

**United Way of Bergen County**

Financial Statements

March 31, 2019 and 2018

## **Independent Auditors' Report**

### **Board of Directors of United Way of Bergen County**

We have audited the accompanying financial statements of United Way of Bergen County (the "Organization") which comprise the statements of financial position as of March 31, 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 financial 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 did not audit the financial statements of BC UW/Madeline Housing Partners LLC and Affiliate ("BC UW/Madeline"), a 50% owned joint venture, accounted for on the equity method. As of and for the year ended March, 31, 2019, the Organization's equity interest in BC UW/Madeline was \$7,084,492 and its equity in earnings of BC UW/Madeline was \$1,360,925. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for BC UW/Madeline, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that 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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Bergen County as of March 31, 2019 and 2018, 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.

### **Change in Accounting Principle**

As discussed in Note 2 to the financial statements, during the year ended March 31, 2019, United Way of Bergen County adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Schedule of Change in Net Assets on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits 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.

*PKF O'Connor Davies, LLP*

October 4, 2019

## United Way of Bergen County

### Statements of Financial Position

	March 31,	
	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,941,792	\$ 1,809,636
Investments	2,484,234	2,437,001
Pledges receivable, net of allowance of \$384,008 and \$958,816	1,307,986	5,773,854
Notes receivable and advances, net of allowance of \$292,081 and \$242,215	1,225,830	924,000
Due from BCUW/Madeline Housing Partners LLC	2,646,589	2,508,565
Investment in BCUW/Madeline Housing Partners LLC	7,084,492	5,723,567
Prepaid expenses and other assets	754,176	799,281
Beneficial interest in charitable trusts	142,548	170,027
Property and equipment, net of accumulated depreciation of \$298,893 and \$284,082	<u>18,782</u>	<u>31,422</u>
	<u>\$ 18,606,429</u>	<u>\$ 20,177,353</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 1,474,853	\$ 443,583
Designations payable, net of allowance of \$48,083 and \$741,838	7,631,463	11,477,059
Other liabilities	<u>22,230</u>	<u>21,281</u>
Total Liabilities	<u>9,128,546</u>	<u>11,941,923</u>
Net Assets		
Without donor restrictions	7,400,779	6,994,455
With donor restrictions	<u>2,077,104</u>	<u>1,240,975</u>
Total Net Assets	<u>9,477,883</u>	<u>8,235,430</u>
	<u>\$ 18,606,429</u>	<u>\$ 20,177,353</u>

