

FINANCIAL STATEMENTS AND

INDEPENDENT AUDITOR'S REPORT

ADVANCING MACOMB FOUNDATION, INC. AND AFFILIATE

DECEMBER 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Advancing Macomb Foundation, Inc. and Affiliate

### Opinion

We have audited the accompanying financial statements of Advancing Macomb Foundation, Inc. and Affiliate (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023, and the related statement of activities, functional expenses, 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 Advancing Macomb Foundation, Inc. and Affiliate as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### 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 Advancing Macomb Foundation, Inc. and Affiliate 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 Advancing Macomb Foundation, Inc. and Affiliate'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, including omissions, 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 Advancing Macomb Foundation, Inc. and Affiliate'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 Advancing Macomb Foundation, Inc. and Affiliate'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.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating statements of financial positions and activities on pages 15 through 16 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Darson & Associates*

Troy, Michigan  
October 11, 2024

Advancing Macomb Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2023

A S S E T S

CURRENT ASSETS

Cash (note A3)	\$ 657,855
Accounts receivable (note A6)	<u>542,570</u>

TOTAL ASSETS		<u><u>\$ 1,200,425</u></u>
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L I A B I L I T I E S

LIABILITIES

Accounts payable	80,433
Accrued liabilities	<u>5,705</u>

Total current liabilities	86,138
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NET ASSETS (note A7)

Without donor restrictions	71,717	
With donor restrictions	<u>1,042,570</u>	<u>1,114,287</u>

TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 1,200,425</u></u>
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The accompanying notes are an integral part of this statement.

Advancing Macomb Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
REVENUES AND OTHER SUPPORT			
SUPPORT			
Direct public support	\$ 91,553	\$ -	\$ 91,553
Grants	250,655	1,042,570	1,293,225
Contributed services	6,537	-	6,537
	<u>348,745</u>	<u>1,042,570</u>	<u>1,391,315</u>
Net assets released from restrictions	<u>65,524</u>	<u>(65,524)</u>	<u>-</u>
Total revenues and other support	414,269	977,046	1,391,315
EXPENDITURES			
Program services	273,252	-	273,252
Management and general	47,117	-	47,117
Fundraising	31,002	-	31,002
	<u>351,371</u>	<u>-</u>	<u>351,371</u>
CHANGE IN NET ASSETS	62,898	977,046	1,039,944
NET ASSETS			
Beginning of year	<u>8,819</u>	<u>65,524</u>	<u>74,343</u>
NET ASSETS			
End of year	<u>\$ 71,717</u>	<u>\$ 1,042,570</u>	<u>\$ 1,114,287</u>

The accompanying notes are an integral part of this statement.

Advancing Macomb Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2023

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	Total
Salaries and wages	\$ 79,325	\$ 11,333	\$ 22,664	\$ 113,322
Payroll taxes	6,495	928	1,856	9,279
Advertising	25,199	-	-	25,199
Contract services	7,308	1,044	2,088	10,440
Professional fees	-	27,928	-	27,928
Office supplies	994	110	-	1,104
Dues and subscriptions	-	-	4,394	4,394
Insurance	-	5,468	-	5,468
Occupancy	2,754	306	-	3,060
Conferences, training, and meetings	637	-	-	637
Program activities and materials	150,540	-	-	150,540
Total functional expenses	<u>\$ 273,252</u>	<u>\$ 47,117</u>	<u>\$ 31,002</u>	<u>\$ 351,371</u>

The accompanying notes are an integral part of this statement.



Advancing Macomb Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENT OF CASH FLOWS

Years ended December 31, 2023

Cash flows from operating activities	
Cash received from donors	\$ 869,751
Cash paid to suppliers and contractors	<u>(345,097)</u>
Net cash provided by operating activities and net increase in cash	524,654
Cash at beginning of year	<u>133,201</u>
Cash at end of year	<u><u>\$ 657,855</u></u>

The accompanying notes are an integral part of this statement.

