

**UNITED WAY OF GLOUCESTER COUNTY, INC.**

**FINANCIAL STATEMENTS**

**SUPPLEMENTAL INFORMATION**

**AND**

**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED JUNE 30, 2020 and 2019**

**UNITED WAY OF GLOUCESTER COUNTY, INC.**

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

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, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain 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 of Gloucester County, Inc. as of June 30, 2020 and 2019, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of Investments and Budget to Actual on pages 16 and 17 are presented for the purpose of additional analysis and are 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 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 taken as a whole.

**Verna & Associates**

**Thorofare, New Jersey  
September 10, 2020**

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

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,167,711	\$ 875,192
Investments	1,097,089	1,076,246
Promises to Give Receivable, net of allowance	422,194	419,993
Grant Receivable	275,000	275,000
<b>TOTAL CURRENT ASSETS</b>	<b>2,961,994</b>	<b>2,646,431</b>
 <b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land	110,400	110,400
Building	440,410	440,410
Improvements	6,163	6,163
Computer Equipment	45,425	45,425
Office Equipment	32,993	32,993
	635,391	635,391
Less: Accumulated Depreciation	315,141	303,847
<b>NET PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>320,250</b>	<b>331,544</b>
 <b>OTHER ASSETS</b>		
Security Deposits Placed	435	435
<b>TOTAL OTHER ASSETS</b>	<b>435</b>	<b>435</b>
 <b>TOTAL ASSETS</b>	<b>\$ 3,282,679</b>	<b>\$ 2,978,410</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued Expenses	\$ 145,079	\$ 41,213
Accrued Compensated Absences	10,879	13,600
Loan payable - PPP Proceeds	64,280	-
Allocations Payable	516,210	565,300
Donor Choice Payable	199,249	219,213
<b>TOTAL LIABILITIES</b>	<b>935,697</b>	<b>839,326</b>
 <b>NET ASSETS</b>		
Without Donor Restrictions	1,889,503	1,712,932
With Donor Restrictions	457,479	426,152
<b>TOTAL NET ASSETS</b>	<b>2,346,982</b>	<b>2,139,084</b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,282,679</b>	<b>\$ 2,978,410</b>

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,**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT and REVENUE</b>						
Public Support						
Gross Campaign Results	\$ 1,309,968	\$ -	\$ 1,309,968	\$ 1,323,322	\$ -	\$ 1,323,322
Contributions received in prior periods (released from restrictions)	530,173	(530,173)	-	507,532	(507,532)	-
Less donor designations	(291,227)	-	(291,227)	(271,210)	-	(271,210)
Less allowance for uncollectible promises to give	-	-	-	(158,761)	-	(158,761)
Contributions	1,000	-	1,000	1,000	-	1,000
	<u>1,549,914</u>	<u>(530,173)</u>	<u>1,019,741</u>	<u>1,401,883</u>	<u>(507,532)</u>	<u>894,351</u>
Revenue						
Grants	-	561,500	561,500	-	531,450	531,450
Investment Income	26,645	-	26,645	26,637	-	26,637
Special Events	13,196	-	13,196	31,345	-	31,345
Miscellaneous	517	-	517	6,394	2,391	8,785
	<u>40,358</u>	<u>561,500</u>	<u>601,858</u>	<u>64,376</u>	<u>533,841</u>	<u>598,217</u>
<b>TOTAL PUBLIC SUPPORT and REVENUE</b>	<u>\$ 1,590,272</u>	<u>\$ 31,327</u>	<u>\$ 1,621,599</u>	<u>\$ 1,466,259</u>	<u>\$ 26,309</u>	<u>\$ 1,492,568</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,**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>EXPENSES</b>						
Program Services						
Gross Funds Awarded/Distributed (less Donor Designations)	\$ 753,035 (273,235)	\$ - -	\$ 753,035 (273,235)	\$ 836,510 (271,210)	\$ - -	\$ 836,510 (271,210)
Net Funds Awarded/Distributed	<u>479,800</u>	<u>-</u>	<u>479,800</u>	<u>565,300</u>	<u>-</u>	<u>565,300</u>
Agency and community relations	65,068	-	65,068	48,478	-	48,478
Donor Relations	78,081	-	78,081	77,567	-	77,567
Community initiatives/problem solving	595,297	-	595,297	552,850	-	552,850
Women's Leadership Council	3,087	-	3,087	6,411	-	6,411
	<u>741,533</u>	<u>-</u>	<u>741,533</u>	<u>685,306</u>	<u>-</u>	<u>685,306</u>
Total Program Services	<u>1,221,333</u>	<u>-</u>	<u>1,221,333</u>	<u>1,250,606</u>	<u>-</u>	<u>1,250,606</u>
Supporting Services						
Management and General	60,732	-	60,732	67,870	-	67,870
Fundraising	112,785	-	112,785	135,742	-	135,742
United Way Worldwide Dues	18,851	-	18,851	20,194	-	20,194
Total Supporting Services	<u>192,368</u>	<u>-</u>	<u>192,368</u>	<u>223,806</u>	<u>-</u>	<u>223,806</u>
Total Expenses	<u>1,413,701</u>	<u>-</u>	<u>1,413,701</u>	<u>1,474,412</u>	<u>-</u>	<u>1,474,412</u>
Increase (Decrease) in net assets	176,571	31,327	207,898	(8,153)	26,309	18,156
Net Assets - Beginning of Year	<u>1,712,932</u>	<u>426,152</u>	<u>2,139,084</u>	<u>1,721,085</u>	<u>399,843</u>	<u>2,120,928</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,889,503</u>	<u>\$ 457,479</u>	<u>\$2,346,982</u>	<u>\$ 1,712,932</u>	<u>\$ 426,152</u>	<u>\$2,139,084</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, 2020

