

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**FINANCIAL STATEMENTS**  
**SUPPLEMENTAL INFORMATION**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**FOR THE YEARS ENDED JUNE 30, 2023 and 2022**

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

**INDEX**

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

## INDEPENDENT AUDITOR'S 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, 2023 and 2022, 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, 2023 and 2022, 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 are presented for purposes 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 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 27, 2023

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

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,058,028	\$ 1,292,797
Accounts Receivable	10,840	10,840
Grants Receivable	56,704	-
Investments	1,142,711	1,098,547
Promises to Give Receivable, net of allowance	205,362	270,645
<b>TOTAL CURRENT ASSETS</b>	<u>2,473,645</u>	<u>2,672,829</u>
 <b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
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
	<u>641,312</u>	<u>641,312</u>
Less: Accumulated Depreciation	350,204	337,727
<b>NET PROPERTY, PLANT &amp; EQUIPMENT</b>	<u>291,108</u>	<u>303,585</u>
 <b>OTHER ASSETS</b>		
Security Deposits Placed	435	435
<b>TOTAL OTHER ASSETS</b>	<u>435</u>	<u>435</u>
 <b>TOTAL ASSETS</b>		
	<u>\$ 2,765,188</u>	<u>\$ 2,976,849</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued Expenses	\$ 22,534	\$ 77,458
Accrued Compensated Absences	9,539	8,665
Allocations Payable	332,210	371,710
Donor Choice Payable	114,303	111,799
<b>TOTAL LIABILITIES</b>	<u>478,586</u>	<u>569,632</u>
 <b>NET ASSETS</b>		
Without Donor Restrictions	2,069,858	2,143,921
With Donor Restrictions	216,744	263,296
<b>TOTAL NET ASSETS</b>	<u>2,286,602</u>	<u>2,407,217</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>		
	<u>\$ 2,765,188</u>	<u>\$ 2,976,849</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,

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Total	Total	Total	Total
<b>PUBLIC SUPPORT and REVENUE</b>				
Public Support				
Gross Campaign Results	\$ 669,611	\$ -	\$ 909,066	\$ -
Bequest Revenue	-	-	94,679	-
Contributions received in prior periods (released from restrictions)	46,552	(46,552)	462,687	(462,687)
Less donor designations	(142,005)	-	(156,494)	-
Grants	153,500	-	12,000	275,000
Special Events	21,823	-	30,925	-
	<u>749,481</u>	<u>(46,552)</u>	<u>1,352,863</u>	<u>(187,687)</u>
				<u>1,165,176</u>
Revenue				
Investment Income (Loss)	46,386	-	(1,734)	-
Paycheck Protection Plan Forgiveness	-	-	64,580	-
	<u>46,386</u>	<u>-</u>	<u>62,846</u>	<u>-</u>
				<u>62,846</u>
<b>TOTAL PUBLIC SUPPORT and REVENUE</b>	<u>\$ 795,867</u>	<u>\$ (46,552)</u>	<u>\$ 1,415,709</u>	<u>\$ (187,687)</u>
				<u>\$ 1,228,022</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,**

