

UNITED WAY OF GLOUCESTER COUNTY, INC.
FINANCIAL STATEMENTS
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED JUNE 30, 2019 and 2018

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, 2019 and 2018, 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, 2019 and 2018, 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 15 and 16 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 25, 2019**

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

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 875,192	\$ 874,595
Investments	1,076,246	1,048,989
Promises to Give Receivable, net of allowance	419,993	535,685
Grant Receivable	275,000	210,700
TOTAL CURRENT ASSETS	2,646,431	2,669,969
 PROPERTY, PLANT & EQUIPMENT		
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	303,849	288,333
NET PROPERTY, PLANT & EQUIPMENT	331,542	347,058
 OTHER ASSETS		
Security Deposits Placed	435	435
TOTAL OTHER ASSETS	435	435
TOTAL ASSETS	\$ 2,978,408	\$ 3,017,462
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses	\$ 41,213	\$ 52,874
Accrued Compensated Absences	13,600	11,580
Allocations Payable	565,300	629,900
Donor Choice Payable	219,213	202,180
TOTAL LIABILITIES	839,326	896,534
 NET ASSETS		
Without Donor Restrictions	1,712,930	1,721,085
With Donor Restrictions	426,152	399,843
TOTAL NET ASSETS	2,139,082	2,120,928
TOTAL LIABILITIES AND NET ASSETS	\$ 2,978,408	\$ 3,017,462

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,

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
		Total		Total
PUBLIC SUPPORT and REVENUE				
Public Support				
Gross Campaign Results	\$ 1,323,322	\$ -	\$ 1,670,291	\$ -
Contributions received in prior periods (released from restrictions)	507,532	(507,532)	438,937	(438,937)
Less donor designations	(271,210)	-	(275,401)	-
Less allowance for uncollectible promises to give	(158,761)	-	(175,481)	-
Contributions	1,000	1,000	3,332	3,332
	<u>1,401,883</u>	<u>(507,532)</u>	<u>1,661,678</u>	<u>(438,937)</u>
		894,351		1,222,741
Revenue				
Grants	-	531,450	-	429,900
Investment Income	26,637	-	14,060	-
Special Events	31,345	-	38,506	-
Miscellaneous	6,394	2,391	6,655	-
	<u>64,376</u>	<u>533,841</u>	<u>59,221</u>	<u>429,900</u>
		598,217		489,121
TOTAL PUBLIC SUPPORT and REVENUE	<u>\$ 1,466,259</u>	<u>\$ 26,309</u>	<u>\$ 1,720,899</u>	<u>\$ (9,037)</u>
		\$1,492,568		\$1,711,862