	PROGRAM SERVICES					SUPPORTING SERVICES					Total 2020
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	TOTAL	Management and General	Fundraising	UWW Dues	Total		
EXPENSES											
Allocations/Awards (Less Donor Designation)	\$ 753,035 (273,235)	\$ -	\$ -	\$ -	\$ 753,035 (273,235)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 753,035 (273,235)
Sub-Total	479,800	-	-	-	479,800	-	-	-	-	-	479,800
Salaries and Wages	37,898	45,478	68,217	-	151,593	35,372	65,690	-	-	101,062	252,655
Employee Benefits	6,422	7,706	11,559	-	25,687	5,993	11,131	-	-	17,124	42,811
Payroll Service	234	281	421	-	936	218	405	-	-	623	1,559
Payroll Taxes	3,082	3,699	5,548	-	12,329	2,877	5,343	-	-	8,220	20,549
Sub-Total	47,636	57,164	85,745	-	190,545	44,460	82,569	-	-	127,029	317,574
Board and Operating Committee Expenses	78	93	140	-	311	73	135	-	-	208	519
Building and Equipment Maintenance and Purchases	1,440	1,728	2,593	-	5,761	1,344	2,497	-	-	3,841	9,602
Campaign Expenses	1,636	1,963	2,945	-	6,544	1,527	2,836	-	-	4,363	10,907
Community Outreach	391	469	703	-	1,563	365	677	-	-	1,042	2,605
Conference and Convention Meetings	-	-	-	-	-	-	-	-	-	-	-
Depreciation	1,694	2,032	3,049	-	6,775	1,581	2,936	-	-	4,517	11,292
Insurance	923	1,108	1,662	-	3,693	862	1,601	-	-	2,463	6,156
Marketing and Promotions	413	496	744	-	1,653	386	716	-	-	1,102	2,755
Occupancy	1,182	1,419	2,128	-	4,729	1,103	2,049	-	-	3,152	7,881
Office Equipment Repairs and Maintenance	1,620	1,944	2,917	-	6,481	1,512	2,809	-	-	4,321	10,802
Other Expenses	639	767	1,151	-	2,557	597	1,108	-	-	1,705	4,262
Postage and Shipping	225	270	404	-	899	210	389	-	-	599	1,498
Printing	1,149	1,379	2,069	-	4,597	1,073	1,992	-	-	3,065	7,662
Professional Fees	3,473	4,167	6,251	-	13,891	3,241	6,019	-	-	9,260	23,151
Special Grants and Programs	-	-	478,173	-	478,173	-	-	-	-	-	478,173
Special Projects	-	-	-	3,087	3,087	-	-	-	-	-	3,087
Supplies	483	579	869	-	1,931	451	837	-	-	1,288	3,219
Telephone	1,185	1,422	2,132	-	4,739	1,106	2,053	-	-	3,159	7,898
Travel and Transportation	901	1,081	1,622	-	3,604	841	1,562	-	-	2,403	6,007
Sub-Total	17,432	20,917	509,552	3,087	550,988	16,272	30,216	-	-	46,488	597,476
United World Wide and Associated Dues	-	-	-	-	-	-	-	18,851	-	18,851	18,851
Total expenses	\$ 544,868	\$ 78,081	\$ 595,297	\$ 3,087	\$ 1,221,333	\$ 60,732	\$ 112,785	\$ 18,851	\$ 192,368	\$ 1,413,701	

