

UNITED WAY OF GLOUCESTER COUNTY, INC.

FINANCIAL STATEMENTS

SUPPLEMENTAL INFORMATION

AND

INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED JUNE 30, 2024 and 2023

UNITED WAY OF GLOUCESTER COUNTY, INC.

INDEX

Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4 – 5
Statements of Functional Expenses	6 – 7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 16
Supplemental Information	
Schedule of Investments	17
Schedule of Budget to Actual	18

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
United Way of Gloucester County, Inc.
Thorofare, New Jersey

Opinion

We have audited the accompanying financial statements of United Way of Gloucester County, Inc. (a Not-for-Profit Organization), which comprise the statements of financial condition as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Gloucester County, Inc. as of June 30, 2024 and 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 audit 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 United Way of Gloucester County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 United Way of Gloucester County, Inc.'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 United Way of Gloucester County, Inc.'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 United Way of Gloucester County, Inc.'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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Investments and Budget to Actual presented on pages 17 and 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Verna & Associates

Thorofare, New Jersey
September 25, 2024

UNITED WAY OF GLOUCESTER COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 997,800	\$ 1,058,028
Due from US Treasury	10,840	10,840
Grants Receivable	48,468	56,704
Investments	1,201,411	1,142,711
Promises to Give Receivable, net of allowance	170,117	205,362
TOTAL CURRENT ASSETS	\$ 2,428,636	2,473,645
PROPERTY, PLANT & EQUIPMENT		
Land	110,400	110,400
Building	440,410	440,410
Improvements	6,163	6,163
Computer Equipment	51,346	51,346
Office Equipment	32,993	32,993
	641,312	641,312
Accumulated Depreciation	(362,681)	(350,204)
NET PROPERTY, PLANT & EQUIPMENT	278,631	291,108
OTHER ASSETS		
Security Deposits	435	435
TOTAL OTHER ASSETS	435	435
 TOTAL ASSETS	 \$ 2,707,702	 \$ 2,765,188
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses	17,069	\$ 22,534
Accrued Compensated Absences	10,758	9,539
Allocations Payable	320,420	332,210
Donor Choice Payable	101,958	114,303
TOTAL LIABILITIES	450,205	478,586
NET ASSETS		
Without Donor Restrictions	2,040,753	2,069,858
With Donor Restrictions	216,744	216,744
TOTAL NET ASSETS	2,257,497	2,286,602
 TOTAL LIABILITIES AND NET ASSETS	 \$ 2,707,702	 \$ 2,765,188

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

UNITED WAY OF GLOUCESTER COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30,

	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Total	Total	Total	Total
PUBLIC SUPPORT and REVENUE				
Public Support				
Gross Campaign Results	\$ 665,227	\$ -	\$ 665,227	\$ 669,611
Contributions received in prior periods (released from restrictions)	(147,107)	-	-	(46,552)
Less donor designations	149,500	-	(147,107)	-
Grants	37,075	-	149,500	-
Special Events			21,823	-
	<u>704,695</u>	<u>-</u>	<u>704,695</u>	<u>702,929</u>
Revenue				
Investment Income	80,751	-	80,751	-
Miscellaneous	6	-	6	-
	<u>80,757</u>	<u>-</u>	<u>80,757</u>	<u>46,386</u>
TOTAL PUBLIC SUPPORT and REVENUE	<u>\$ 785,452</u>	<u>\$ -</u>	<u>\$ 785,452</u>	<u>\$ 749,315</u>