See notes to financial statements

## United Way of Bergen County

### Statements of Financial Position

	Year Ended March 31, 2019			Year Ended March 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND OTHER REVENUES</b>						
Campaign funds raised	\$ 2,953,009	\$ 11,772,999	\$ 14,726,008	\$ 2,130,558	\$ 16,195,460	\$ 18,326,018
Amounts raised on behalf of others	(953,630)	(9,644,965)	(10,598,595)	(1,010,769)	(14,897,210)	(15,907,979)
Provision for uncollectible pledges	<u>(456,292)</u>	<u>(50,930)</u>	<u>(507,222)</u>	<u>(410,324)</u>	<u>(57,275)</u>	<u>(467,599)</u>
Net Current Year Contributions	1,543,087	2,077,104	3,620,191	709,465	1,240,975	1,950,440
Net assets released from restriction						
Prior year campaign contributions	1,298,250	(1,298,250)	-	946,112	(946,112)	-
Provision for uncollectible pledges	<u>(57,275)</u>	<u>57,275</u>	<u>-</u>	<u>(53,315)</u>	<u>53,315</u>	<u>-</u>
Net Campaign Revenue	2,784,062	836,129	3,620,191	1,602,262	348,178	1,950,440
Interest income	55,897	-	55,897	28,802	-	28,802
Investment in joint venture	1,360,925	-	1,360,925	841,386	-	841,386
Other	402,807	-	402,807	931,756	-	931,756
Provision for uncollectible notes receivable and advances	<u>(49,866)</u>	<u>-</u>	<u>(49,866)</u>	<u>(242,215)</u>	<u>-</u>	<u>(242,215)</u>
Total Public Support and Other Revenues	<u>4,553,825</u>	<u>836,129</u>	<u>5,389,954</u>	<u>3,161,991</u>	<u>348,178</u>	<u>3,510,169</u>
<b>ALLOCATIONS AND EXPENSES</b>						
Community Funding						
Agency allocations	102,262	-	102,262	72,947	-	72,947
Community services	<u>2,097,578</u>	<u>-</u>	<u>2,097,578</u>	<u>749,164</u>	<u>-</u>	<u>749,164</u>
	2,199,840	-	2,199,840	822,111	-	822,111
Program related expense	<u>1,019,037</u>	<u>-</u>	<u>1,019,037</u>	<u>985,849</u>	<u>-</u>	<u>985,849</u>
Total Community Funding	<u>3,218,877</u>	<u>-</u>	<u>3,218,877</u>	<u>1,807,960</u>	<u>-</u>	<u>1,807,960</u>
Supporting Services						
Fundraising	334,684	-	334,684	319,196	-	319,196
Administration	<u>593,940</u>	<u>-</u>	<u>593,940</u>	<u>539,776</u>	<u>-</u>	<u>539,776</u>
Total Supporting Services	<u>928,624</u>	<u>-</u>	<u>928,624</u>	<u>858,972</u>	<u>-</u>	<u>858,972</u>
Total Allocations and Expenses	<u>4,147,501</u>	<u>-</u>	<u>4,147,501</u>	<u>2,666,932</u>	<u>-</u>	<u>2,666,932</u>
Change in Net Assets	406,324	836,129	1,242,453	495,059	348,178	843,237
<b>NET ASSETS</b>						
Beginning of year	6,994,455	1,240,975	8,235,430	6,499,396	892,797	7,392,193
End of year	<u>\$ 7,400,779</u>	<u>\$ 2,077,104</u>	<u>\$ 9,477,883</u>	<u>\$ 6,994,455</u>	<u>\$ 1,240,975</u>	<u>\$ 8,235,430</u>

See notes to financial statements

## United Way of Bergen County

### Statements of Financial Position

	Year Ended March 31, 2019				Year Ended March 31, 2018			
	Community Funding	Fundraising	Administration	Total	Community Funding	Fundraising	Administration	Total
Resource allocation	\$ 2,199,840	\$ -	\$ -	\$ 2,199,840	\$ 822,111	\$ -	\$ -	\$ 822,111
Salaries and wages	584,006	192,490	327,899	1,104,395	536,335	167,752	264,549	968,636
Employee benefits	89,983	29,659	50,523	170,165	95,255	29,794	46,985	172,034
Payroll taxes	44,503	14,669	24,988	84,160	40,984	12,819	20,215	74,018
Campaign materials	-	6,560	-	6,560	-	10,201	-	10,201
Occupancy	111,134	16,967	28,903	157,004	107,855	17,172	27,080	152,107
Professional fees	93,061	37,197	106,404	236,662	106,355	38,327	131,369	276,051
Equipment rental and maintenance	12,432	4,098	6,980	23,510	12,208	3,818	6,021	22,047
Depreciation and amortization	7,832	2,581	4,398	14,811	8,213	2,569	4,051	14,833
Supplies	4,808	1,585	2,699	9,092	6,821	2,133	3,364	12,318
Postage and mailing	5,861	1,932	3,291	11,084	6,333	1,981	3,124	11,438
Conferences and meetings	14,608	4,815	8,202	27,625	15,275	4,777	7,536	27,588
Telephone	7,072	2,331	3,971	13,374	7,200	2,252	3,550	13,002
Direct mail	-	4,144	-	4,144	-	7,383	-	7,383
Dues	13,387	4,412	7,516	25,315	12,894	4,033	6,360	23,287
Other	30,350	11,244	18,166	59,760	30,121	14,185	15,572	59,878
	<u>\$ 3,218,877</u>	<u>\$ 334,684</u>	<u>\$ 593,940</u>	<u>\$ 4,147,501</u>	<u>\$ 1,807,960</u>	<u>\$ 319,196</u>	<u>\$ 539,776</u>	<u>\$ 2,666,932</u>

