

# **United Way of Bergen County**

Financial Statements

March 31, 2022 and 2021

## **Independent Auditors' Report**

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

#### **Opinion**

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

We did not audit the financial statements of BC UW/Madeline, a joint venture, the investment in which, as discussed in Note 18 to the financial statements, is accounted for by the equity method of accounting. The investment in BC UW/Madeline was \$19,378,301 and \$17,353,196 as of March 31, 2022 and 2021, respectively, and the equity in its net income was \$2,025,105 and \$5,237,034, respectively, for the years then ended. The financial statements of BC UW/Madeline were audited as of December 31, 2021 and 2020 by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for the nine months ended December 31, 2021 and 2020 included for BC UW/Madeline, is based solely on the report of the other auditors.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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.

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 Bergen County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 auditors' 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 Bergen County'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 Bergen County'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 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 18 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.

**Report on Supplementary Information (*continued*)**

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.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
January 13, 2023

**United Way of Bergen County**

Statements of Financial Position

	March 31,	
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash	\$ 1,045,643	\$ 924,090
Investments	2,038,061	2,037,162
Contributions receivable, net of allowance of allowance of \$409,179 and \$319,647	990,469	1,053,852
Notes receivable and advances, net of allowance of \$436,084 and \$472,167	1,319,886	1,313,752
Long-term receivable from BC UW/Madeline Housing Partners LLC	4,627,405	4,425,610
Investment in BC UW/Madeline Housing Partners LLC	19,378,301	17,353,196
Prepaid expenses and other assets	796,241	913,019
Beneficial interest in charitable trusts	52,145	82,363
Property and equipment, net of accumulated depreciation of \$321,981 and \$308,879	<u>23,468</u>	<u>36,570</u>
	<u>\$ 30,271,619</u>	<u>\$ 28,139,614</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 457,926	\$ 745,396
Designations payable, net of allowance of \$268,214 and \$78,773	7,764,749	7,498,645
Line of credit payable	500,000	500,000
Other liabilities	<u>7,511</u>	<u>18,181</u>
Total Liabilities	<u>8,730,186</u>	<u>8,762,222</u>
Net Assets		
Without donor restrictions	20,688,949	18,439,132
With donor restrictions	<u>852,484</u>	<u>938,260</u>
Total Net Assets	<u>21,541,433</u>	<u>19,377,392</u>
	<u>\$ 30,271,619</u>	<u>\$ 28,139,614</u>

See notes to financial statements

## United Way of Bergen County

### Statement of Activities

	Year Ended March 31, 2022			Year Ended March 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND OTHER REVENUES</b>						
Campaign funds raised	\$ 2,106,982	\$ 13,635,939	\$ 15,742,921	\$ 3,263,919	\$ 13,372,921	\$ 16,636,840
Amounts raised on behalf of others	(810,936)	(12,814,246)	(13,625,182)	(1,321,625)	(12,465,091)	(13,786,716)
(Provision) recovery for uncollectible contributions	(24,001)	30,791	6,790	(205,547)	30,430	(175,117)
Net Current Year Contributions	1,272,045	852,484	2,124,529	1,736,747	938,260	2,675,007
Net assets released from restriction						
Prior year campaign contributions	907,830	(907,830)	-	908,250	(908,250)	-
Provision for uncollectible contributions	30,430	(30,430)	-	(46,145)	46,145	-
Net Campaign Revenue	2,210,305	(85,776)	2,124,529	2,598,852	76,155	2,675,007
Interest income	9,953	-	9,953	12,607	-	12,607
Equity in earnings of joint venture	2,025,105	-	2,025,105	5,237,034	-	5,237,034
Golf outing, net	139,311	-	139,311	130,099	-	130,099
Other	407,888	-	407,888	645,530	-	645,530
Provision for uncollectible notes receivable and advances	(35,876)	-	(35,876)	(62,500)	-	(62,500)
Total Public Support and Other Revenues	4,756,686	(85,776)	4,670,910	8,561,622	76,155	8,637,777
<b>ALLOCATIONS AND EXPENSES</b>						
Community Funding						
Agency allocations	97,262	-	97,262	97,262	-	97,262
Community services	788,567	-	788,567	2,045,613	-	2,045,613
	885,829	-	885,829	2,142,875	-	2,142,875
Program related expense	878,735	-	878,735	866,697	-	866,697
Total Community Funding	1,764,564	-	1,764,564	3,009,572	-	3,009,572
Supporting Services						
Fundraising	164,209	-	164,209	154,688	-	154,688
Administration	578,096	-	578,096	584,217	-	584,217
Total Supporting Services	742,305	-	742,305	738,905	-	738,905
Total Allocations and Expenses	2,506,869	-	2,506,869	3,748,477	-	3,748,477
Change in Net Assets	2,249,817	(85,776)	2,164,041	4,813,145	76,155	4,889,300
<b>NET ASSETS</b>						
Beginning of year	18,439,132	938,260	19,377,392	13,625,987	862,105	14,488,092
End of year	<u>\$ 20,688,949</u>	<u>\$ 852,484</u>	<u>\$ 21,541,433</u>	<u>\$ 18,439,132</u>	<u>\$ 938,260</u>	<u>\$ 19,377,392</u>