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

UNITED WAY OF GLOUCESTER COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES						
Program Services						
Gross Funds Awarded/Distributed (less Donor Designations)	436,228	-	436,228	\$ 444,755	-	\$ 444,755
Net Funds Awarded/Distributed	<u>(147,107)</u>	<u>-</u>	<u>(147,107)</u>	<u>(142,005)</u>	<u>-</u>	<u>(142,005)</u>
	289,121	-	289,121	302,750	-	302,750
Agency and community relations	90,085	-	90,085	85,894	-	85,894
Donor Relations	86,073	-	86,073	84,465	-	84,465
Community initiatives/problem solving	129,624	-	129,624	122,857	-	122,857
Women's Leadership Council	490	-	490	4,434	-	4,434
	<u>306,272</u>	<u>-</u>	<u>306,272</u>	<u>297,650</u>	<u>-</u>	<u>297,650</u>
Total Program Services	595,393	-	595,393	600,400	-	600,400
Supporting Services						
Management and General	75,276	-	75,276	91,167	-	91,167
Fundraising	133,123	-	133,123	164,813	-	164,813
United Way Worldwide Dues	10,765	-	10,765	13,550	-	13,550
Total Supporting Services	<u>219,164</u>	<u>-</u>	<u>219,164</u>	<u>269,530</u>	<u>-</u>	<u>269,530</u>
Total Expenses	814,557	-	814,557	869,930	-	869,930
Decrease in Net Assets	(29,105)	-	(29,105)	(74,063)	(46,552)	(120,615)
Net Assets - Beginning of Year	2,069,858	216,744	2,286,602	2,143,921	263,296	2,407,217
NET ASSETS - END OF YEAR	<u>\$ 2,040,753</u>	<u>\$ 216,744</u>	<u>\$2,257,497</u>	<u>\$ 2,069,858</u>	<u>\$ 216,744</u>	<u>\$2,286,602</u>

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

UNITED WAY OF GLOUCESTER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	PROGRAM SERVICES				SUPPORTING SERVICES				Total 2024
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	Management and General	Fundraising	UWW Dues	Total	
EXPENSES									
Allocations/Awards (Less Donor Designation)	\$ 436,228 (147,107)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 436,228 (147,107)
Sub-Total	289,121	-	-	-	-	-	-	-	289,121
Salaries and Wages	44,959	42,957	64,693	-	37,568	66,438	-	104,006	256,615
Employee Benefits	4,168	3,982	5,997	-	3,483	6,159	-	9,642	23,789
Payroll Service	392	375	564	-	328	580	-	908	2,239
Payroll Taxes	3,652	3,489	5,254	-	3,051	5,396	-	8,447	20,842
Sub-Total	53,171	50,803	76,508	-	44,430	78,573	-	123,003	303,485
Annual Dinner / Kickoff	1,014	969	1,459	-	847	1,498	-	2,345	5,787
Building and Equipment Maintenance and Purchases	1,740	1,665	2,504	-	1,454	2,572	-	4,026	9,933
Campaign Expenses	2,341	2,237	3,368	-	1,956	3,460	-	5,416	13,362
Community Outreach	256	244	368	-	214	378	-	592	1,460
Depreciation	2,186	2,089	3,145	-	1,827	3,220	-	5,057	12,477
Dues and Subscriptions	220	210	316	-	184	325	-	509	1,255
Insurance	2,272	2,171	3,269	-	1,898	3,357	-	5,255	12,967
Occupancy	1,455	1,390	2,094	-	1,216	2,150	-	3,366	8,305
Office Equipment Repairs and Maintenance	1,412	1,349	2,032	-	1,180	2,087	-	3,267	8,060
Other Expenses	673	643	968	-	562	994	-	1,556	3,840
Postage and Shipping	477	456	687	-	399	706	-	1,105	2,725
Printing	832	795	1,197	-	695	1,230	-	1,925	4,749
Professional Fees	3,976	3,799	5,721	-	3,322	5,875	-	9,197	22,693
Special Grants and Programs	14,888	14,225	21,423	-	12,441	22,001	-	34,442	84,978
Special Projects	-	-	-	490	-	-	-	-	490
Supplies	1,004	959	1,445	-	839	1,485	-	2,322	5,730
Telephone	1,118	1,068	1,609	-	934	1,652	-	2,586	6,381
Travel and Transportation	1,050	1,003	1,511	-	878	1,552	-	2,430	5,994
Sub-Total	36,914	35,270	53,115	490	30,846	54,520	-	85,396	211,186
United World Wide and Associated Dues	-	-	-	-	-	-	10,765	10,765	10,765
Total expenses	\$ 379,206	\$ 86,073	\$ 129,624	\$ 490	\$ 75,276	\$ 133,123	\$ 10,765	\$ 219,164	\$ 814,537