See notes to financial statements

## United Way of Bergen County

### Statements of Financial Position

	Year Ended March 31,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,242,453	\$ 843,237
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	14,811	14,833
Change in beneficial interest in charitable trusts	27,479	25,871
Bad debts	39,623	709,814
Investment in BCUW/Madeline Housing Partners, LLC	(1,360,925)	(841,386)
Change in operating assets and liabilities		
Pledges receivable	4,426,245	(42,988)
Notes receivable and advances	(301,830)	(98,057)
Due from BCUW/Madeline Housing Partners LLC	(138,024)	(1,275,463)
Prepaid expenses and other assets	45,105	(7,457)
Accounts payable and accrued expenses	1,031,270	183,187
Designations payable	(3,845,596)	(929,782)
Other liabilities	949	3,815
	1,181,560	(1,414,376)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(2,171)	(12,950)
Purchases of investments	(47,233)	(18,898)
Net Cash from Investing Activities	(49,404)	(31,848)
	1,132,156	(1,446,224)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	1,809,636	3,255,860
End of year	\$ 2,941,792	\$ 1,809,636

See notes to financial statements

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2019 and 2018

### 1. Nature of Operations

The United Way of Bergen County (the "Organization") is an independent, local New Jersey Tax-Exempt Corporation as described in Section 501(c)(3) of the Internal Revenue Code. The Organization is a nonprofit community service agency that provides assistance to individuals in crisis through its support of 2-1-1 helpline and organizes preventative and long term solutions to community wide issues such as affordable housing. The Organization raises funds for its programs and services through pledges from individuals in the community, employee workplace contributions, corporate gifts and foundation and government grants.

### 2. Summary of Significant Accounting Policies

#### ***Financial Statement Presentation***

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- *Without donor restrictions* – net assets not subject to donor-imposed stipulations, and therefore are expendable for operating purposes.
- *With donor restrictions* – net assets subject to donor-imposed stipulations that would be met by actions of the Organization and/or the passage of time.

#### ***Change in Accounting Principle***

On April 1, 2018, the Organization adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the Organization, to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Organization to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location on the financial statements. As a result of implementing this standard, prior year amounts for temporarily restricted net assets are classified as net assets with donor restrictions.

#### ***Basis of Accounting and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of support and revenue and expenses during the reporting period. Actual results may differ significantly from those estimates.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2019 and 2018

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Campaign Contributions and Allocations***

Annual campaigns commence in the fall of each year to raise support for charitable distributions to be made after the end of each fiscal year. An unconditional promise to give is recognized as revenue at the time of the pledge, net of an allowance for uncollectible amounts.

Donors can choose to designate that their contribution be distributed to a specific organization. These contributions are referred to as donor designations. The Organization also manages campaigns for corporations with locations outside Bergen County. Undesignated pledges from employees of these corporations who do not reside and/or work in Bergen County will in certain instances be distributed to other regional United Ways. The collection of these contributions and distribution to donor specified agencies or to other regional United Ways are agency transactions in which the Organization is acting as an intermediary. These transactions are included in the total campaign amounts raised on the statements of activities and then deducted as amounts raised on behalf of others before arriving at net current year contributions.

Contributions with donor-imposed restrictions, such as time or purpose restrictions, are recorded as net assets with donor restrictions. When donor-imposed time restrictions expire, or a donor-imposed purpose restrictions are fulfilled, the net assets with donor restrictions are reclassified to net assets without donor restrictions. This reclassification is reported as net assets released from restrictions.

#### ***Fair Value Measurements***

The Organization follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### ***Cash Equivalents***

The Organization considers highly liquid debt instruments with maturities of three months or less at the time of purchase to be cash equivalents.

#### ***Investments Valuation and Investment Income Recognition***

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of change in net assets.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2019 and 2018

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Notes Receivables and Advances***

The Organization's notes receivables and advances are reflected at cost less an allowance for potential impairment in value. Whether a valuation allowance is necessary due to impairment is determined based on various factors, including the debtor's payment performance and other pertinent factors related to the debtor's operations and ability to repay its debts. Notes receivables and advances are individually monitored to determine net realizable value based on an evaluation of recovery. The Organization assesses the risk of their financing receivables internally as either performing or monitoring. Performing receivables are investments that meet repayment benchmarks on a timely basis. Monitoring receivables are investments that are either behind in their repayment schedules or the overall health of the investee organization is lessened based upon an assessment of the investee. The Organization considers a note receivable or advance past due if an interest or principal payment is more than 10 days overdue. Notes for which interest has not been paid for six months after due date are put into non-accrual status and interest is no longer accrued.

