

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**FINANCIAL STATEMENTS**  
**SUPPLEMENTAL INFORMATION**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**FOR THE YEARS ENDED JUNE 30, 2021 and 2020**

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

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Robert J. Verna  
Founder

Paul Verna, CPA  
Principal



Timothy J. Battista  
Principal

Kerry Andrew Revelas, CPA  
Principal

## 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, 2021 and 2020, 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.

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Principal

### **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.

### **Disclaimer of Opinion 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 on pages 16 and 17 respectively, which are the responsibility of United Way of Gloucester County, Inc.'s management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Verna & Associates**

*Verna & Associates*

**Thorofare, New Jersey  
September 10, 2021**

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

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,246,260	\$ 1,167,711
Investments	1,095,328	1,097,089
Promises to Give Receivable, net of allowance	317,528	422,194
Grant Receivable	-	275,000
<b>TOTAL CURRENT ASSETS</b>	<b>2,659,116</b>	<b>2,961,994</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	326,434	315,141
<b>NET PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>308,957</b>	<b>320,250</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>\$ 2,968,508</b>	<b>\$ 3,282,679</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued Expenses	\$ 105,361	\$ 145,079
Accrued Compensated Absences	9,092	10,879
Loan payable - Paycheck Protection Plan	64,580	64,280
Allocations Payable	364,260	516,210
Donor Choice Payable	123,869	199,249
<b>TOTAL LIABILITIES</b>	<b>667,162</b>	<b>935,697</b>
 <b>NET ASSETS</b>		
Without Donor Restrictions	1,850,363	1,889,503
With Donor Restrictions	450,983	457,479
<b>TOTAL NET ASSETS</b>	<b>2,301,346</b>	<b>2,346,982</b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,968,508</b>	<b>\$ 3,282,679</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,**

	2021			2020		
	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	\$ 814,940	\$ -	\$ 814,940	\$ 1,309,968	\$ -	\$ 1,309,968
Contributions received in prior periods (released from restrictions)	559,496	(559,496)	-	530,173	(530,173)	-
Less donor designations	(222,120)	-	(222,120)	(291,227)	-	(291,227)
Less allowance for uncollectible promises to give	-	-	-	-	-	-
Grants	-	553,000	553,000	-	561,500	561,500
Special Events	12,186	-	12,186	13,196	-	13,196
Contribution In-Kind	1,000	-	1,000	1,000	-	1,000
	<u>1,165,502</u>	<u>(6,496)</u>	<u>1,159,006</u>	<u>1,563,110</u>	<u>31,327</u>	<u>1,594,437</u>
Revenue						
Investment Income	3,358	-	3,358	26,645	-	26,645
Miscellaneous	2,470	-	2,470	517	-	517
Paycheck Protection Plan Forgiveness	64,280	-	64,280	-	-	-
	<u>70,108</u>	<u>-</u>	<u>70,108</u>	<u>27,162</u>	<u>-</u>	<u>27,162</u>
<b>TOTAL PUBLIC SUPPORT and REVENUE</b>	<u>\$ 1,235,610</u>	<u>\$ (6,496)</u>	<u>\$ 1,229,114</u>	<u>\$ 1,590,272</u>	<u>\$ 31,327</u>	<u>\$ 1,621,599</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,**