See notes to financial statements

## United Way of Bergen County

### Statements of Functional Expenses

	Year Ended March 31, 2022				Year Ended March 31, 2021			
	Community Funding	Fundraising	Administration	Total	Community Funding	Fundraising	Administration	Total
Resource allocation	\$ 885,829	\$ -	\$ -	\$ 885,829	\$ 2,142,875	\$ -	\$ -	\$ 2,142,875
Salaries and wages	517,629	90,682	355,004	963,315	479,809	90,850	352,667	923,326
Employee benefits	80,100	14,033	54,935	149,068	82,311	15,585	60,500	158,396
Payroll taxes	39,262	6,878	26,926	73,066	37,301	7,063	27,417	71,781
Campaign materials	-	8,457	-	8,457	-	444	-	444
Occupancy	71,563	9,058	35,460	116,081	101,125	9,411	36,533	147,069
Professional fees	82,212	15,525	45,046	142,783	78,226	14,250	42,473	134,949
Golf outing	-	65,968	-	65,968	-	48,226	-	48,226
Equipment rental and maintenance	16,164	2,832	11,085	30,081	13,302	2,518	9,776	25,596
Depreciation and amortization	7,040	1,233	4,829	13,102	2,855	541	2,099	5,495
Supplies	3,156	553	2,164	5,873	4,180	792	3,073	8,045
Postage and mailing	4,691	822	3,218	8,731	4,330	820	3,182	8,332
Conferences and meetings	8,553	1,697	5,864	16,114	7,108	1,345	5,223	13,676
Telephone	5,525	968	3,790	10,283	6,830	1,293	5,020	13,143
Direct mail	-	3,366	-	3,366	-	485	-	485
Dues	12,925	2,264	8,864	24,053	13,909	2,634	10,223	26,766
Other	29,915	5,841	20,911	56,667	35,411	6,657	26,031	68,099
Total expenses	<u>1,764,564</u>	<u>230,177</u>	<u>578,096</u>	<u>2,572,837</u>	<u>3,009,572</u>	<u>202,914</u>	<u>584,217</u>	<u>3,796,703</u>
Less: expenses deducted from revenues on the statements of activities	<u>-</u>	<u>65,968</u>	<u>-</u>	<u>65,968</u>	<u>-</u>	<u>48,226</u>	<u>-</u>	<u>48,226</u>
	<u>\$ 1,764,564</u>	<u>\$ 164,209</u>	<u>\$ 578,096</u>	<u>\$ 2,506,869</u>	<u>\$ 3,009,572</u>	<u>\$ 154,688</u>	<u>\$ 584,217</u>	<u>\$ 3,748,477</u>

See notes to financial statements

## United Way of Bergen County

### Statements of Cash Flows

	Year Ended March 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,164,041	\$ 4,889,300
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	13,102	5,495
Provision for bad debts	29,086	237,617
Equity in earnings of joint venture	(2,025,105)	(5,237,034)
Change in operating assets and liabilities		
Contributions receivable	70,173	(28,530)
Notes receivable and advances	(42,010)	21,609
Prepaid expenses and other assets	116,778	(104,402)
Accounts payable and accrued expenses	(287,470)	(425,959)
Designations payable	266,104	228,319
Other liabilities	(10,670)	-
	294,029	(413,585)
<b>Net Cash from Operating Activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	-	500,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances to BC UW/Madeline Housing Partners LLC	(201,795)	(1,219,253)
Purchases of property and equipment	-	(33,093)
Proceeds from beneficial interest in charitable trusts	30,218	30,999
Purchases of investments	(899)	-
Proceeds from sale of investments	-	495,813
	(172,476)	(725,534)
<b>Net Cash from Investing Activities</b>		
<b>Net Change in Cash</b>	121,553	(639,119)
<b>CASH</b>		
Beginning of year	924,090	1,563,209
End of year	\$ 1,045,643	\$ 924,090