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

**UNITED WAY OF GLOUCESTER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	PROGRAM SERVICES					SUPPORTING SERVICES				
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	TOTAL	Management and General	Fundraising	UWW Dues	Total	Total 2023
EXPENSES										
Allocations/Awards (Less Donor Designation)	\$ 444,755	\$ -	\$ -	\$ -	\$ 444,755	\$ -	\$ -	\$ -	\$ -	\$ 444,755
	(142,005)	-	-	-	(142,005)	-	-	-	-	(142,005)
Sub-Total	302,750	-	-	-	302,750	-	-	-	-	302,750
Salaries and Wages	38,425	37,786	54,960	-	131,171	40,783	73,730	-	114,513	245,684
Employee Benefits	4,407	4,334	6,304	-	15,045	4,678	8,457	-	13,135	28,180
Payroll Service	330	325	1,128	473	3,256	351	634	-	985	2,113
Payroll Taxes	3,126	3,073	4,470	-	10,669	3,317	5,996	-	9,313	19,982
Sub-Total	46,288	45,518	66,207	-	158,013	49,129	88,817	-	137,946	295,959
Building and Equipment Maintenance and Purchases	1,498	1,473	2,143	-	5,114	1,590	2,875	-	4,465	9,379
Campaign Expenses	3,469	3,411	4,961	-	11,841	3,682	6,655	-	10,337	22,178
Community Outreach	71	70	102	-	243	76	137	-	213	456
Depreciation	1,951	1,919	2,791	-	6,661	2,071	3,745	-	5,816	12,477
Insurance	1,519	1,494	2,173	-	5,186	1,613	2,915	-	4,528	9,714
Occupancy	1,437	1,414	2,056	-	4,907	1,526	2,758	-	4,284	9,191
Office Equipment Repairs and Maintenance	2,104	2,069	3,009	-	7,182	2,233	4,037	-	6,270	13,452
Other Expenses	558	548	797	-	1,903	592	1,070	-	1,662	3,565
Postage and Shipping	86	85	124	-	295	92	166	-	258	553
Printing	764	751	1,093	-	2,608	811	1,466	-	2,277	4,885
Professional Fees	3,276	3,221	4,685	-	11,182	3,477	6,285	-	9,762	20,944
Special Grants and Programs	20,392	20,053	29,168	-	69,613	21,643	39,128	-	60,772	130,384
Special Projects	-	-	-	4,434	4,434	-	-	-	-	4,434
Supplies	690	678	987	-	2,355	732	1,323	-	2,055	4,410
Telephone	922	906	1,318	-	3,146	978	1,768	-	2,746	5,892
Travel and Transportation	869	855	1,243	-	2,967	922	1,668	-	2,590	5,557
Sub-Total	39,606	38,947	56,650	4,434	139,637	42,038	75,996	-	118,035	257,671
United World Wide and Associated Dues	-	-	-	-	-	-	-	13,550	13,550	13,550
Total expenses	\$ 388,644	\$ 84,465	\$ 122,857	\$ 4,434	\$ 600,400	\$ 91,167	\$ 164,813	\$ 13,550	\$ 269,530	\$ 869,930

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

**UNITED WAY OF GLOUCESTER COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30,**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	<u>\$ (29,105)</u>	<u>\$ (120,615)</u>
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used In Operating Activities:		
Depreciation	12,477	12,477
Unrealized (Gains) on Investments	(862)	(6,668)
Changes in operating assets and liabilities:		
Decrease in promises to give receivable	35,245	65,283
(Increase) Decrease in grant receivable	8,236	(56,704)
(Decrease) in accrued expenses	(5,466)	(54,924)
Increase in accrued compensated absences	1,219	874
(Decrease) in allocation and donor choice payables	<u>(24,134)</u>	<u>(36,996)</u>
TOTAL ADJUSTMENTS	<u>26,715</u>	<u>(76,658)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,390)</u>	<u>(197,273)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase and reinvestment of investments	(831,257)	(1,079,298)
Proceeds from sale of investments	<u>773,419</u>	<u>1,041,802</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(57,838)</u>	<u>(37,496)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 (60,228)	 (234,769)
 CASH AND CASH EQUIVALENTS - BEGINNING OF FISCAL YEAR	 <u>1,058,028</u>	 <u>1,292,797</u>
 CASH AND CASH EQUIVALENTS - END OF FISCAL YEAR	 <u>\$ 997,800</u>	 <u>\$ 1,058,028</u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
During the fiscal year, cash was paid for the following:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

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

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

Note 1 – Summary of Significant Accounting Policies

Business and Nature of Activities

The United Way of Gloucester County, Inc., (the “Agency”) a not-for-profit organization and exempt from federal and state of New Jersey income taxes under Code Section 501(c)(3), is a fund-raising organization whose mission is to be the leader in building community capacity to foster individual’s well-being in the Gloucester County area.