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, 2019

	PROGRAM SERVICES					SUPPORTING SERVICES					Total 2019
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	TOTAL	Management and General	Fundraising	UWV Dues	Total		
<b>EXPENSES</b>											
Allocations/Awards (Less Donor Designation)	\$ 856,510 (271,210)	\$ -	\$ -	\$ -	\$ 856,510 (271,210)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 856,510 (271,210)
Sub-Total	565,300	-	-	-	565,300	-	-	-	-	-	565,300
Salaries and Wages	27,619	44,192	88,386	-	160,197	38,668	77,337	-	116,005	276,202	
Employee Benefits	4,252	6,802	13,605	-	24,659	5,952	11,904	-	17,856	42,515	
Payroll Service	195	312	624	-	1,131	273	546	-	819	1,950	
Payroll Taxes	2,246	3,593	7,187	-	13,026	3,144	6,288	-	9,432	22,458	
Sub-Total	34,312	54,900	109,801	-	199,013	48,037	96,075	-	144,112	343,125	
Board and Operating Committee Expenses	40	64	129	-	233	56	112	-	168	401	
Building and Equipment Maintenance and Purchases	1,600	2,559	5,119	-	9,278	2,239	4,479	-	6,718	15,996	
Campaign Expenses	1,794	2,870	5,739	-	10,402	2,511	5,022	-	7,533	17,935	
Community Outreach	180	289	577	-	1,046	253	505	-	758	1,804	
Conference and Convention Meetings	165	265	529	-	959	232	463	-	695	1,654	
Depreciation	1,552	2,482	4,965	-	8,999	2,172	4,344	-	6,516	15,515	
Insurance	332	530	1,061	-	1,923	464	928	-	1,392	3,315	
Marketing and Promotions	530	848	1,697	-	3,075	742	1,485	-	2,227	5,302	
Occupancy	860	1,376	2,752	-	4,989	1,204	2,408	-	3,612	8,601	
Office Equipment Repairs and Maintenance	1,490	2,384	4,769	-	8,644	2,086	4,173	-	6,259	14,903	
Other Expenses	616	986	1,971	-	3,573	862	1,725	-	2,587	6,160	
Postage and Shipping	224	358	715	-	1,296	313	626	-	939	2,235	
Printing	591	946	1,892	-	3,429	828	1,656	-	2,484	5,913	
Professional Fees	2,423	3,876	7,751	-	14,050	3,392	6,783	-	10,175	24,225	
Special Grants and Programs	-	-	397,716	-	397,716	-	-	-	-	397,716	
Special Projects	-	-	-	6,411	6,411	-	-	-	-	6,411	
Supplies	505	808	1,614	-	2,927	707	1,413	-	2,120	5,047	
Telephone	655	1,050	2,100	-	3,805	919	1,837	-	2,756	6,561	
Travel and Transportation	610	976	1,953	-	3,539	854	1,708	-	2,562	6,101	
Sub-Total	14,167	22,667	443,049	6,411	486,294	19,834	39,667	-	59,501	545,795	
United World Wide and Associated Dues	-	-	-	-	-	-	-	20,194	20,194	20,194	
Total expenses	\$ 613,779	\$ 77,567	\$ 552,850	\$ 6,411	\$ 1,250,607	\$ 67,870	\$ 135,742	\$ 20,194	\$ 223,807	\$ 1,474,414	