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,

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES						
Program Services						
Gross Funds Awarded/Distributed (less Donor Designations)	\$ 836,510	-	\$ 836,510	\$ 905,301	-	\$ 905,301
Net Funds Awarded/Distributed	(271,210)	-	(271,210)	(275,401)	-	(275,401)
	<u>565,300</u>	<u>-</u>	<u>565,300</u>	<u>629,900</u>	<u>-</u>	<u>629,900</u>
Agency and community relations	48,479	-	48,479	39,617	-	39,617
Donor Relations	77,567	-	77,567	103,996	-	103,996
Community initiatives/problem solving	552,850	-	552,850	524,298	-	524,298
Women's Leadership Council	6,411	-	6,411	9,593	-	9,593
	<u>685,307</u>	<u>-</u>	<u>685,307</u>	<u>677,505</u>	<u>-</u>	<u>677,505</u>
Total Program Services	<u>1,250,607</u>	<u>-</u>	<u>1,250,607</u>	<u>1,307,405</u>	<u>-</u>	<u>1,307,405</u>
Supporting Services						
Management and General	67,871	-	67,871	84,187	-	84,187
Fundraising	135,742	-	135,742	123,805	-	123,805
United Way Worldwide Dues	20,194	-	20,194	16,052	-	16,052
Total Supporting Services	<u>223,807</u>	<u>-</u>	<u>223,807</u>	<u>224,044</u>	<u>-</u>	<u>224,044</u>
Total Expenses	<u>1,474,414</u>	<u>-</u>	<u>1,474,414</u>	<u>1,531,448</u>	<u>-</u>	<u>1,531,448</u>
Increase (Decrease) in net assets	(8,155)	26,309	18,154	189,451	(9,037)	180,414
Net Assets - Beginning of Year	<u>1,721,085</u>	<u>399,843</u>	<u>2,120,928</u>	<u>1,531,634</u>	<u>408,880</u>	<u>1,940,514</u>
TOTAL PUBLIC SUPPORT and REVENUE	<u>\$ 1,712,930</u>	<u>\$ 426,152</u>	<u>\$2,139,082</u>	<u>\$ 1,721,085</u>	<u>\$ 399,843</u>	<u>\$2,120,928</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, 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	UWW Dues		Total
EXPENSES										
Allocations/Awards (Less Donor Designation)	\$ 836,510 (271,210)	\$ -	\$ -	\$ -	\$ 836,510 (271,210)	\$ -	\$ -	\$ -	\$ -	\$ 836,510 (271,210)
Sub-Total	565,300	-	-	-	565,300	-	-	-	-	565,300
Salaries and Wages	27,620	44,192	88,385	-	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	34,313	54,900	109,800	-	199,013	48,038	96,075	-	144,113	343,125
Board and Operating Committee Expenses	40	64	128	-	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	-	3,430	828	1,656	-	2,483	5,913
Professional Fees	2,423	3,876	7,752	-	14,051	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	1,615	-	2,927	707	1,413	-	2,120	5,047
Telephone	656	1,050	2,100	-	3,805	919	1,837	-	2,756	6,561
Travel and Transportation	610	976	1,952	-	3,539	854	1,708	-	2,562	6,101
Sub-Total	14,167	22,667	443,050	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	\$ 67,871	\$ 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
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	PROGRAM SERVICES					SUPPORTING SERVICES					Total 2018
	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)	\$ 905,301 (275,401)	\$ - -	\$ - -	\$ - -	\$ 905,301 (275,401)	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ 905,301 (275,401)
Sub-Total	629,900	-	-	-	629,900	-	-	-	-	-	629,900
Salaries and Wages	23,377	61,365	84,742	-	169,485	49,677	73,054	-	122,730	-	292,215
Employee Benefits	3,788	9,943	13,731	-	27,462	8,049	11,837	-	19,887	-	47,349
Payroll Service	169	442	611	-	1,222	358	527	-	885	-	2,107
Payroll Taxes	1,906	5,005	6,911	-	13,822	4,051	5,958	-	10,009	-	23,831
Sub-Total	29,240	76,755	105,996	-	211,991	62,135	91,376	-	153,511	-	365,502
Board and Operating Committee Expenses	94	248	342	-	685	201	295	-	496	-	1,181
Building and Equipment Maintenance and Purchases	1,331	3,495	4,826	-	9,652	2,829	4,161	-	6,990	-	16,642
Campaign Expenses	1,094	2,871	3,965	-	7,929	2,324	3,418	-	5,742	-	13,671
Community Outreach	191	502	693	-	1,386	406	598	-	1,004	-	2,390
Depreciation	1,241	3,259	4,500	-	9,000	2,638	3,879	-	6,517	-	15,517
Insurance	495	1,298	1,793	-	3,586	1,051	1,546	-	2,597	-	6,183
Marketing and Promotions	86	227	313	-	626	183	270	-	453	-	1,079
Occupancy	666	1,748	2,414	-	4,829	1,415	2,081	-	3,497	-	8,325
Office Equipment Repairs and Maintenance	832	2,184	3,017	-	6,033	1,768	2,601	-	4,369	-	10,402
Other Expenses	316	830	1,146	-	2,292	672	988	-	1,659	-	3,951
Postage and Shipping	83	218	301	-	601	176	259	-	436	-	1,037
Printing	1,043	2,739	3,782	-	7,565	2,217	3,261	-	5,478	-	13,043
Professional Fees	1,452	3,812	5,264	-	10,527	3,086	4,538	-	7,623	-	18,150
Special Grants and Programs	-	-	380,685	-	380,685	-	-	-	-	-	380,685
Special Projects	-	-	-	9,593	9,593	-	-	-	-	-	9,593
Supplies	473	1,241	1,713	-	3,427	1,004	1,477	-	2,481	-	5,908
Telephone	602	1,581	2,184	-	4,367	1,280	1,883	-	3,163	-	7,530
Travel and Transportation	377	988	1,365	-	2,730	800	1,177	-	1,977	-	4,707
Sub-Total	10,377	27,240	418,303	9,593	465,513	22,052	32,429	-	54,481	-	519,994
United World Wide and Associated Dues	-	-	-	-	-	-	-	16,052	16,052	-	16,052
Total expenses	\$ 669,517	\$ 103,996	\$ 524,298	\$ 9,593	\$ 1,307,405	\$ 84,187	\$ 123,805	\$ 16,052	\$ 224,044	\$ 16,052	\$ 1,531,448