#### ***Property and Equipment***

Property and equipment are recorded at cost, or if received by donation, at estimated fair value at the time such items are received. Depreciation is provided using the straight-line method over estimated useful lives of 3 to 5 years. Expenditures for maintenance and repairs are expensed as incurred. Expenditures that improve or extend the estimated useful lives are capitalized. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the term of the lease inclusive of expected renewal.

#### ***In-Kind Contributions***

The Organization organizes specific charitable campaigns where contributors are requested to donate non-money items such as food, clothing or toys. In addition, the Organization receives donations of products and services from corporate donors. These contributions are recorded at their estimated fair value at their date of donation. The Organization did not receive any in-kind contributions for the years ended March 31, 2019 and 2018.

Contributions of services, if any, are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteer services are not recorded in the financial statements as these contributions do not meet the requirements to be recorded as revenue and expense.

#### ***Functional Allocation of Expenses***

The Organization allocates total costs to the various functional expense categories. This allocation is based primarily on employee time incurred in each respective functional expense category.

**United Way of Bergen County**

Notes to Financial Statements  
March 31, 2019 and 2018

**2. Summary of Significant Accounting Policies (continued)**

***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that require financial statement recognition and/or disclosure. The Organization is no longer subject to examination by the applicable taxing jurisdictions for periods prior to 2016.

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 4, 2019

**3. Liquidity and Availability**

The Organization monitors the availability of resources to meet its operating needs and contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures related to its ongoing mission related activities, as well as services undertaken to support these activities, to be general expenditures.

Financial assets available for general expenditures within one year of March 31, 2019 are as follows:

Cash	\$ 2,941,792
Pledges receivable	827,150
Notes receivable and advances	55,876
Beneficial interest in charitable trusts	<u>46,435</u>
	<u>\$ 3,871,253</u>

The Organization manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2019 and 2018

### 4. Fair Value Measurements

The following are the major categories of financial instruments measured at fair value based on inputs at March 31:

	2019		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)	Total
Money market investments	\$ 2,158,294	\$ -	\$2,158,294
Certificates of deposit	325,940	-	325,940
Beneficial interests in charitable trusts	-	142,548	142,548
Total at Fair Value	\$ 2,484,234	\$ 142,548	\$2,626,782

	2018		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)	Total
Money market investments	\$ 2,115,878	\$ -	\$2,115,878
Certificates of deposit	321,123	-	321,123
Beneficial interests in charitable trusts	-	170,027	170,027
Total at Fair Value	\$ 2,437,001	\$ 170,027	\$2,607,028

The following is a reconciliation of the beginning and ending balances for Level 3 investments during the years ended March 31:

	2019	2018
Beginning balance	\$ 170,027	\$ 195,898
Change in value of beneficial interest in trusts	(27,479)	(25,871)
Ending Balance	\$ 142,548	\$ 170,027

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2019 and 2018

### 5. Commitments and Contingencies

On February 23, 2019, as part of building a supportive housing project, BCUW/Madeline Housing Partners LLC (see footnote 17, Joint Venture) completed the purchase of a property located at 106 Schraalenburgh Road in Harrington Park. To facilitate the construction of this project, the Organization entered into a construction completion and cost overrun guaranty agreement, that coincided with the purchase of the property and a construction loan agreement by BCUW/Madeline, to guarantee the timely and complete performance of the construction obligations and payment of amounts due as a result of overrun obligations, if any, for this supportive housing project. This guaranty agreement terminates upon the full performance of the guaranteed obligations.

### 6. Notes Receivable and Advances

The Organization provides financing to various community service agencies primarily to assist them in facilitating the acquisition of property and the construction of affordable housing. Notes bear interest at 3 to 5%, are secured by property and mature at various times. As of March 31, 2019, all notes receivable and advances are considered to be performing receivables. The notes receivable and advances are carried at a cost of \$1,225,830 and \$924,000 at March 31, 2019 and 2018.