See notes to financial statements



## United Way of Bergen County

### Supplementary Schedule of Change in Net Assets

	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Amount	%	Amount	%
<b>PUBLIC SUPPORT AND OTHER REVENUES</b>				
Campaign funds raised	\$ 15,742,921		\$ 16,636,840	
Government grants	428,078		638,479	
Interest income	9,953		12,607	
Golf outing, net	139,311		130,099	
Other	407,888		645,530	
Provision for uncollectible pledges, notes receivable and advances	(29,086)		(237,617)	
Total Public Support and Other Revenues	16,699,065	100.0%	17,825,938	100.0%
<b>INVESTMENT IN CHARITABLE PROGRAMS</b>				
Amounts distributed on behalf of others	13,625,182		13,786,716	
Allocations to community programs	885,829		2,142,875	
Allocations of government grants	428,078		638,479	
Program related expense	878,735		866,697	
Total Investment in Charitable Programs	15,817,824	94.7%	17,434,767	97.8%
<b>SUPPORTING SERVICES EXPENSES</b>				
Fundraising	164,209		154,688	
Administration	578,096		584,217	
Total Supporting Services Expenses	742,305	4.5%	738,905	4.2%
Total Charitable Investments and Supporting Services	16,560,129	99.1%	18,173,672	102.0%
Change in Net Assets Before Investment in BCUW/Madeline Housing Partners LLC	138,936	0.9%	(347,734)	-2.0%
<b>RECONCILIATION OF NET ASSETS</b>				
Investment in BCUW/Madeline Housing Partners LLC	2,025,105		5,237,034	
Change in Net Assets	\$ 2,164,041		\$ 4,889,300	

See notes to financial statements

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2022 and 2021

### 1. Nature of Operations

The United Way of Bergen County (the "Organization") is an independent, local New Jersey Tax-Exempt Corporation and is exempt from income tax under 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.

#### ***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.

#### ***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.

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.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2022 and 2021

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

#### ***Campaign Contributions and Allocations (continued)***

Donors can choose to designate that their contribution be distributed to a specific organization. These contributions are referred to as 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.

The Organization administers the Charitable Flex Fund ("Flex Fund"), which allows donors to make a tax deductible contribution to the Organization that may be designated to another 501(c)(3) organization at a later date. If donors do not make contributions or distributions from their account for a period of three years or more the donor account becomes dormant. If the Organization is unsuccessful in contacting the donor regarding the unused funds, the funds may be released to the Organization without restriction. Contributions to the Flex Fund are non-refundable. Contributions to the Flex Fund are included in a contra-account, to amounts raised on behalf of others on the statement of activities, and are recognized as contributions without restriction if the donor designates the funds for the Organization, or allows their account to become dormant. Undesignated balances in the Flex Fund are included in designations payable on the statement of financial position.

Campaign 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 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. Non-campaign contributions with donor-imposed restrictions for which the Organization has met the restrictions during the same period, are recorded as net assets without donor 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.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2022 and 2021

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

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

Investments are valued at fair value. 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.

#### ***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. Notes receivables and advances that were past due at March 31, 2022 and 2021 were \$0 and \$0.

#### ***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 received in-kind contributions of \$0 and \$370,100 for the years ended March 31, 2022 and 2021.

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.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2022 and 2021

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

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

The costs of providing programs and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. This allocation is based primarily on employee time incurred in each respective functional expense category.

#### ***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 2018.

#### ***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 January 13, 2023.

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

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

	<u>2022</u>	<u>2021</u>
Cash	\$ 1,045,643	\$ 924,090
Investments	2,038,061	2,037,162
Contributions receivable	990,469	1,053,852
Notes receivable and advances	536,924	832,413
Beneficial interest in charitable trusts	<u>18,938</u>	<u>43,704</u>
	4,630,035	4,891,221
Donor designated	<u>(852,484)</u>	<u>(938,260)</u>
	<u>\$ 3,777,551</u>	<u>\$ 3,952,961</u>

As described in Note 2, the Organization had \$7,764,749 and \$7,498,645 in designations payable as of March 31, 2022 and 2021. Management is unable to determine the portion of the payable that will be disbursed or designated for use by the Organization in one year or less.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2022 and 2021

### 4. Fair Value Measurements

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

	2022		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)	Total
Money market mutual fund	\$ 1,700,119	\$ -	\$1,700,119
Certificates of deposit	-	337,942	337,942
Beneficial interests in charitable trusts	-	52,145	52,145
Total at Fair Value	<u>\$ 1,700,119</u>	<u>\$ 390,087</u>	<u>\$2,090,206</u>
	2021		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)	Total
Money market mutual fund	\$ 1,699,798	\$ -	\$1,699,798
Certificates of deposit	-	337,364	337,364
Beneficial interests in charitable trusts	-	82,363	82,363
Total at Fair Value	<u>\$ 1,699,798</u>	<u>\$ 419,727</u>	<u>\$2,119,525</u>