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,

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 18,154	\$ 180,414
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	15,516	15,516
Investment Income	(26,637)	(14,060)
Changes in operating assets and liabilities:		
Decrease in promises to give receivable	115,692	36,980
(Increase) in grant receivable	(64,300)	(210,700)
Increase (Decrease) in accrued expenses	(11,661)	17,457
Increase (Decrease) in accrued compensated absences	2,020	880
Increase (Decrease) in allocation and donor choice payables	(47,567)	(99,583)
TOTAL ADJUSTMENTS	(16,937)	(253,510)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,217	(73,096)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,040,620)	(1,040,000)
Proceeds from sale of investments	1,040,000	821,760
NET CASH USED IN INVESTING ACTIVITIES	(620)	(218,240)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in Due from Affiliate	-	1,805
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	1,805
NET INCREASE (DECREASE) IN CASH FLOWS	597	(289,531)
CASH AT BEGINNING OF FISCAL YEAR	874,595	1,164,126
CASH AT END OF FISCAL YEAR	\$ 875,192	\$ 874,595
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
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, 2019 and 2018

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 individuals well-being in the Gloucester County area.

Method of Accounting

The Agency maintains its books and records and prepares their tax returns 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 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, 2019 and 2018 was \$15,516 and \$15,517, respectively.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 and 2018

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, 2019.

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, 2019 and 2018 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, 2019 and 2018**

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 2019</u>	<u>FY 2018</u>
Agency Relations & Community Initiative	10%	8%
Donor Relations	16%	21%
Community Problem Solving	32%	29%
Management & General	14%	17%
Fundraising	<u>28%</u>	<u>25%</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 – 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 \$89,350 and \$99,707 for the years ended June 30, 2019 and 2018, respectively. The allowance is estimated at 7.5% of the promises to give made, based on past years' history.

Note 3 – Investments

Investments consist of Certificates of Deposit and Treasury Money Market Funds held with various financial institutions. 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. Maturity dates range from July 2018 through May 2019 with interest rates ranging from 1.60% to 2.15% for the year ended June 30, 2018.

	<u>FY 2019</u>	<u>FY 2018</u>
Certificates of Deposit	\$ 735,000	\$ 1,040,000
Treasury Money Market	338,516	-0-
Accrued Interest	<u>2,731</u>	<u>8,989</u>
Total Investments	<u>\$ 1,076,247</u>	<u>\$ 1,048,989</u>

**UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 and 2018**

Note 4 – Property, Plant & Equipment

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

	<u>2019</u>	<u>2018</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>303,849</u>	<u>288,333</u>
Net Property, Plant and Equipment	<u>\$ 331,542</u>	<u>\$ 347,058</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 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 Agency.

During the fiscal years ended June 30, 2019 and 2018, janitorial services were donated to the Agency for services conducted at the Thorofare, New Jersey location at a value of \$1,000 and \$3,332 for the years ended June 30, 2019 and 2018, respectively. These amounts are included in the accompanying financial statements as contribution income and janitorial expenses.

Note 6 - 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, 2019 and 2018, the Agency had credit risk arising out of excess deposits in the amount of \$355,275 and \$408,202, respectively.

The Agency had approximately 41% and 43% of total promises to give receivable from three (3) contributors for the years ended June 30, 2019 and 2018.

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.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 and 2018

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 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 \$7,147 and \$9,551 for the years ended June 30, 2019 and 2018, respectively. The Agency did not make any discretionary contributions for the years ended June 30, 2019 and 2018, respectively.

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.