Advancing Macomb Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED

Years ended December 31, 2023

Reconciliation of change in net assets to net cash provided by operating activities	
Change in net assets	\$ 1,039,944
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	(512,570)
Prepaid expenses	148
Increase (decrease) in liabilities:	
Accounts payable	(3,776)
Accrued liabilities	908
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Total adjustments	(515,290)
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Net cash provided by operating activities	\$ 524,654
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The accompanying notes are an integral part of this statement.

Advancing Macomb Foundation, Inc. and Affiliate

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES

A summary of the Organization’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Business and Revenue Recognition

Advancing Macomb, Inc., a 501(c)4 organization, was founded in 2014 to provide continuous enrichment for Macomb County communities, add value to the lives of residents and create an enriching environment to live, learn, recreate, invoke and conduct business. Advancing Macomb Foundation, Inc. (the Organization), was founded in 2014, to further advance this cause.

In accordance with current accounting standards, Advancing Macomb Foundation, Inc. disaggregates revenue from contracts into major revenue streams as presented on the statements of activities. Revenue is recognized over the performance obligation period applicable to each revenue stream. The Organization’s primary sources of revenue and support are grants, contributions, and special events.

2. Principles of Consolidation

In accordance with Accounting Standards Codification (ASC) 958-810, Not-for-profit Entities – Consolidation, the accompanying consolidated financial statements reflect the consolidated assets and liabilities, statements of activities and cash flows of Advancing Macomb Foundation and Advancing Macomb, Inc. (collectively, the “Organization”). All significant interrelated transactions have been eliminated in consolidation.

3. Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less. The company places its temporary cash investments with high credit quality financial institutions and believes no significant concentration of credit risk exists with respect to these cash investments.

Advancing Macomb Foundation, Inc. and Affiliate

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES - CONTINUED

4. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

5. Accounting Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

6. Contributions Receivable

Contributions receivable are contributions that have been committed to the Organization. Based on management's evaluation of collectability, no allowance for doubtful contributions receivable was recorded for the year ended December 31, 2023.

7. Classification of Net Assets

Net assets of the Organization are classified as without donor restrictions or with donor restrictions depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Donor-imposed restrictions that expire with the passage of time or that can be removed by meeting certain requirements result in net assets with donor restrictions. Earnings, gains, and losses on restricted net assets are classified as without donor restrictions unless specifically restricted by the donor or by applicable state law.

Advancing Macomb Foundation, Inc. and Affiliate

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

8. Contributions

Contributions of cash and other assets, including unconditional promises to give, are reported as revenue when received or in the case of unconditional promises, when made. Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the same period as the gift are both reported as support without donor restrictions. Other restricted gifts are reported as net assets with donor restrictions.

9. Contributed Goods and Services

The fair value of significant contributed materials and services is recognized as both revenue and expense in the accompanying financial statements. Contributed services are only recognized by the Organization if they create or enhance nonfinancial assets or require specialized skills and are performed by people whom possess those skills that would otherwise need to be purchased by the Organization.

10. Functional Allocation of Expenses

Functional expenses are allocated among the programs and support services based on specific identification of costs to programs, as well as, various time and use analysis and estimates, made by the Organization's management.

11. Income Taxes

The Organization operates as not-for-profit corporations under Section 501(c)(3) and 501 (c)(4) of the Internal Revenue Code and is exempt from federal income taxes; therefore, no provision for income taxes has been included in this statement.

12. Right-of-Use Leases

Leased equipment and facilities, with a term more than one year, is stated at net present value as right-of-use assets and related lease liabilities as of the commencement date of the lease. Net present value is determined using a stated interest rate or incremental borrowing rate.

Advancing Macomb Foundation, Inc. and Affiliate

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES – CONTINUED

12. Right-of-Use Leases – CONTINUED

Amortization of the assets is provided for over the life of the lease utilizing the straight-line method. For the year ended December 31, 2023, the Organization had no right of use leases.

NOTE B – IN-KIND CONTRIBUTIONS

In-kind contributions, including the usage of those contributions, are summarized as follows for the year ended December 31, 2023:

Professional services    \$6,537    usage - Program and support services

In-kind contributions were valued using estimated average price for identical or similar products or services using pricing data of these similar products or services under a “like-kind” methodology, considering the utility of the services at the time of the contribution. No in-kind contributions were received with donor restrictions. The Organization does not sell donated gifts and only uses donated services and goods for its own program and supporting service activities.