Method of Accounting

The Agency maintains its books and records on the accrual basis of accounting. The accompanying financial statements have been prepared on the accrual basis, in which revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Basis of Presentation

The Agency is a not-for-profit entity and follows the specialized accounting and reporting principles outlined in ASC 958, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958, the Corporation is required to report information regarding its financial position and activities according to two (2) classes of net assets; net assets with donor restriction and net assets without donor restrictions.

It is the policy of the Agency to report donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted revenue.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost. Depreciation is provided using the straight-line method with ranges of estimated useful lives as set forth below:

	<u>Years</u>
Building	39
Building Improvements	39
Equipment	3-5
Furniture and Fixtures	5-7

The policy of the Agency is to expense immaterial amounts under \$2,500 and capitalize individual items in excess of \$2,500. Expenditures for maintenance, repairs and minor renewals are charged to operations. Depreciation expense for the fiscal years ended June 30, 2024 and 2023 was \$12,477 and \$12,477, respectively.

Income Taxes

United Way of Gloucester County, Inc. is exempt from federal and state income taxes under Internal Revenue Service Code Section 501(c)(3) and New Jersey revenue Code Section 54:10A-3. As such, no provision for federal and state income tax has been made in the accompanying financial statements. In addition, these code sections enable the Corporation to accept donations which qualify as charitable contributions to the donor.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Contributions

In accordance with ASC 958-605 *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as “With Donor Restrictions” or “Without Donor Restrictions” depending on the existence and/or nature of the donor restriction. Contributions with donor restricted, such as time or purpose restrictions, are recorded as net assets with donor restrictions. When donor-imposed restrictions expire, or as a donor-imposed purpose restriction is fulfilled, net assets with donor restrictions are released to net assets without donor restrictions.

Fund Drives

The Agency conducts an annual campaign for the support of partner agencies and other community services including direct service programs and community initiatives. Funds raised are allocated annually with periodic supplements to partner agencies, United Way operations and other program services. Promises to give are considered available for unrestricted use unless specifically restricted by the donor. Agencies, such as the United Way have the option of including agency funds in gross revenue, then deducting those funds as reduction in revenue rather than as an expense. The treatment is necessary when donors designate specific agencies, or other United Way locations, as the beneficiary of those funds. The Agency has elected to report choice designations as a reduction in gross campaign revenue.

Contributions are recorded at their fair market value on the date of said contribution. Promises to give, less an allowance for uncollectible accounts, are recorded as receivables in the year made. Promises to give are deemed uncollectible and are written off if not received within two (2) years. A weighted average, based on past experiences, is used as a basis for determining the current year estimated allowance. The uncollectible allowance used by the Agency during the fiscal years ended June 30, 2024 and 2023 was 7.5% and 7.5%, respectively.

Investments

All the Agency’s investments consist of FDIC insured brokered certificates of deposits and treasury money market funds. The certificates of deposit are valued at fair value plus accrued interest and the money market funds are valued at cost.

Revenue Recognition

The Agency follows the requirements in the Financial Accounting Standards Board’s Accounting Standard Codification (ASC) Topic 606, Revenue from Contracts with Customers. ASC 606 requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods.

In accordance with Accounting Standards Codification (ASC) 606, revenue is recognized in accordance with a five-step model: (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the contract price; (iv) allocate the transaction price; and (v) recognize revenue as each performance obligation is satisfied. If it is determinable that a contract with enforceable rights and obligations do not exist, revenues are deferred until all criteria for an enforceable contract are met.

The Agency did not have any recognized revenue from the ASC 606 Standard for the years ended June 30, 2024 and 2023, respectively.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Support and Revenue

Revenues are reported as increases in net assets with out donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expenses are recorded as decreases in net assets without donor restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and services benefited. The allocations are based on the number of hours employees spend on each function during the year, and represent the following percentages:

<u>PROGRAM</u>	<u>2024</u>	<u>2023</u>
Agency Relations & Community Initiative	18%	16%
Donor Relations	17%	15%
Community Problem Solving	25%	22%
Management & General	15%	17%
Fundraising	<u>25%</u>	<u>30%</u>
Total	<u>100%</u>	<u>100%</u>

Cash Flow Information

The Agency considers all short-term and highly liquid debt instruments with an original maturity of three (3) months or less to be cash equivalents.

Reclassification

Certain prior year amounts were reclassified to conform to the current year's presentation.