	2023			2022		
	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)	\$ 444,755 (142,005)	\$ - -	\$ 444,755 (142,005)	\$ 478,279 (156,494)	\$ - -	\$ 478,279 (156,494)
Net Funds Awarded/Distributed	<u>302,750</u>	<u>-</u>	<u>302,750</u>	<u>321,785</u>	<u>-</u>	<u>321,785</u>
Agency and community relations	85,894	-	85,894	56,685	-	56,685
Donor Relations	84,465	-	84,465	60,466	-	60,466
Community initiatives/problem solving	122,857	-	122,857	479,574	-	479,574
Women's Leadership Council	4,434	-	4,434	2,104	-	2,104
	<u>297,650</u>	<u>-</u>	<u>297,650</u>	<u>598,829</u>	<u>-</u>	<u>598,829</u>
Total Program Services	<u>600,400</u>	<u>-</u>	<u>600,400</u>	<u>920,614</u>	<u>-</u>	<u>920,614</u>
Supporting Services						
Management and General	91,167	-	91,167	52,907	-	52,907
Fundraising	164,813	-	164,813	124,708	-	124,708
United Way Worldwide Dues	13,550	-	13,550	23,922	-	23,922
	<u>269,530</u>	<u>-</u>	<u>269,530</u>	<u>201,537</u>	<u>-</u>	<u>201,537</u>
Total Supporting Services	<u>869,930</u>	<u>-</u>	<u>869,930</u>	<u>1,122,151</u>	<u>-</u>	<u>1,122,151</u>
Total Expenses						
Increase (Decrease) in net assets	(74,063)	(46,552)	(120,615)	293,558	(187,687)	105,871
Net Assets - Beginning of Year	<u>2,143,921</u>	<u>263,296</u>	<u>2,407,217</u>	<u>1,850,363</u>	<u>450,983</u>	<u>2,301,346</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,069,858</u>	<u>\$ 216,744</u>	<u>\$2,286,602</u>	<u>\$ 2,143,921</u>	<u>\$ 263,296</u>	<u>\$2,407,217</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, 2023

	PROGRAM SERVICES				SUPPORTING SERVICES				Total 2023
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	TOTAL	Management and General	Fundraising	UWW Dues	
EXPENSES									
Allocations/Awards (Less Donor Designation)	\$ 444,755 (142,005)	\$ -	\$ -	\$ -	\$ 444,755 (142,005)	\$ -	\$ -	\$ -	\$ 444,755 (142,005)
Sub-Total	302,750	-	-	-	302,750	-	-	-	302,750
Salaries and Wages	38,425	37,786	54,960	-	131,171	40,783	75,730	-	245,684
Employee Benefits	4,407	4,334	6,304	-	15,045	4,678	8,457	-	28,180
Payroll Service	330	325	473	-	1,128	351	634	-	2,113
Payroll Taxes	3,126	3,073	4,470	-	10,669	3,317	5,996	-	19,982
Sub-Total	46,288	45,518	66,207	-	158,013	49,129	88,817	-	295,959
Building and Equipment Maintenance and Purchases	1,498	1,473	2,143	-	5,114	1,590	2,875	-	9,579
Campaign Expenses	3,469	3,411	4,961	-	11,841	3,682	6,655	-	22,178
Community Outreach	71	70	102	-	243	76	137	-	456
Depreciation	1,951	1,919	2,791	-	6,661	2,071	3,745	-	12,477
Insurance	1,519	1,494	2,173	-	5,186	1,613	2,915	-	9,714
Occupancy	1,437	1,414	2,056	-	4,907	1,526	2,758	-	9,191
Office Equipment Repairs and Maintenance	2,104	2,069	3,009	-	7,182	2,233	4,037	-	13,452
Other Expenses	558	548	797	-	1,903	592	1,070	-	3,565
Postage and Shipping	86	85	124	-	295	92	166	-	553
Printing	764	751	1,093	-	2,608	811	1,466	-	4,885
Professional Fees	3,276	3,221	4,685	-	11,182	3,477	6,285	-	20,944
Special Grants and Programs	20,392	20,053	29,168	-	69,613	21,643	39,128	-	130,384
Special Projects	-	-	-	4,434	4,434	-	-	-	4,434
Supplies	690	678	987	-	2,355	732	1,323	-	4,410
Telephone	922	906	1,318	-	3,146	978	1,768	-	5,892
Travel and Transportation	869	855	1,243	-	2,967	922	1,668	-	5,557
Sub-Total	39,606	38,947	56,650	4,434	139,637	42,038	75,996	-	257,671
United World Wide and Associated Dues	-	-	-	-	-	-	-	13,550	13,550
Total expenses	\$ 388,644	\$ 84,465	\$ 122,857	\$ 4,434	\$ 600,400	\$ 91,167	\$ 164,813	\$ 13,550	\$ 869,930