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,**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 207,898	\$ 18,156
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	11,292	15,514
Unrealized Gains on Investments	(4,698)	(5,275)
Changes in operating assets and liabilities:		
(Increase) Decrease in promises to give receivable	(2,199)	115,692
(Increase) in grant receivable	-	(64,300)
Increase (Decrease) in accrued expenses	103,866	(11,661)
Increase (Decrease) in accrued compensated absences	(2,721)	2,020
Increase (Decrease) in allocation and donor choice payables	(69,054)	(47,567)
TOTAL ADJUSTMENTS	36,486	4,423
NET CASH PROVIDED BY OPERATING ACTIVITIES	244,384	22,579
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase and reinvestment of investments	(751,145)	(1,061,982)
Proceeds from sale of investments	735,000	1,040,000
NET CASH USED IN INVESTING ACTIVITIES	(16,145)	(21,982)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan payable - PPP Funds	64,280	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	64,280	-
<b>NET INCREASE IN CASH FLOWS</b>	292,519	597
<b>CASH AT BEGINNING OF FISCAL YEAR</b>	875,192	874,595
<b>CASH AT END OF FISCAL YEAR</b>	\$ 1,167,711	\$ 875,192
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
During the fiscal year, cash was paid for the following:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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, 2020 and 2019**

**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 the net assets without donor restrictions.

**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
Leasehold 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, 2020 and 2019 was \$11,291 and \$15,516, respectively.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2020 and 2019**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 year ended June 30, 2020.

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.

**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.

**Fund Drives**

The Agency conducts an annual campaign for the support of partner agencies and other community services. 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 experience 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, 2020 and 2019 was 7.5% and 7.5%, respectively

**Investments**

All of the Agency's investments consist of FDIC insured certificates of deposits and treasury money market funds. Investments are valued at cost plus any accrued interest, which approximates fair value due to the short-term nature of these investments.

**UNITED WAY OF GLOUCESTER COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 and 2019**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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>FY 2020</u>	<u>FY 2019</u>
Agency Relations & Community Initiative	15%	10%
Donor Relations	18%	16%
Community Problem Solving	27%	32%
Management & General	14%	14%
Fundraising	<u>26%</u>	<u>28%</u>
 Total	 <u>100%</u>	 <u>100%</u>

**Cash Flow Information**

The Agency considers all short-term investments 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 – Adoption of Accounting Standards**

Effective July 1, 2019, the Agency changed its accounting method for revenue recognition as a result of implementing the requirements in the Financial Accounting Standards Board's Accounting Standard Codification (ASC) Topic 606, Revenue from Contracts with Customers. ASC 606 supersedes the revenue recognition requirements in ASC 605, Revenue Recognition, and 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.

The new regulations offer two approaches to implement these new rules. The Agency chose to adopt the "modified retrospective approach with a cumulative effect adjustment" as of the date of initial application. This guidance is applied as of the beginning of the current year and then to subsequent periods. The adoption of this new standard had no effect on the current financial statements.

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08 which was intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily for not-for-profit organizations. The new guidance should assist entities in the evaluation of whether transactions should be accounted for as contributions without reciprocal transactions or contributions with reciprocal transactions and subject to other guidance, as well as determining whether a contribution is conditional. The standard was effective for fiscal years beginning after December 15, 2018. The adoption of this standard had no effect on the current financial statements.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2020 and 2019**

**Note 3 – Promises to Give Receivable**

Promises to give receivable are recognized when made, assuming the donor’s ability and intent to honor said promise to give is known or estimable. 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 \$86,539 and \$89,350 for the years ended June 30, 2020 and 2019, respectively. The allowance is estimated at 7.5% of the promises to give made, based on past years’ history.