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

	2022	2021
Beginning balance	\$ 82,363	\$ 113,362
Proceeds from beneficial interest in charitable trusts	<u>(30,218)</u>	<u>(30,999)</u>
Ending Balance	<u>\$ 52,145</u>	<u>\$ 82,363</u>

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2022 and 2021

### 5. Commitments and Contingencies

On July 23, 2019, as part of the acquisition and financing of a low-income housing tax credit project for Seniors located at 18-25 River Road in Fair Lawn, the Organization entered into a completion guaranty agreement and a payment guaranty agreement. To facilitate the construction of the project, the Organization guaranteed the timely and complete performance of the construction obligations and payment of amounts due. 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. The notes receivable and advances of \$1,319,886 and \$1,313,752 are reported at cost, less an allowance for doubtful accounts at March 31, 2022 and 2021.

Current maturities of these notes and advances are as follows at March 31, 2022:

2022	\$ 715,718
2023	209,174
2024	255,002
2025	488,974
2026	17,294
Thereafter	<u>69,808</u>
	1,755,970
Allowance for doubtful accounts	<u>(436,084)</u>
	<u>\$ 1,319,886</u>

### 7. Contributions Receivable

Contributions receivable at March 31, 2022 and 2021 consist of contributions to the Organization, and contributions that have been designated by donors for other charitable agencies or organizations. Designated contributions receivable of \$314,612 at March 31, 2022 and \$358,471 at March 31, 2021 will be paid to the donor-designated agencies when the contributions are collected by the Organization. All contributions receivable outstanding are expected to be received within one year.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2022 and 2021

### 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	\$ 18,938
Between one to five years	<u>48,167</u>
	67,105
Discount to present value	<u>(14,960)</u>
	<u>\$ 52,145</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>2022</u>	<u>2021</u>
Beginning of year	\$ 413,831	\$ 444,183
Cash received	(5,061)	(5,986)
Accrued interest	4,952	5,634
Adjustments	<u>(30,000)</u>	<u>(30,000)</u>
End of year	<u>\$ 383,722</u>	<u>\$ 413,831</u>

These amounts are included in prepaid expenses and other assets at March 31, 2022 and 2021.



**United Way of Bergen County**

Notes to Financial Statements  
March 31, 2022 and 2021

**10. Property and Equipment**

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

	<u>2022</u>	<u>2021</u>	<u>Depreciable Life</u>
Equipment	\$ 282,109	\$ 282,109	3-5 years
Leasehold improvements	25,201	25,201	5 years
Software	<u>38,138</u>	<u>38,138</u>	3 years
	345,448	345,448	
Accumulated depreciation and amortization	<u>(321,980)</u>	<u>(308,878)</u>	
	<u>\$ 23,468</u>	<u>\$ 36,570</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 2024. Rental expense amounted to \$85,140 and \$85,438 for the years ended March 31, 2022 and 2021.

The approximate minimum rental commitment for the office space and equipment under all noncancelable-operating leases in effect at March 31, 2022 is as follows:

<u>Fiscal year ending March 31,</u>	
2023	\$ 50,957
2024	11,566
2025	9,322
2026	7,080
2027	<u>1,770</u>
	<u>\$ 80,695</u>

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2022 and 2021

### 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 \$50,748 and \$51,456 for the years ended March 31, 2022 and 2021. A tax deferred annuity plan (403b) is also available, to which employees can choose to contribute. The Organization does not contribute to this plan.

### 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, 2022 and 2021 totaled approximately \$428,078 and \$638,479. 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 revolving line of credit agreement with a bank. The line of credit is uncollateralized and expires on December 31, 2039. The interest rate on borrowings is variable and payable at the bank's prime lending rate. The balance outstanding on the line of credit at March 31, 2022 and 2021 was \$500,000 and \$500,000.

### 15. Payment Protection Program

On May 5, 2020, the Organization received loan proceeds in the amount of \$185,462 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest is forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period up to twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries below a certain threshold during the Covered Period and does not qualify for certain safe harbors. The unforgiven portion of the PPP loan, if any, is payable within two years from the date of the loan. Loan payments of principal and interest are deferred until the amount of loan forgiveness is determined by the United States Small Business Administration ("SBA"). If the Organization does not apply for forgiveness, payments begin approximately 7 months after the loan date.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2022 and 2021

### 15. Payment Protection Program *(continued)*

The Organization has elected to report the PPP loan proceeds as a conditional contribution under requirements contained in ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Accordingly, the Organization recognizes income as the conditions in the PPP are met. On August 24, 2021, the SBA forgave the Organization's PPP loan in its entirety. During the year ended March 31, 2021, the Organization recognized \$185,462 of the PPP loan proceeds as contributions revenue in the statement of activities.