Current maturities of these notes and advances are as follows at March 31, 2019:

2019	\$ 55,876
2020	356,952
2021	978,436
2022	22,534
2023	17,788
Thereafter	<u>86,325</u>
	1,517,911
Allowance for doubtful accounts	<u>(292,081)</u>
	<u>\$ 1,225,830</u>

### 7. Pledges Receivable

Pledges receivable at March 31, 2019 and 2018 consist of pledges to the Organization, and pledges that have been designated by donors for other charitable agencies or organizations. Designated pledges receivable of \$480,836 at March 31, 2019 and \$4,752,985 at March 31, 2018 will be paid to the donor-designated agencies when the pledges are collected by the Organization. All pledges outstanding are expected to be received within one year.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2019 and 2018

### 8. Beneficial Interest in Charitable Trusts

In August 1997, three irrevocable charitable lead trusts were established for the benefit of the Organization. Under the terms of the trust agreements, the Organization will receive an annuity equal to a percentage of the initial fair value of the trusts as of the valuation date. Annuity payments will be made for a term of 25 years for two of the trusts and 30 years for the remaining trust. The fair value of these charitable trusts are valued using Level 3 inputs. Future distributions from the trusts are discounted at a rate of 6.07% for the 25 year trusts and 5.97% for the 30 year trust and are expected to be realized in the following periods:

Within one year	\$ 46,435
Between one to five years	96,331
More than five years	<u>35,783</u>
	178,549
Discount to present value	<u>(36,001)</u>
	<u>\$ 142,548</u>

### 9. NJ 2-1-1 Partnership

The Organization has been contracted by the NJ 2-1-1 Partnership, a subsidiary of the United Ways of New Jersey, to provide cash advances related to grants received from New Jersey's Department of Human Services to maintain operations for the NJ 2-1-1 Partnership database and establish and maintain 2-1-1 information and referral services on a statewide basis. Activities for the years ended March 31 were as follows:

	<u>2019</u>	<u>2018</u>
Beginning of year	\$ 506,088	\$ 537,618
Cash received	10,295	27,714
Disbursements	<u>(40,748)</u>	<u>(59,244)</u>
End of year	<u>\$ 475,635</u>	<u>\$ 506,088</u>

These amounts are included in prepaid expenses and other assets at March 31, 2019 and 2018.

**United Way of Bergen County**

Notes to Financial Statements  
March 31, 2019 and 2018

**10. Property and Equipment**

Property and equipment consist of the following as of March 31:

	<u>2019</u>	<u>2018</u>	<u>Depreciable Life</u>
Equipment	\$ 261,700	\$ 259,529	3-5 years
Leasehold improvements	23,375	23,375	5 years
Software	<u>32,600</u>	<u>32,600</u>	3 years
	317,675	315,504	
Accumulated depreciation and amortization	<u>(298,893)</u>	<u>(284,082)</u>	
	<u>\$ 18,782</u>	<u>\$ 31,422</u>	

**11. Rental Commitments**

The Organization leases office space under a noncancelable five-year lease expiring on September 30, 2022 and certain office equipment under noncancelable leases expiring in fiscal 2020. Rental expense amounted to \$88,643 and \$85,496 for the years ended March 31, 2019 and 2018.

The approximate minimum rental commitment for the office space and equipment under all noncancelable-operating leases in effect at March 31, 2019 is as follows:

<u>Fiscal year ending March 31,</u>	
2020	\$ 88,272
2021	88,078
2022	87,748
2023	43,553
2024	2,392
Thereafter	<u>1,195</u>
	<u>\$ 311,238</u>

**12. Retirement Plan**

Eligible employees, who have at least one year of service and a minimum of 1,000 hours worked, participate in a defined contribution retirement plan (the "Plan") maintained by Mutual of America. The Organization's contribution to the Plan is 8% of eligible employees' compensation. Plan expense amounted to approximately \$65,300 and \$68,500 for the years ended March 31, 2019 and 2018. A tax deferred annuity plan (403b) is also available, to which employees can choose to contribute. The Organization does not contribute to this plan.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2019 and 2018

### 13. Federal Emergency Management Agency (“FEMA”)

The Organization administers an award program under the Emergency Food and Shelter Program. The Organization is responsible for promoting the availability of these funds, reviewing applications and recommending recipient organizations to be funded. Disbursement of funds is made by FEMA directly to the recipient organization. FEMA awards during the years ended March 31, 2019 and 2018 totaled approximately \$154,332 and \$233,610. These awards are not included in the statements of activities and changes in net assets.