	2021			2020		
	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)	\$ 525,320 (200,920)	\$ -	\$ 525,320 (200,920)	\$ 753,035 (273,235)	\$ -	\$ 753,035 (273,235)
Net Funds Awarded/Distributed	<u>324,400</u>	<u>-</u>	<u>324,400</u>	<u>479,800</u>	<u>-</u>	<u>479,800</u>
Agency and community relations	66,380	-	66,380	65,068	-	65,068
Donor Relations	58,081	-	58,081	78,081	-	78,081
Community initiatives/problem solving	606,015	-	606,015	595,297	-	595,297
Women's Leadership Council	1,500	-	1,500	3,087	-	3,087
	<u>731,976</u>	<u>-</u>	<u>731,976</u>	<u>741,533</u>	<u>-</u>	<u>741,533</u>
Total Program Services	<u>1,056,376</u>	<u>-</u>	<u>1,056,376</u>	<u>1,221,333</u>	<u>-</u>	<u>1,221,333</u>
Supporting Services						
Management and General	49,787	-	49,787	60,732	-	60,732
Fundraising	136,908	-	136,908	112,785	-	112,785
United Way Worldwide Dues	31,679	-	31,679	18,851	-	18,851
	<u>218,374</u>	<u>-</u>	<u>218,374</u>	<u>192,368</u>	<u>-</u>	<u>192,368</u>
Total Supporting Services	<u>218,374</u>	<u>-</u>	<u>218,374</u>	<u>192,368</u>	<u>-</u>	<u>192,368</u>
Total Expenses	<u>1,274,750</u>	<u>-</u>	<u>1,274,750</u>	<u>1,413,701</u>	<u>-</u>	<u>1,413,701</u>
Increase (Decrease) in net assets	(39,140)	(6,496)	(45,636)	176,571	31,327	207,898
Net Assets - Beginning of Year	<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>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,850,363</u>	<u>\$ 450,983</u>	<u>\$2,301,346</u>	<u>\$ 1,889,503</u>	<u>\$ 457,479</u>	<u>\$2,346,982</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, 2021

	PROGRAM SERVICES					SUPPORTING SERVICES				Total 2021
	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)	\$ 525,320 (200,920)	\$ - -	\$ - -	\$ - -	\$ 525,320 (200,920)	\$ - -	\$ - -	\$ - -	\$ - -	\$ 525,320 (200,920)
Sub-Total	324,400	-	-	-	324,400	-	-	-	-	324,400
Salaries and Wages	39,011	34,135	60,955	-	134,100	29,258	80,460	-	109,719	243,819
Employee Benefits	6,195	5,421	9,680	-	21,296	4,646	12,777	-	17,424	38,720
Payroll Service	261	228	407	-	897	195	538	-	732	1,629
Payroll Taxes	3,167	2,771	4,949	-	10,887	2,375	6,532	-	8,908	19,795
Sub-Total	48,634	42,556	75,991	-	167,180	36,475	100,307	-	136,783	303,963
Building and Equipment Maintenance and Purchases	2,402	2,101	3,753	-	8,256	1,801	4,953	-	6,755	15,010
Campaign Expenses	2,578	2,256	4,029	-	8,863	1,934	5,318	-	7,253	16,116
Community Outreach	49	43	77	-	169	37	102	-	139	308
Depreciation	1,807	1,581	2,823	-	6,211	1,355	3,727	-	5,083	11,294
Insurance	1,851	1,620	2,892	-	6,362	1,388	3,818	-	5,207	11,569
Marketing and Promotions	548	480	857	-	1,884	411	1,131	-	1,542	3,426
Occupancy	1,373	1,201	2,146	-	4,720	1,030	2,832	-	3,862	8,582
Office Equipment Repairs and Maintenance	1,571	1,374	2,454	-	5,399	1,178	3,240	-	4,418	9,817
Other Expenses	514	450	804	-	1,767	386	1,061	-	1,446	3,213
Postage and Shipping	130	114	204	-	448	98	269	-	366	814
Printing	570	499	891	-	1,960	428	1,176	-	1,604	3,564
Professional Fees	2,290	2,004	3,579	-	7,874	1,718	4,724	-	6,442	14,316
Special Grants and Programs	-	-	502,296	-	502,296	-	-	-	-	502,296
Special Projects	-	-	-	1,500	1,500	-	-	-	-	1,500
Supplies	549	480	858	-	1,887	412	1,132	-	1,545	3,431
Telephone	1,269	1,110	1,983	-	4,363	952	2,618	-	3,569	7,932
Travel and Transportation	243	213	380	-	836	183	502	-	684	1,520
Sub-Total	17,746	15,526	530,025	1,500	564,796	13,311	36,601	-	49,912	614,708
United World Wide and Associated Dues	-	-	-	-	-	-	-	31,679	31,679	31,679
Total expenses	\$ 390,780	\$ 58,081	\$ 606,015	\$ 1,500	\$ 1,056,376	\$ 49,787	\$ 136,908	\$ 31,679	\$ 218,374	\$ 1,274,750