### 16. 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>2022</u>	<u>2021</u>
Program services	<u>\$ 852,484</u>	<u>\$ 938,260</u>

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

	<u>2022</u>	<u>2021</u>
Program services	<u>\$ 938,260</u>	<u>\$ 862,105</u>

### 17. Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of contributions receivable and cash. Contributions from one donor exceeded 10% of total campaign amounts raised for 2022 and one donor for 2021. Contributions from this donor aggregated 72% and 73% of contributions in 2022 and 2021. Approximately 68% and 55% of contributions receivable were from three donors in 2022 and 2021.

Cash is maintained at several financial institutions and amounts on deposit periodically exceed federally insured amounts. At March 31, 2022 and 2021, the Organization had cash in excess of federally insured amounts of approximately \$1,950,000 and \$1,600,000.

### 18. 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, 2021, the Organization advanced \$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 \$4,627,405 and \$4,425,610 as of March 31, 2022 and 2021.

## United Way of Bergen County

Notes to Financial Statements  
March 31, 2022 and 2021

### 18. Joint Venture (continued)

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

	<u>2022</u>	<u>2021</u>
Total Assets	\$61,919,674	\$ 56,553,742
Total Liabilities	23,163,075	21,847,352
Total Revenue	7,240,113	12,303,800
Total Expenses	3,189,904	1,829,733

### 19. Related Party Transactions

#### *Social services fee*

The Organization may charge a fee for social services provided for certain supportive affordable housing projects held by BCUW/Madeline. Social services fees amounted to \$33,240 and \$33,240 for the years ended March 31, 2022 and 2021.

#### *Reimbursed costs*

The Organization may be reimbursed by BCUW/Madeline for costs related to certain supportive affordable housing projects, including staffing for housing services coordinators. These reimbursements amounted to \$138,230 and \$30,448 for the years ended March 31, 2022 and 2021.

#### *Developer fees*

The Organization may collect its share of a fee from the joint venture for the origination and completion of certain supportive housing projects, which includes oversight of the development and construction. The Organization received developer fees related to the supporting housing projects of \$71,750 and \$290,490 for the years ended March 31, 2022 and 2021.

### 20. Risks and Uncertainties

The COVID-19 pandemic remains a rapidly evolving situation. The effect on the Organization's operations and financial results will depend on future developments. The Organization has experienced a disruption in operations. The outbreak may adversely affect the Organization's business, financial conditions and results of operations on an interim basis.

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## **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, 2022 and 2021

## United Way of Bergen County

### Supplementary Schedule of Change in Net Assets

	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Amount	%	Amount	%
<b>PUBLIC SUPPORT AND OTHER REVENUES</b>				
Campaign funds raised	\$ 15,742,921		\$ 16,636,840	
Government grants	428,078		638,479	
Interest income	9,953		12,607	
Golf outing, net	139,311		130,099	
Other	407,888		645,530	
Provision for uncollectible pledges, notes receivable and advances	(29,086)		(237,617)	
Total Public Support and Other Revenues	16,699,065	100.0%	17,825,938	100.0%
<b>INVESTMENT IN CHARITABLE PROGRAMS</b>				
Amounts distributed on behalf of others	13,625,182		13,786,716	
Allocations to community programs	885,829		2,142,875	
Allocations of government grants	428,078		638,479	
Program related expense	878,735		866,697	
Total Investment in Charitable Programs	15,817,824	94.7%	17,434,767	97.8%
<b>SUPPORTING SERVICES EXPENSES</b>				
Fundraising	164,209		154,688	
Administration	578,096		584,217	
Total Supporting Services Expenses	742,305	4.5%	738,905	4.2%
Total Charitable Investments and Supporting Services	16,560,129	99.1%	18,173,672	102.0%
Change in Net Assets Before Investment in BCUW/Madeline Housing Partners LLC	138,936	0.9%	(347,734)	-2.0%
<b>RECONCILIATION OF NET ASSETS</b>				
Investment in BCUW/Madeline Housing Partners LLC	2,025,105		5,237,034	
Change in Net Assets	\$ 2,164,041		\$ 4,889,300	

See notes to financial statements