NOTE C – RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2022, management adopted Financial Accounting Standards Board Accounting Standards Codification 842. The standard requires recognition of leases as right-of-use assets and lease liabilities for the term of the lease. The modified retrospective approach was used to assess leases, classifications, and costs for implementation of the standard. Management has adjusted the presentation in these financial statements accordingly. The standard has been applied retrospectively to all periods presented, with no cumulative effect on net assets as of the beginning of the prior year. As of December 31, 2023, the Organization does not have any right-of-use assets or lease liabilities.

Advancing Macomb Foundation, Inc. and Affiliate

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE D – DONOR RESTRICTED FUND BALANCES

The donor restricted fund balance consists of grants and donations made from various foundations. The restrictions on net assets of \$1,042,570 are for the Clinton River Spillway Pedestrian Bridge for the year ended December 31, 2023. During the year ended December 31, 2023, the Organization released \$65,524 of donor restricted funds. As of December 31, 2023, the donor temporarily restricted fund balance was \$1,042,570.

NOTE E – 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 donor imposed restrictions that do not lapse within one year of the financial position date.

The following computes financial assets available to meet cash needs for general expenditure within one year:

Financial assets at year-end	\$ 1,200,425
Less those unavailable for general expenditures within one year due to restricted use:	
Restrictions on usage for Clinton River Spillway Pedestrian Bridge	<u>(1,042,570)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 157,855</u>

To meet cash demands, the Organization obtains funds through grants and donations to support general expenditures.

Advancing Macomb Foundation, Inc. and Affiliate

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE F – SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2023, the most recent statement of financial position presented herein, through October 11, 2024, the date the financial statements were issued. No such significant events or transactions were identified.



## SUPPLEMENTAL INFORMATION

Advancing Macomb Foundation, Inc. and Affiliate

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2023

A S S E T S				
	Advancing Macomb Inc.	Advancing Macomb Foundation	Eliminations	Total
CURRENT ASSETS				
Cash (note A3)	\$ 20,538	\$ 637,317	\$ -	\$ 657,855
Accounts receivable (note A6)	-	614,591	(72,021)	542,570
TOTAL ASSETS	<u>20,538</u>	<u>1,251,908</u>	<u>(72,021)</u>	<u>1,200,425</u>
L I A B I L I T I E S				
LIABILITIES				
Accounts payable	72,048	80,406	(72,021)	80,433
Accrued liabilities	<u>5,705</u>	<u>-</u>	<u>-</u>	<u>5,705</u>
Total current liabilities	77,753	80,406	(72,021)	86,138
NET ASSETS (note A7)				
Without donor restrictions	(57,215)	128,932	-	71,717
With donor restrictions	<u>-</u>	<u>1,042,570</u>	<u>-</u>	<u>1,042,570</u>
Total net assets	<u>(57,215)</u>	<u>1,171,502</u>	<u>-</u>	<u>1,114,287</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,538</u>	<u>\$ 1,251,908</u>	<u>\$ (72,021)</u>	<u>\$ 1,200,425</u>

Advancing Macomb Foundation, Inc. and Affiliate

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2023

	Advancing Macomb Inc.	Advancing Macomb Foundation	Total
REVENUES AND OTHER SUPPORT			
SUPPORT			
Direct public support	\$ -	\$ 91,553	\$ 91,553
Grants	-	1,293,225	1,293,225
Contributed services	-	6,537	6,537
Total revenues and other support	-	1,391,315	1,391,315
EXPENDITURES			
Program services	5,297	267,955	273,252
Management and general	796	46,320	47,116
Fundraising	1,722	29,281	31,003
Total expenditures	7,815	343,556	351,371
CHANGE IN NET ASSETS	(7,815)	1,047,759	1,039,944
NET ASSETS			
Beginning of year	(49,400)	123,743	74,343
NET ASSETS			
End of year	<u>\$ (57,215)</u>	<u>\$ 1,171,502</u>	<u>\$ 1,114,287</u>