used in developing the net pension cost and funded status information for the years ended June 30, 2021 and 2020:

	Pension Benefits	
	2021	2020
Discount rate - Benefit obligations	1.80%	1.60%
Discount rate - Net periodic benefit cost	1.60%	2.80%
Postretirement interest rate	4.50%	5.00%
Long-term rate of return on plan assets	6.50%	6.50%

Pension Plan Assets

For the years ended June 30, 2021 and 2020, the expected long-term rate of return on plan assets assumption of 6.5 percent was selected using the building-block approach, described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. A best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on historical 30-year period rolling averages. An average inflation rate within the range equal to 2.5 and 3.0 percent as of June 30, 2021 and 2020, respectively, was selected and added to the real rate of return range to arrive at a best estimate range of 5.86 to 7.78 percent as of June 30, 2021 and 5.68 to 7.78 percent as of June 30, 2020. A rate within the best estimate range of 6.5 percent was selected as of June 30, 2021 and 2020.

Note 12 - Postretirement Benefit Plan (Continued)

Pension plan assets of \$990,206 and \$651,675 as of June 30, 2021 and 2020, respectively, are held in a pooled separate account with underlying equity securities, for which fair value is measured at net asset value using the practical expedient. The pooled separate account invests in a diversified portfolio of common stocks and is valued at quoted market value. The investment seeks to outperform the S&P 500 Index and achieve a high level of total return through appreciation of capital. At year end, there were no unfunded commitments or redemption restrictions related to this pooled separate account.

Subsequent to year end, UWSEM filed a plan amendment to terminate the plan effective October 15, 2021. The lump-sum plan termination window benefit will be determined as of February 1, 2022.

Note 13 - Operating Leases

UWSEM leases its main administrative headquarters under an 11-year noncancelable operating lease expiring in March 2030. Additionally, UWSEM leases various office equipment under leases that expire in September 2024 and January 2025.

The following is a schedule of the future minimum rental payments for the above noncontingent leases for fiscal years ending June 30:

2022	\$	1,044,942
2023		1,044,942
2024		1,044,942
2025		1,025,400
2026		1,016,664
Thereafter		<u>3,727,768</u>
Total	\$	<u><u>8,904,658</u></u>

Total rent expense on noncontingent lease agreements was approximately \$1,038,000 and \$1,099,000 for the years ended June 30, 2021 and 2020, respectively.

Note 14 - Employee Benefit Plan

UWSEM's employees participate in a tax-deferred annuity plan. Under the terms of the thrift plan, employees can elect to contribute a percentage of their annual compensation. UWSEM contributed 3 percent of the employees' compensation on behalf of the employees, plus an amount up to 100 percent of the employees' contribution to the plan, not to exceed 2 percent of the employees' compensation. Employer contributions to the thrift plan amounted to \$185,471 and \$258,886 for the years ended June 30, 2021 and 2020, respectively.

Effective January 1, 2016, automatic deferrals apply to all participants and require that 2 percent of compensation be deferred unless a contrary election is made. Effective January 1, 2017, each participant's pretax deferral election is automatically increased by 1 percent annually up to a maximum of 8 percent.

Note 15 - Related Party Transactions

Related party expenses include payments to entities that are affiliated with UWSEM board members for approximately \$11,115,000 and \$6,840,000 during the years ended June 30, 2021 and 2020, respectively. Included within accounts payable were payments due to affiliated agencies of approximately \$1,250,000 and \$559,000 as of June 30, 2021 and 2020, respectively. A total of \$9,745,000 and \$5,550,000 of payments made during the years ended June 30, 2021 and 2020, respectively, related to contracted services to support UWSEM's mission. All other amounts related to health insurance, legal, consulting, and advertising services provided to UWSEM.

Some members of UWSEM's board serve as executive directors for partnering nonprofit agencies. Total payments to these agencies were approximately \$1,487,000 and \$1,124,000 during the years ended June 30, 2021, and 2020, respectively. Included within liabilities were payments due to the agencies of approximately \$302,000 and \$340,000 as of June 30, 2021 and 2020, respectively. Executive directors excuse themselves from discussions and votes regarding agency funding.

Related party revenue includes contributions from entities that are affiliated with UWSEM board members or from UWSEM board members themselves and totaled approximately \$10,093,000 and \$11,297,000 for the years ended June 30, 2021 and 2020, respectively.

Note 16 - Commitments

UWSEM has employees who operate under a collective bargaining agreement that dictates salary, pension benefits, and funding, as well as working conditions and other terms. The employees are members of the UAW Technical, Office, and Professional Union, for which an agreement is in effect until June 30, 2023.

Note 17 - COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations.

At the onset of the pandemic in March 2020, the Organization created its COVID-19 Community Response Fund, allowing individual and corporate donors to contribute directly for pandemic-related assistance. This fund was seeded with \$2,000,000 from the board-designated emergency and stabilization fund. The original goal of \$10,000,000 was surpassed, with total contributions into the fund of approximately \$36,000,000, which was ultimately passed through to other grant partners.

In April 2020, the Organization received a Paycheck Protection Program (PPP) loan in the amount of \$2,470,905. The Organization recorded the loan as a conditional contribution and, at June 30, 2020, had determined it had satisfied the conditions to achieve forgiveness of \$1,872,747. The remaining balance of the PPP funds received was included within the statement of financial position as a refundable advance at June 30, 2020. At June 30, 2021, the Organization received full forgiveness of the entire loan amount from the Small Business Administration. As such, the remaining \$598,158 is recorded as revenue within the statement of activities and changes in net assets at June 30, 2021.

Notes to Financial Statements

June 30, 2021 and 2020

Note 18 - Prior Period Adjustment

The accompanying financial statements for 2020 have been restated to correct an error due to the untimely reconciliation and application of unapplied cash. The following financial statement line items for fiscal year 2020 were affected by the change:

**Statement of Activities and Changes in Net Assets
Year Ended June 30, 2020**

	As Originally Reported	Restated	Effect of Change
Provision for uncollectible pledges	\$ (1,609,134)	\$ (1,527,159)	\$ 81,975
Net campaign results	23,723,299	23,805,274	81,975
Total public support and revenue	62,033,532	62,115,507	81,975
Decrease in net assets	(6,270,322)	(6,188,347)	81,975
Net assets - Beginning of year	35,235,798	36,559,189	1,323,391
Net assets - End of year	28,965,476	30,370,842	1,405,366

**Statement of Financial Position
June 30, 2020**

	As Originally Reported	Restated	Effect of Change
Pledges receivable	\$ 6,941,593	\$ 12,144,821	\$ 5,203,228
Total assets	65,606,753	70,809,981	5,203,228
Undistributed donor designations	2,016,391	5,814,253	3,797,862
Total liabilities	28,057,630	31,855,492	3,797,862
Undesignated net assets	669,123	2,074,489	1,405,366
Total net assets	37,549,123	38,954,489	1,405,366
Total liabilities and net assets	65,606,753	70,809,981	5,203,228