Note 2 – Promises to Give Receivable

Promises to give receivable consist of unconditional promises to give and are recorded in the year the promise is made. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future periods are recorded at their estimated value. An allowance for uncollectible promises to give is recorded at the time the promise to give is made. This allowance is revised periodically when conditions indicate changes in facts and circumstances. The allowance was \$46,578 and \$45,041 for the years ended June 30, 2024 and 2023, respectively. The allowance is estimated at 7.5% of the promises to give made, based on past years' history.

Unconditional promises to give that are expected to be collected in future periods are recorded at their estimated value.

Conditional promises to give, which are promises with a measurable performance or barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

Note 3 – Investments

Investments consist of Brokered Certificates of Deposit and Treasury Money Market Funds held with various financial institutions. Maturity dates range from September 2024 through March 2025 with an interest rate of 5.4% on all Certificates for the year ended June 30, 2024. Maturity dates range from September 2023 through March 2024 with interest rates ranging from 5.1% to 5.3% for the year ended June 30, 2023.

	<u>2024</u>	<u>2023</u>
Certificates of Deposit	\$ 724,593	\$ 743,859
Treasury Money Market	<u>476,818</u>	<u>398,852</u>
Total Investments	<u>\$ 1,201,411</u>	<u>\$ 1,142,711</u>

Investment income is comprised of the following as of June 30,

	<u>2024</u>	<u>2023</u>
Interest Income	\$ 44,773	\$ 18,105
Dividend Income	21,213	14,582
Realized and Unrealized Gains	<u>14,765</u>	<u>13,699</u>
Total	<u>\$ 80,751</u>	<u>\$ 46,386</u>

Note 4 - Fair Value Measurement

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level disclosure hierarchy has been established to indicate the level of judgment used to estimate fair value measurements:

Level 1 – Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities valued using models or other pricing methodologies that do not require significant judgment because the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data.

Level 3 – Uses inputs that are unobservable, supported by little or no market activity and reflect significant management judgment. These values are generally determined using pricing models that utilize management's estimates of market participant assumptions. The Agency does not have any Level 3 assets.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

Note 4 - Fair Value Measurement (Continued)

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The Organization invests in CDs traded in the financial markets. These brokered CDs are valued by the custodian bank based on observing transactions involving similar CDs and interest rate changes. They are Level 2 investments. The methodology utilized produces an estimate of an existing CD's fair value that may not exactly match the price if the CD is sold in a secondary market.

	Fair Value at June 30, 2024			
	Measured at Fair Value June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Brokered certificates of deposit	\$ 724,593	\$ -	\$ 724,593	\$ -
	Fair Value at June 30, 2023			
	Measured at Fair Value June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Brokered certificates of deposit	\$ 743,859	\$ -	\$ 743,859	\$ -

Investments also include Treasury money market funds which are carried at cost. (See Note 3)

Included in Level 1 are all cash and cash equivalents, receivables, and accrued expenses, and other current liabilities carried at cost on the balance sheet, which approximate fair value due to their short-term, highly liquid nature. The Agency on an annual basis will determine if the current valuation techniques used in the fair value measurements are still appropriate and evaluate and adjust the observable inputs used in the fair value measures based on current market conditions and third-party information are appropriate. There were no changes to this measurement in 2024.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

Note 5 – Donated Materials and Services

Donated services are recognized as contributions if the services create or enhance non-financial assets, or require specialized skills performed by people with said skills and would have otherwise been purchased by the Agency. Volunteers may have also provided fund raising services throughout the year. Those costs have not been recognized in the financial records as they do not meet the criteria set forth by the accounting and reporting standards prescribed for not-for-profit organizations.

During the fiscal year ended June 30, 2024 and 2023, there were no services donated to the Agency.

Note 6 - Concentration of Credit Risk

The Agency maintains its cash balances in financial institutions located in Southern New Jersey. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2024 and 2023, the Agency had credit risk arising out of excess deposits in the approximate amount of \$1,727,000 and \$1,475,000, respectively.

The Agency had approximately 27%, 14%, 12% and 11% from four (4) contributors and 27%, 13% and 10% from three (3) contributors of total promises to give receivable for the years ended June 30, 2024 and 2023, respectively.

Note 7 – Allocations Payable

Allocations payable represent amounts allocated to the United Way partner agencies as determined by the Board of Directors on an annual basis. It is the policy of the Agency to report donor choice designations as a reduction to gross campaign revenue.