**Note 4 – Investments**

Investments consist of Certificates of Deposit and Treasury Money Market Funds held with various financial institutions. Maturity dates range from August 2020 through February 2021 with interest rates ranging from 1.60% to 1.65% for the year ended June 30, 2020. Maturity dates range from July 2019 through June 2020 with interest rates ranging from 2.35% to 2.40% for the year ended June 30, 2019.

	<u>FY 2020</u>	<u>FY 2019</u>
Certificates of Deposit	\$ 735,000	\$ 735,000
Treasury Money Market	354,661	338,516
Accrued Interest	<u>7,428</u>	<u>2,731</u>
Total Investments	<u>\$ 1,097,089</u>	<u>\$ 1,076,247</u>

**Note 5 – Property, Plant & Equipment**

Property, plant and equipment consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 110,400	\$ 110,400
Buildings and Improvements	446,573	446,573
Office Furniture and Equipment	<u>78,418</u>	<u>78,418</u>
	635,391	635,391
Less: Accumulated Depreciation	<u>315,141</u>	<u>303,847</u>
Net Property, Plant and Equipment	<u>\$ 320,250</u>	<u>\$ 331,544</u>

The Agency’s policy is to capitalize all acquisitions in excess of \$1,000 and all repairs/betterments in excess of \$2,500. All other costs are expensed as immaterial to the Agency’s operating procedures. Depreciation is calculated utilizing the straight-line method over the economic useful life of the asset. Those lives range from 5-39 years.

**Note 6 – 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 Agency.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2020 and 2019**

**Note 6 – Donated Materials and Services (Continued)**

During the fiscal years ended June 30, 2020 and 2019, janitorial services were donated to the Agency for services conducted at the Thorofare, New Jersey location at a value of \$1,000 and \$1,000 for the years ended June 30, 2020 and 2019, respectively. These amounts are included in the accompanying financial statements as contribution income and janitorial expenses.

**Note 7 - Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits**

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, 2020 and 2019, the Agency had credit risk arising out of excess deposits in the approximate amount of \$274,000 and \$355,000, respectively.

The Agency had approximately 37% and 41% of total promises to give receivable from one (1) and three (3) contributors for the years ended June 30, 2020 and 2019, respectively.

**Note 8 – 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 9 – 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 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 \$5,631 and \$7,147 for the years ended June 30, 2020 and 2019, respectively. The Agency did not make any discretionary contributions for the years ended June 30, 2020 and 2019, respectively.

**Note 10 – 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.

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 \$10,879 and \$13,600 of accrued compensated absences has been recorded for the fiscal years ended June 30, 2020 and 2019, respectively.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2020 and 2019**

**Note 11 – 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, 2020 and 2019 was \$457,459 and \$426,152, respectively.

**Note 12 – 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>2020</u>	<u>2019</u>
Agency Emergency Fund	\$ 575	\$ 575
Building and Equipment Reserve	38,725	38,725
Emergency Allocation	<u>6,008</u>	<u>19,853</u>
 Total	 <u>\$ 45,308</u>	 <u>\$ 59,153</u>

**Note 13 – Leases Payable**

In May 2015, the Agency entered into a sixty (60) month operating lease agreement for office equipment. Quarterly payments are \$697. The Agency also entered into a three (3) year lease for a postage machine in July 2016. Monthly payments are \$18 billed on a quarterly basis. Total operating lease payments for the fiscal years ended June 30, 2020 and 2019 were \$-0- and \$4,948, respectively. No leases have been signed or renewed for the fiscal year ended June 30, 2020.

**Note 14 – Loan payable – PPP Proceeds**

During the year ended June 30, 2020, the Agency received an unsecured loan payable from the United States Small Business Administration Paycheck Protection Program in the amount of \$64,280. Any balance of the loan that is not forgiven is payable over a two (2) year term at an interest rate of 1%. Loan payments are deferred for six (6) months upon receipt. Loan forgiveness is based on incurring eligible payroll and related expenses during the forgiveness period. If the eligible expenses equal or exceed the amount of the loan proceeds, the loan would be eligible to be forgiven in full. The Agency anticipates the loan to be forgiven during the year ending June 30, 2021.

**Note 15 – 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 expense incurred was \$14,595 and \$15,002 for the fiscal years ended June 30, 2020 and 2019, respectively.