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, 2022

EXPENSES	PROGRAM SERVICES					SUPPORTING SERVICES				Total 2022
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	TOTAL	Management and General	Fundraising	UWW Dues	Total	
Allocations/Awards (Less Donor Designation)	\$ 478,279	\$ -	\$ -	\$ -	\$ 478,279	\$ -	\$ -	\$ -	\$ -	\$ 478,279
	(156,494)	-	-	-	(156,494)	-	-	-	-	(156,494)
Sub-Total	321,785	-	-	-	321,785	-	-	-	-	321,785
Salaries and Wages	33,904	36,165	49,726	-	119,795	31,644	74,590	-	106,234	226,029
Employee Benefits	4,832	5,154	7,087	-	17,073	4,510	10,631	-	15,141	32,214
Payroll Service	308	329	452	-	1,089	288	678	-	966	2,054
Payroll Taxes	2,807	2,994	4,117	-	9,918	2,620	6,175	-	8,795	18,713
Sub-Total	41,851	44,642	61,382	-	147,875	39,062	92,073	-	131,135	279,010
Building and Equipment Maintenance and Purchases	1,461	1,559	2,143	-	5,163	1,364	3,215	-	4,579	9,742
Campaign Expenses	1,552	1,656	2,276	-	5,484	1,449	3,414	-	4,863	10,347
Community Outreach	225	240	330	-	795	210	495	-	705	1,500
Depreciation	1,694	1,807	2,484	-	5,985	1,581	3,727	-	5,308	11,293
Insurance	1,357	1,447	1,990	-	4,794	1,266	2,985	-	4,251	9,045
Occupancy	1,369	1,461	2,008	-	4,838	1,278	3,013	-	4,291	9,129
Office Equipment Repairs and Maintenance	769	820	1,127	-	2,716	717	1,691	-	2,408	5,124
Other Expenses	516	551	757	-	1,824	482	1,136	-	1,618	3,442
Postage and Shipping	40	42	58	-	140	37	87	-	124	264
Printing	892	952	1,309	-	3,153	833	1,963	-	2,796	5,949
Professional Fees	2,469	2,634	3,622	-	8,725	2,305	5,433	-	7,738	16,463
Special Grants and Programs	-	-	396,437	-	396,437	-	-	-	-	396,437
Special Projects	-	-	-	2,104	2,104	-	-	-	-	2,104
Supplies	815	869	1,195	-	2,879	760	1,792	-	2,552	5,431
Telephone	1,179	1,257	1,729	-	4,165	1,100	2,593	-	3,693	7,858
Travel and Transportation	496	529	727	-	1,752	463	1,091	-	1,554	3,306
Sub-Total	14,834	15,824	418,192	2,104	450,954	13,845	32,635	-	46,480	497,434
United World Wide and Associated Dues	-	-	-	-	-	-	-	23,922	23,922	23,922
Total expenses	\$ 378,470	\$ 60,466	\$ 479,574	\$ 2,104	\$ 920,614	\$ 52,907	\$ 124,708	\$ 23,922	\$ 201,537	\$ 1,122,151

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,**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ (120,615)	\$ 105,871
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	12,477	11,293
Unrealized (Gains) Losses on Investments	(6,668)	7,449
Paycheck Protection Plan Forgiveness	-	(64,580)
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	-	(10,840)
Decrease in promises to give receivable	65,283	46,883
(Increase) in grant receivable	(56,704)	-
(Decrease) in accrued expenses	(54,924)	(27,903)
Increase (Decrease) in accrued compensated absences	874	(427)
(Decrease) in allocation and donor choice payables	(36,996)	(4,620)
TOTAL ADJUSTMENTS	(76,658)	(42,745)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(197,273)	63,126
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Fixed Assets	-	(5,921)
Purchase and reinvestment of investments	(1,079,298)	(1,023,782)
Proceeds from sale of investments	1,041,802	1,013,114
NET CASH USED IN INVESTING ACTIVITIES	(37,496)	(16,589)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(234,769)	46,537
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF FISCAL YEAR</b>	1,292,797	1,246,260
<b>CASH AND CASH EQUIVALENTS - END OF FISCAL YEAR</b>	\$ 1,058,027	\$ 1,292,797
<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, 2023 and 2022**