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, 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		
<b>EXPENSES</b>											
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
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, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30,**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ (45,636)	\$ 207,898
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	11,293	11,292
Unrealized (Gains) Losses on Investments	7,035	(4,698)
Paycheck Protection Plan Forgiveness	(64,280)	-
Changes in operating assets and liabilities:		
(Increase) Decrease in promises to give receivable	104,666	(2,199)
Decrease in grant receivable	275,000	-
Increase (Decrease) in accrued expenses	(39,714)	103,866
(Decrease) in accrued compensated absences	(1,787)	(2,721)
(Decrease) in allocation and donor choice payables	(227,330)	(69,054)
TOTAL ADJUSTMENTS	64,883	36,486
NET CASH PROVIDED BY OPERATING ACTIVITIES	19,247	244,384
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase and reinvestment of investments	(930,671)	(751,145)
Proceeds from sale of investments	925,393	735,000
NET CASH USED IN INVESTING ACTIVITIES	(5,278)	(16,145)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan payable - Paycheck Protection Plan	64,580	64,280
NET CASH PROVIDED BY FINANCING ACTIVITIES	64,580	64,280
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	78,549	292,519
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF FISCAL YEAR</b>	1,167,711	875,192
<b>CASH AND CASH EQUIVALENTS - END OF FISCAL YEAR</b>	\$ 1,246,260	\$ 1,167,711
<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, 2021 and 2020**

**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.

	<b><u>Years</u></b>
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, 2021 and 2020 was \$11,293 and \$11,292, respectively.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

**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, 2021.

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 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, 2021 and 2020 was 7.5% and 7.5%, respectively.

**Investments**

All 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, 2021 and 2020**

**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>2021</u>	<u>2020</u>
Agency Relations & Community Initiative	16%	15%
Donor Relations	14%	18%
Community Problem Solving	25%	27%
Management & General	12%	14%
Fundraising	<u>33%</u>	<u>26%</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.

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

**UNITED WAY OF GLOUCESTER COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

**Note 2 – Adoption of Accounting Standards (Continued)**

Effective July 1, 2019, the Agency adopted Financial Accounting Standards Board’s Accounting Standard Update (ASU) 2018-08. This update clarified the scope and guidance for contributions received and contributions made. The update also clarified the differences between reciprocal transactions (exchanges) and nonreciprocal transactions (contributions) as well as distinguishing between conditional and unconditional contributions (See Note 3). The Agency has applied the provisions of this ASU to the June 30, 2020 and 2021 financial statements. There was no material impact on the financial statements.

**Note 3 – 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 \$54,319 and \$86,539 for the years ended June 30, 2021 and 2020, 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 4 – Investments**

Investments consist of Certificates of Deposit and Treasury Money Market Funds held with various financial institutions. Maturity dates range from September 2021 through April 2022 with interest rates ranging from 0.05% to 0.10% for the year ended June 30, 2021. 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.

	<u>2021</u>	<u>2020</u>
Certificates of Deposit	\$ 925,000	\$ 735,000
Treasury Money Market	169,935	354,661
Accrued Interest	<u>393</u>	<u>7,428</u>
Total Investments	<u>\$ 1,095,328</u>	<u>\$ 1,097,089</u>

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

**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 years ended June 30, 2021 and 2020, 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, 2021 and 2020, respectively. These amounts are included in the accompanying financial statements as contribution income and janitorial expenses.

**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, 2021 and 2020, the Agency had credit risk arising out of excess deposits in the approximate amount of \$747,000 and \$274,000, respectively.

The Agency had approximately 39% and 37% of total promises to give receivable from one (1) and one (1) contributors for the years ended June 30, 2021 and 2020, 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 \$5,297 and \$5,631 for the years ended June 30, 2021 and 2020, respectively. The Agency did not make any discretionary contributions for the years ended June 30, 2021 and 2020, respectively.



**UNITED WAY OF GLOUCESTER COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

**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 \$9,092 and \$10,879 of accrued compensated absences has been recorded for the fiscal years ended June 30, 2021 and 2020, 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, 2021 and 2020 was \$450,983 and \$457,479, 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>2021</u>	<u>2020</u>
Agency Emergency Fund	\$ 575	\$ 575
Building and Equipment Reserve	38,725	38,725
Emergency Allocation	<u>4,808</u>	<u>6,008</u>
 Total	 <u>\$ 44,108</u>	 <u>\$ 45,308</u>

**Note 12 – Loan payable – Paycheck Protection Program 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. That amount was forgiven in November 2020. In January 2021, the Agency received a 2<sup>nd</sup> Paycheck Protection Program check in the amount of \$64,580. 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 2<sup>nd</sup> loan to be forgiven during the fiscal year ending June 30, 2022.