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 \$13,600 and \$11,580 of accrued compensated absences has been recorded for the fiscal years ended June 30, 2019 and 2018, respectively.

Note 10 – Net Assets - With Donor Restrictions

Net assets – Donors with Restrictions consists of contributions received for the transportation initiative program. The balance as of June 30, 2019 and 2018 was \$426,152 and \$399,843, respectively.

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>2019</u>	<u>2018</u>
Agency Emergency Fund	\$ 575	\$ 575
Building and Equipment Reserve	38,725	38,725
Emergency Allocation	<u>19,853</u>	<u>19,853</u>
Total	<u>\$ 59,153</u>	<u>\$ 59,153</u>

**UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 and 2018**

Note 12 – 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, 2019 and 2018 were \$4,948 and \$4,948, respectively. Future minimum lease payments are as follows:

June 30, 2020		\$ 4,948
2021		-0-
2022		-0-
2023		-0-
2024		-0-
		-0-
Total		\$ <u>4,948</u>

Note 13 – 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, 2019 and 2018, respectively.

Note 14 – Liquidity and Reserves

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 875,192	\$ 874,595
Investments	1,076,246	1,048,989
Promises to Give Receivables	419,993	535,685
Grant Receivable	275,000	210,700
Donor Imposed Restrictions: Pascal Sykes	(426,152)	(399,843)
Net financial assets after donor imposed restrictions	2,220,279	2,270,126
Less: Board Designated Funds	59,153	59,153
Allocations Payable	565,300	629,900
Donor Choice Payable	219,213	202,180
Financial assets available to meet cash needs for		
General expenditures within one year	\$ 1,376,613	\$ 1,378,893

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 – Subsequent Events

Management has evaluated subsequent events through September 25, 2019, the date that the financial statements were available to be issued. Management has determined there are no subsequent events that would need additional disclosure 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>2019 Cost</u>	<u>2018 Cost</u>
Ally Bank CS 1.6%	2/28/2019	-	245,000
Banner Bank WA CD 2.150%	5/24/2019	-	245,000
Fvc Bancorp Inc. CD 1.55%	7/27/2018	-	245,000
Rockford Bank & Trust CD 1.8%	12/28/2018	-	60,000
Wex Bank CD 1.6%	9/21/2018	-	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	338,516	-
		<u>1,073,516</u>	<u>1,040,000</u>
Total Investments		1,073,516	1,040,000
Accrued Income		2,731	8,989
		<u>\$ 1,076,247</u>	<u>\$ 1,048,989</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Salaries and Wages	\$ 316,602	\$ 276,202	\$ 40,400
Employee Benefits	52,851	42,515	10,336
Payroll Service	2,500	1,950	550
Payroll Taxes	<u>27,713</u>	<u>22,458</u>	<u>5,255</u>
 Total Salaries and Related Expenses	 399,666	 343,125	 56,541
 Board and Operating Committee Expenses	 1,250	 401	 849
Building and Equipment Maintenance and Purchases	15,000	15,996	(996)
Campaign Expenses	22,000	17,935	4,065
Community Outreach	7,000	1,804	5,196
Conference and Convention Meetings	1,000	1,653	(653)
Depreciation	16,000	15,516	484
Dues and Subscriptions	1,000	-	1,000
Insurance	7,800	3,315	4,485
Marketing and Promotions	7,500	5,302	2,198
Occupancy	11,000	8,601	2,399
Office Equipment Repairs and Maintenance	8,500	14,903	(6,403)
Other Expenses	6,000	6,160	(160)
Postage and Shipping	4,000	2,235	1,765
Printing	9,000	5,913	3,087
Professional Fees	20,000	24,225	(4,225)
Special Projects	-	6,411	(6,411)
Staff Training	1,000	-	1,000
Supplies	5,500	5,048	452
Telephone	7,000	6,561	439
Travel and Transportation	<u>5,000</u>	<u>6,101</u>	<u>(1,101)</u>
 Total Expenses before United Way Worldwide Dues	 555,216	 491,205	 64,011
United Way Worldwide Dues	<u>20,750</u>	<u>20,194</u>	<u>556</u>
 Total	 <u>\$ 575,966</u>	 <u>\$ 511,399</u>	 <u>\$ 64,567</u>

The accompanying notes are an integral part of the financial statements