**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.

	<b><u>Years</u></b>
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, 2023 and 2022 was \$12,477 and \$11,293, respectively.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

**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 years ended June 30, 2023 and 2022.

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 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, 2023 and 2022 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.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**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 exist, revenues are deferred until all criteria for an enforceable contract are met.

**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>2023</u>	<u>2022</u>
Agency Relations & Community Initiative	16%	15%
Donor Relations	15%	16%
Community Problem Solving	22%	22%
Management & General	17%	14%
Fundraising	<u>30%</u>	<u>33%</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.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

**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 \$45,041 and \$63,419 for the years ended June 30, 2023 and 2022, 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.

**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 2023 through March 2024 with interest rates ranging from 5.1% to 5.30% for the year ended June 30, 2023. Maturity dates range from July 2022 through November 2022 with interest rates ranging from 0.1% to 3.00% for the year ended June 30, 2022.

	<u>2023</u>	<u>2022</u>
Certificates of Deposit	\$ 743,859	\$ 1,020,563
Treasury Money Market	<u>398,852</u>	<u>77,984</u>
Total Investments	<u>\$ 1,142,711</u>	<u>\$1,098,547</u>

Investment income (loss) is comprised of the following as of June 30,

	<u>2023</u>	<u>2022</u>
Interest Income	\$ 18,105	\$ 3,576
Dividend Income	14,582	131
Realized and Unrealized Gains (Losses)	<u>13,699</u>	<u>(5,441)</u>
Total	<u>\$ 46,386</u>	<u>\$ (1,734)</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. The Agency does not have any Level 1 assets.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

**Note 4 - Fair Value Measurement (Continued)**

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.

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, 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	<u>\$ 743,859</u>	<u>\$ -</u>	<u>\$ 743,859</u>	<u>\$ -</u>
	Fair Value at June 30, 2022			
Measured at Fair Value June 30, 2022	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	<u>\$ 1,020,563</u>	<u>\$ -</u>	<u>\$ 1,020,563</u>	<u>\$ -</u>

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

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

**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, 2023 and 2022, 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, 2023 and 2022, the Agency had credit risk arising out of excess deposits in the approximate amount of \$1,475,000 and \$802,000, respectively.

The Agency had approximately 27%, 13% and 10% from three (3) contributors and 38% from one (1) contributor of total promises to give receivable for the years ended June 30, 2023 and 2022, 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 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 \$5,667 and \$5,404 for the years ended June 30, 2023 and 2022, respectively. The Agency did not make any discretionary contributions for the years ended June 30, 2023 and 2022, 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.



**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

**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 \$9,539 and \$8,665 of accrued compensated absences has been recorded for the fiscal years ended June 30, 2023 and 2022, 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, 2023 and 2022 was \$216,744 and \$263,296, respectively. (See also Note 15)

**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>2023</u>	<u>2022</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 – Loan payable – Paycheck Protection Program Proceeds**

During the year ended June 30, 2021, the Agency received an unsecured loan payable from the United States Small Business Administration Paycheck Protection Program in the amount of \$64,580. That amount was forgiven in full in December 2021.

**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 expenses incurred were \$12,840 and \$23,197 for the fiscal years ended June 30, 2023 and 2022, respectively.