**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

**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 was \$30,652 and \$15,100 for the fiscal years ended June 30, 2021 and 2020, respectively.

**Note 14 – Liquidity and Reserves**

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 1,246,260	\$ 1,167,711
Investments	1,095,328	1,097,089
Promises to Give Receivables	317,528	422,194
Grant Receivable	<u>-0-</u>	<u>275,000</u>
Net financial assets after donor-imposed restrictions	2,659,116	2,961,994
Less: Donor Imposed Restrictions: Pascal Sykes	450,983	457,479
Board Designated Funds	44,108	45,308
Allocations Payable	364,260	516,210
Donor Choice Payable	<u>123,869</u>	<u>199,249</u>
Financial assets available to meet cash needs for General expenditures within one year	<u>\$ 1,675,896</u>	<u>\$ 1,743,748</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 – COVID-19**

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 report, 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 2021 and 2022.

**Note 16 – Subsequent Events**

The Agency has evaluated subsequent events through September 10, 2021, 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>2021</u>	<u>2020</u>
		<u>Cost</u>	<u>Cost</u>
TCF National Bank CD .050%	9/23/2021	95,000	-
Sandy Spring Bank CD .100%	10/15/2021	245,000	-
Wex Bank CD .100%	12/31/2021	245,000	-
Merrick Bank Corp CD .100%	12/31/2021	95,000	-
TIAA FSB CD .100%	4/8/2022	245,000	-
NY County Bank CD 1.6%	8/14/2020	-	245,000
Wells Fargo National CD 1.65%	11/23/2020	-	245,000
SAFRA National Bank of NY CD 1.65%	2/11/2021	-	245,000
Financial Square Treasury MMF	N/A	169,935	354,661
		<u>1,094,935</u>	<u>1,089,661</u>
Total Investments		1,094,935	1,089,661
Accrued Income		393	7,428
		<u>\$ 1,095,328</u>	<u>\$ 1,097,089</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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Allocations/Awards	\$ -	\$ 525,320	\$ (525,320)
Less: Donor Designations	-	(200,920)	200,920
Sub-total	<u>-</u>	<u>324,400</u>	<u>(324,400)</u>
Salaries and Wages	247,500	243,819	3,681
Employee Benefits	48,425	38,720	9,705
Payroll Service	2,500	1,629	871
Payroll Taxes	23,300	19,795	3,505
Sub-total	<u>321,725</u>	<u>303,963</u>	<u>17,762</u>
Board and Operating Committee Expenses	1,250	-	1,250
Building and Equipment Maintenance and Purchases	16,500	15,010	1,490
Campaign Expenses	15,000	16,116	(1,116)
Community Outreach	7,500	308	7,192
Conference and Convention Meetings	1,000	-	1,000
Depreciation	15,000	11,294	3,706
Dues and Subscriptions	1,250	-	1,250
Insurance	10,200	11,569	(1,369)
Marketing and Promotions	7,500	3,426	4,074
Occupancy	11,950	8,582	3,368
Office Equipment Repairs and Maintenance	7,000	9,817	(2,817)
Other Expenses	3,750	3,213	537
Postage and Shipping	4,000	814	3,186
Printing	9,000	3,564	5,436
Professional Fees	24,000	14,316	9,684
Special Grants and Programs	550,000	502,296	47,704
Special Projects	17,500	1,500	16,000
Staff Training	1,000	-	1,000
Supplies	5,500	3,431	2,069
Telephone	8,000	7,932	68
Travel and Transportation	5,000	1,520	3,480
Sub-total	<u>721,900</u>	<u>614,708</u>	<u>107,192</u>
United Way Worldwide Dues	<u>35,750</u>	<u>31,679</u>	<u>4,071</u>
 Total	 <u>\$ 1,079,375</u>	 <u>\$ 1,274,750</u>	 <u>\$ (195,375)</u>

The accompanying notes are an integral part of the financial statements