**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2020 and 2019**

**Note 16 – Liquidity and Reserves**

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 1,167,711	\$ 875,192
Investments	1,097,089	1,076,246
Promises to Give Receivables	422,194	419,993
Grant Receivable	<u>275,000</u>	<u>275,000</u>
Net financial assets after donor-imposed restrictions	2,961,994	2,646,431
Less: Donor Imposed Restrictions: Pascal Sykes	457,479	426,152
Board Designated Funds	45,308	59,153
Allocations Payable	516,210	565,300
Donor Choice Payable	<u>199,249</u>	<u>219,213</u>
Financial assets available to meet cash needs for		
General expenditures within one year	<u>\$ 1,743,748</u>	<u>\$ 1,376,613</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 17 – Subsequent Events**

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of the date of this filing, it is not possible to reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the Agency's financial position, results of operations, and cash flow in 2020 and 2021.

The Agency has evaluated subsequent events through September 10, 2020, which is the date the financial statements were available to be issued. The Company 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.

**SUPPLEMENTAL INFORMATION**

**UNITED WAY OF GLOUCESTER COUNTY**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30,**

<u>DESCRIPTION</u>	<u>Maturity Date</u>	<u>2020 Cost</u>	<u>2019 Cost</u>
NY County Bank CD 1.6%	8/14/2020	245,000	-
SAFRA National Bank of NY CD 1.65%	2/11/2021	245,000	-
Wells Fargo National CD 1.65%	11/23/2020	245,000	-
Boston Private Bank & Trust CD 2.4%	1/15/2020	-	245,000
Comerica Bank CD 2.35%	7/30/2019	-	245,000
Frontier Bank CD 2.4%	10/9/2019	-	245,000
Financial Square Treasury MMF	N/A	354,661	338,516
		<hr/>	<hr/>
Total Investments		1,089,661	1,073,516
Accrued Income		7,428	2,731
		<hr/>	<hr/>
		<u>\$ 1,097,089</u>	<u>\$ 1,076,247</u>

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**SCHEDULE OF BUDGET TO ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Allocations/Awards	\$ 848,885	\$ 753,035	\$ 95,850
Less: Donor Designations	(273,585)	(273,235)	(350)
Sub-total	<u>575,300</u>	<u>479,800</u>	<u>95,500</u>
Salaries and Wages	279,500	252,655	26,845
Employee Benefits	57,345	42,811	14,534
Payroll Service	2,500	1,559	941
Payroll Taxes	24,332	20,549	3,783
Sub-total	<u>363,677</u>	<u>317,574</u>	<u>46,103</u>
Board and Operating Committee Expenses	1,250	519	731
Building and Equipment Maintenance and Purchases	7,000	9,602	(2,602)
Campaign Expenses	15,000	10,907	4,093
Community Outreach	8,500	2,605	5,895
Conference and Convention Meetings	1,000	-	1,000
Depreciation	16,000	11,292	4,708
Dues and Subscriptions	1,000	-	1,000
Insurance	8,000	6,156	1,844
Marketing and Promotions	7,500	2,755	4,745
Occupancy	12,250	7,881	4,369
Office Equipment Repairs and Maintenance	17,500	10,802	6,698
Other Expenses	3,500	4,262	(762)
Postage and Shipping	4,000	1,498	2,502
Printing	9,000	7,662	1,338
Professional Fees	25,000	23,151	1,849
Special grants and Programs	550,000	478,173	71,827
Special Projects	10,500	3,087	7,413
Staff Training	1,000	-	1,000
Supplies	6,000	3,219	2,781
Telephone	7,000	7,898	(898)
Travel and Transportation	5,000	6,007	(1,007)
Sub-total	<u>716,000</u>	<u>597,476</u>	<u>118,524</u>
United Way Worldwide Dues	<u>21,000</u>	<u>18,851</u>	<u>2,149</u>
 Total	 <u>\$ 1,675,977</u>	 <u>\$ 1,413,701</u>	 <u>\$ 262,276</u>

The accompanying notes are an integral part of the financial statements