Note 8 – Pension Plan

The Agency adopted a defined contribution 401K retirement plan effective July 1, 1997. The plan covers all full-time employees who are at least twenty-one (21) years old and have at least one (1) year of service with the Agency. Employees with prior not-for-profit experience within the past three (3) years are immediately eligible upon employment with the Agency. Eligible employees may contribute up to the maximum amount allowed by the Internal Revenue Service. The Agency will match 100% of the first three percent (3%) of an employee's deferral. In addition, the Agency has a discretionary five percent (5%) contribution for all employees. The Agency contributed \$5,927 and \$5,667 for the years ended June 30, 2024 and 2023, respectively. The Agency did not make any discretionary contributions for the years ended June 30, 2024 and 2023, respectively. These expenses are included in employee benefits on the Statement of Functional Expenses.

Note 9 – Accrued Absences

Employees of the Agency are permitted to accrue sick and vacation time earned during the fiscal year. Agency policy mandates that a maximum of 40 sick days may be carried over to future fiscal years indefinitely. However, upon termination of employment, time earned will not be paid out via wages, as they are deemed lost. In addition, the Agency's policy does not allow for vesting of sick time. Hence, no liability has been established for accrued sick time.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

Note 9 – Accrued Absences (Continued)

Vacation time is earned based on length of service with the Agency. The Agency’s policy is to allow five (5) carryover days of vacation time earned to the subsequent fiscal year. Employees will be paid for the amount of vacation time earned but not taken upon termination of employment. A total of \$10,758 and \$9,539 of accrued compensated absences have been recorded for the fiscal years ended June 30, 2024 and 2023, respectively.

Note 10 – Net Assets - With Donor Restrictions

Net assets with donor restrictions consists of contributions received for the transportation initiative program. The balance as of June 30, 2024 and 2023 was \$216,744 and \$216,744, respectively. (See also Note 13)

Note 11 – Net Assets Board Designated – Without Donor Restrictions

The Board of Directors has designated, from net assets without donor restrictions the following amounts for future use. Under generally accepted accounting principles, these amounts are included in nets assets without donor restrictions. At June 30, the following amounts have been board designated:

	<u>2024</u>	<u>2023</u>
Agency Emergency Fund	\$ 575	\$ 575
Building and Equipment Reserve	38,725	38,725
Emergency Allocation	<u>6,808</u>	<u>6,808</u>
 Total	 <u>\$ 46,108</u>	 <u>\$ 46,108</u>

Note 12 – Transactions with Affiliates

The Agency remits dues to United Way Worldwide for the use of the nationally recognized United Way brand and various support activities to achieve its mission. Dues expenses incurred were \$10,190 and \$12,840 for the fiscal years ended June 30, 2024 and 2023, respectively.

Note 13 – Gloucester County Transportation

In June 2022, the Agency was awarded an annual grant of \$148,500 through the Gloucester County Special Transportation to replace the grant that expired with the prior contributor, the Pascal Sykes Foundation. The provisions of this grant were to provide the same services that were provided through the Pascal Sykes Foundation. This grant was provided through the American Recovery Act. In June 2023, the Agency was awarded another grant of \$149,500 through the Gloucester County Special Transportation.

Grants receivable from the Gloucester County Special Transportation were \$48,468 and \$56,704 for the fiscal years ended June 30, 2024 and 2023, respectively.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

Note 14 – Liquidity and Reserves

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 997,800	\$ 1,058,028
Due from US Treasury	10,840	10,840
Grants Receivable	48,468	56,704
Investments	1,201,411	1,142,711
Promises to Give Receivables, net	<u>170,117</u>	<u>205,362</u>
 Net financial assets before donor-imposed restrictions	 2,428,636	 2,473,645
 Less: Donor Imposed Restrictions: Gloucester County Transit	 216,744	 216,744
Board Designated Funds	46,108	46,108
Allocations Payable	320,420	332,210
Donor Choice Payable	<u>101,958</u>	<u>114,303</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 1,743,406</u>	 <u>\$ 1,764,280</u>

The Agency follows the specialized accounting and reporting principles outlined in ASC 958-210, *Qualitative Disclosure Requirements*. As a federated fundraising organization, United Way of Gloucester County receives significant contributions each year from donors, which are available to meet annual cash needs for general expenditures. Allocations to agencies are paid monthly over a 12-month period. During the same 12-month period, additional contributions are received from donors. It is recommended local United Ways have a goal to achieve and maintain a funded reserve balance of three to six months of annual operating expenses and program funding. This provides the means by which both the local United Way, and agencies receiving funding, can sustain operations for a set period of time. This also allows time to develop alternative plans if there is an unanticipated decline in available funds.