### 14. Bank Line of Credit

The Organization maintains a \$500,000 line of credit agreement with a bank. There were no borrowings under this credit agreement as of and for the years ended March 31, 2019 and 2018. The line of credit is uncollateralized and expired on April 1, 2019 and renewal is currently under negotiation. The interest rate on borrowings is variable and payable at the bank’s prime lending rate.

### 15. Net Assets with Donor Restriction and Net Assets Released from Restrictions

Net assets with donor restrictions were available for the following purpose at March 31:

	<u>2019</u>	<u>2018</u>
Program services	<u>\$2,077,104</u>	<u>\$1,240,975</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose for the years ended March 31:

	<u>2019</u>	<u>2018</u>
Program services	<u>\$1,240,975</u>	<u>\$ 892,797</u>

### 16. Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of pledges receivable and cash. Pledges from three companies exceeded 5% of total campaign amounts raised for 2019 and pledges from one company for 2018. Contributions from such company’s employees aggregated 0% and 39% of contributions in 2019 and 2018. Approximately 61% and 73% of pledges receivable were from two companies in 2019 and 2018.

Cash and cash equivalents are maintained at several financial institutions and amounts on deposit periodically exceed federally insured amounts.

**United Way of Bergen County**

Notes to Financial Statements  
March 31, 2019 and 2018

**17. Joint Venture**

The Organization entered into an agreement to establish a joint venture with another not-for-profit organization and formed BC UW/Madeline Housing Partners LLC ("BC UW/Madeline"), a limited liability corporation. Each organization owns fifty percent of BC UW/Madeline. The purpose of BC UW/Madeline is to acquire, improve, lease and manage real property while providing safe, affordable housing for families, seniors, and special needs persons throughout New Jersey. As of March 31 2018, the Organization invested \$65,000 into BC UW/Madeline which is included in notes receivable and other advances. The Organization also advances funds for various housing projects which are reimbursed by BC UW/Madeline at a later date. The balance due from BC UW/Madeline was \$2,646,589 and \$2,508,565 as of March 31, 2019 and 2018.

Summarized financial information related to BC UW/Madeline as of and for the years ended March 31 is as follows:

	<u>2019</u>	<u>2018</u>
Total Assets	\$28,087,373	\$23,694,682
Total Liabilities	13,918,389	12,247,549
Total Revenue	3,651,583	2,351,639
Total Expenses	929,733	668,867

\* \* \* \* \*

## **Supplementary Information**

Public support and other revenues, investment in charitable programs and supporting services expenses have been arranged to facilitate the presentation of key operating ratios for United Way of Bergen County.

March 31, 2019 and 2018

## United Way of Bergen County

### Statements of Financial Position

	Year Ended March 31, 2019		Year Ended March 31, 2018	
	Amount	%	Amount	%
<b>PUBLIC SUPPORT AND OTHER REVENUES</b>				
Campaign funds raised	\$ 14,726,008		\$ 18,326,018	
Government grants	154,332		233,610	
Interest income	55,897		28,802	
Other, net	402,807		931,756	
Provision for uncollectible pledges	(557,088)		(709,814)	
Total Public Support and Other Revenues	14,781,956	100.0%	18,810,372	100.0%
<b>INVESTMENT IN CHARITABLE PROGRAMS</b>				
Amounts distributed on behalf of others	10,598,595		15,907,979	
Allocations to community programs	2,199,840		822,111	
Allocation of government grant funds	154,332		233,610	
Program related expense	1,019,037		985,849	
Total Investment in Charitable Programs	13,971,804	94.5%	17,949,549	95.4%
<b>SUPPORTING SERVICES EXPENSES</b>				
Fundraising	334,684		319,196	
Administration	593,940		539,776	
Total Supporting Services Expenses	928,624	6.3%	858,972	4.6%
Total Charitable Investments and Supporting Services	14,900,428	100.7%	18,808,521	100.0%
Change in Net Assets Before Investment in BCUW/Madeline Housing Partners LLC	(118,472)	-0.7%	1,851	0.0%
<b>RECONCILIATION OF NET ASSETS</b>				
Investment in BCUW/Madeline Housing Partners LLC	1,360,925		841,386	
Change in Net Assets	\$ 1,242,453		\$ 843,237	

See notes to financial statements