**UNITED WAY OF GLOUCESTER COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 and 2022**

**Note 14 – Liquidity and Reserves**

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 1,058,028	\$ 1,292,797
Accounts Receivable	10,840	10,840
Grants Receivable	56,704	-0-
Investments	1,142,711	1,098,547
Promises to Give Receivables, net	<u>205,362</u>	<u>270,645</u>
 Net financial assets before donor-imposed restrictions	 2,473,645	 2,672,829
 Less: Donor Imposed Restrictions: Pascale Sykes Foundation	 216,744	 263,296
Board Designated Funds	46,108	44,108
Allocations Payable	332,210	371,710
Donor Choice Payable	<u>114,302</u>	<u>111,799</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 1,764,281</u>	 <u>\$ 1,881,916</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 – Pascale Sykes Foundation / Gloucester County Transportation**

The Agency had been the recipient of annual grants in the amount of \$550,000 from the Pascale Sykes Foundation. The terms of the grants stipulated that the funds would be extended to reimburse the Agency for expenses incurred with the Pureland East-West Community Shuttle Service. The Agency was notified in June of 2021 that the 2021-22 year would be the last year of participation, as the Foundation was closing its doors in 2022. 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 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.

**Note 16 – Subsequent Events**

The Agency has evaluated subsequent events through September 27, 2023 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.

**SUPPLEMENTAL INFORMATION**

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

<u>DESCRIPTION</u>	<u>Maturity Date</u>	<u>2023</u>	<u>2022</u>
		<u>Cost</u>	<u>Cost</u>
Citizens Bank NA CD .85%	10/27/2022	-	245,000.00
Farmers State Bank CD 3%	10/25/2022	-	122,500.00
Goldman Sachs Bank CD .50%	11/23/2022	-	245,000.00
SAFRA National Bank of NY CD .100%	7/7/2022	-	168,000.00
United Fidelity CD .750%	5/26/2023	-	245,000.00
Banescos 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	398,852	77,984
		<u>1,133,852</u>	<u>1,103,484</u>
Total Investments		1,133,852	1,103,484
Unrealized Gain (Loss) on Investments		6,668	(5,330)
Accrued Income		2,191	393
		<u>\$ 1,142,711</u>	<u>\$ 1,098,547</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, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Allocations/Awards	\$ -	\$ 444,755	\$ (444,755)
Less: Donor Designations	-	(142,005)	142,005
Sub-total	<u>-</u>	<u>302,750</u>	<u>(302,750)</u>
Salaries and Wages	260,000	245,684	14,316
Employee Benefits	45,450	28,180	17,270
Payroll Service	2,500	2,113	387
Payroll Taxes	22,850	19,982	2,868
Sub-total	<u>330,800</u>	<u>295,959</u>	<u>34,841</u>
Board and Operating Committee Expenses	1,250	-	1,250
Building and Equipment Maintenance and Purchases	10,250	9,579	671
Campaign Expenses	15,000	22,178	(7,178)
Community Outreach	5,000	456	4,544
Depreciation	15,000	12,477	2,523
Insurance	10,200	9,714	486
Marketing and Promotions	7,500	-	7,500
Occupancy	11,000	9,191	1,809
Office Equipment Repairs and Maintenance	14,250	13,452	798
Other Expenses	3,500	3,565	(65)
Postage and Shipping	4,000	553	3,447
Printing	8,500	4,885	3,615
Professional Fees	25,000	20,944	4,056
Special Grants and Programs	157,000	130,384	26,616
Special Projects	5,000	4,434	566
Staff Training	1,000	-	1,000
Supplies	5,000	4,410	590
Telephone	7,500	5,892	1,608
Travel and Transportation	6,000	5,557	443
Sub-total	<u>311,950</u>	<u>257,671</u>	<u>54,279</u>
United Way Worldwide Dues	<u>29,250</u>	<u>13,550</u>	<u>15,700</u>
 Total	 <u>\$ 672,000</u>	 <u>\$ 869,930</u>	 <u>\$ (197,930)</u>

The accompanying notes are an integral part of the financial statements