Note 15 – Uncertainty in Income Taxes

The Agency follows the provisions of ASC 740 “*Accounting for Uncertainties in Income Taxes*”. This addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return are reported properly in the financial statements. The Corporation recognizes the tax benefit from an uncertain position when, based on technical merits, it is more likely than not the position will be sustained on examination by the taxing authorities.

The Agency has reviewed tax positions taken in filings with federal and state jurisdictions and believes those positions would be sustained should the filings be examined by the relevant taxing authority. For federal income tax purposes, the returns remain open for possible examination three years after they are filed. The Organization’s policy is to recognize interest and penalties on unrecognized tax benefits in other expense in the statement of activities. No interest and penalties were recorded during the years ended June 30, 2024 and 2023.

Note 16 – Subsequent Events

The Agency has evaluated subsequent events through September 25, 2024 which is the date the financial statements were available to be issued. The Agency has determined there were no events or matters other than what was noted above that require additional disclosure or recognition in accordance with accounting principles generally accepted in the United States of America.

UNITED WAY OF GLOUCESTER COUNTY
SCHEDULE OF INVESTMENTS
JUNE 30,

<u>DESCRIPTION</u>	<u>Maturity Date</u>	<u>2024</u>	<u>2023</u>
		<u>Cost</u>	<u>Cost</u>
Baneco USA, CD 5.100%	9/22/2023	-	245,000
Bankwell Bank CD 5.300%	3/11/2024	-	245,000
Wells Fargo Bank CD 5.15%	3/11/2024	-	245,000
Financial Square Treasury MMF	N/A	476,818	398,852
Fvcbankcorp Inc. CD 5.4%	9/17/2024	240,000	-
Key Bank NA CD 5.4%	12/19/2024	240,000	-
Citizens Bank NA CD 5.4%	3/19/2025	240,000	-
		<u>1,196,818</u>	<u>1,133,852</u>
Total Investments		1,196,818	1,133,852
Unrealized Gain on Investments		862	6,668
Accrued Income		3,731	2,191
		<u>\$ 1,201,411</u>	<u>\$ 1,142,711</u>

See auditors' report on supplemental information.

UNITED WAY OF GLOUCESTER COUNTY, INC.
SCHEDULE OF BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Allocations/Awards	\$ -	\$ 436,228	\$ (436,228)
Less: Donor Designations	-	(147,107)	147,107
Sub-total	<u>-</u>	<u>289,121</u>	<u>(289,121)</u>
Salaries and Wages	272,500	256,615	15,885
Employee Benefits	46,100	23,789	22,311
Payroll Service	2,500	2,239	261
Payroll Taxes	22,650	20,842	1,808
Sub-total	<u>343,750</u>	<u>303,485</u>	<u>40,265</u>
Annual Dinner / Kickoff	8,500	5,786	2,714
Board and Operating Committee Expenses	1,250	-	1,250
Building and Equipment Maintenance and Purchases	14,500	9,933	4,567
Campaign Expenses	15,000	13,363	1,637
Community Outreach	5,000	1,460	3,540
Depreciation	15,000	12,477	2,523
Dues and Subscriptions	-	1,255	(1,255)
Insurance	10,000	12,967	(2,967)
Marketing and Promotions	7,500	-	7,500
Occupancy	11,000	8,305	2,695
Office Equipment Repairs and Maintenance	10,000	8,060	1,940
Other Expenses	3,500	3,840	(340)
Postage and Shipping	4,000	2,725	1,275
Printing	8,500	4,749	3,751
Professional Fees	25,000	22,693	2,307
Special Grants and Programs	100,000	84,978	15,022
Special Projects	5,000	490	4,510
Staff Training	1,000	-	1,000
Supplies	5,000	5,730	(730)
Telephone	7,500	6,381	1,119
Travel and Transportation	6,000	5,994	6
Sub-total	<u>263,250</u>	<u>211,186</u>	<u>52,064</u>
United Way Worldwide Dues	<u>20,250</u>	<u>10,765</u>	<u>9,485</u>
 Total	 <u>\$ 627,250</u>	 <u>\$ 814,557</u>	 <u>\$ (187,307)</u>

See auditors' report on supplemental information.