

United Way of Bergen County

Financial Statements

March 31, 2023 and 2022

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, which comprise the statements of financial position as of March 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of BCUW/Madeline Housing Partners LLC and Subsidiary ("BCUW/Madeline"), a joint venture, the investment in which, as discussed in Note 16 to the financial statements, is accounted for by the equity method of accounting. The investment in BCUW/Madeline was \$21,224,251 and \$19,443,301 as of March 31, 2023 and 2022, respectively, and the equity in its net income was \$1,780,950 and \$2,025,105, respectively, for the years then ended. The financial statements of BCUW/Madeline were audited as of December 31, 2022 and 2021 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, 2022 and 2021 are included for BCUW/Madeline and 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.

Change in Accounting Policy

As discussed in Note 2 to the financial statements, United Way of Bergen County adopted Financial Accounting Standards Board ("FASB") Topic 842, *Leases*, which resulted in the recognition of a right of use asset and related lease liability effective April 1, 2022. Our opinion is not modified with respect to that matter.

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 20 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 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
October 6, 2023

United Way of Bergen County

Statements of Financial Position

	March 31,	
	2023	2022
ASSETS		
Cash	\$ 1,084,661	\$ 1,045,643
Investments	1,569,889	2,038,061
Contributions receivable, net of allowance of \$129,469 and \$409,179	628,387	990,469
Notes receivable and advances	370,392	1,802,020
Other receivables	557,878	762,316
Long-term receivable from BCUW/Madeline Housing Partners LLC, net of allowance of \$482,134 and \$436,084	4,955,876	4,145,271
Investment in BCUW/Madeline Housing Partners LLC	21,159,251	19,378,301
Prepaid expenses and other assets	45,408	33,925
Beneficial interest in charitable trusts	52,145	52,145
Right of use asset, net - operating leases	331,604	-
Property and equipment, net of accumulated depreciation of \$324,952 and \$321,981	33,901	23,468
	\$ 30,789,392	\$ 30,271,619
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 306,148	\$ 457,926
Designations payable, net of allowance of \$333,841 and \$704,671	7,495,486	7,764,749
Line of credit payable	-	500,000
Lease liabilities - operating leases	343,002	-
Other liabilities	7,511	7,511
Total Liabilities	8,152,147	8,730,186
Net Assets		
Without donor restrictions	22,379,299	20,688,949
With donor restrictions	257,946	852,484
Total Net Assets	22,637,245	21,541,433
	\$ 30,789,392	\$ 30,271,619

See notes to financial statements

United Way of Bergen County

Statements of Activities

	Year Ended March 31, 2023			Year Ended March 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND OTHER REVENUES						
Campaign funds raised	\$ 1,078,375	\$ 12,243,198	\$ 13,321,573	\$ 1,788,190	\$ 13,635,939	\$ 15,424,129
Amounts raised on behalf of others	(840,864)	(11,973,182)	(12,814,046)	(810,936)	(12,814,246)	(13,625,182)
(Provision) recovery for uncollectible contributions	<u>(46,397)</u>	<u>(12,070)</u>	<u>(58,467)</u>	<u>(24,001)</u>	<u>30,791</u>	<u>6,790</u>
Net Current Year Contributions	191,114	257,946	449,060	953,253	852,484	1,805,737
Net assets released from restriction						
Prior year campaign contributions	821,693	(821,693)	-	907,830	(907,830)	-
Provision for uncollectible contributions	<u>30,791</u>	<u>(30,791)</u>	<u>-</u>	<u>30,430</u>	<u>(30,430)</u>	<u>-</u>
Net Campaign Revenue	1,043,598	(594,538)	449,060	1,891,513	(85,776)	1,805,737
Grant revenue	410,000	-	410,000	177,300	-	177,300
Interest income	44,488	-	44,488	9,953	-	9,953
Equity in earnings of joint venture	1,780,950	-	1,780,950	2,025,105	-	2,025,105
Special events, net of expenses	309,971	-	309,971	280,803	-	280,803
Other	700,241	-	700,241	407,888	-	407,888
Provision for uncollectible notes receivable and advances	<u>(46,050)</u>	<u>-</u>	<u>(46,050)</u>	<u>(35,876)</u>	<u>-</u>	<u>(35,876)</u>
Total Public Support and Other Revenues	<u>4,243,198</u>	<u>(594,538)</u>	<u>3,648,660</u>	<u>4,756,686</u>	<u>(85,776)</u>	<u>4,670,910</u>
ALLOCATIONS AND EXPENSES						
Community Funding						
Agency allocations	101,639	-	101,639	97,262	-	97,262
Community services	<u>784,549</u>	<u>-</u>	<u>784,549</u>	<u>788,567</u>	<u>-</u>	<u>788,567</u>
	886,188	-	886,188	885,829	-	885,829
Program related expense	<u>865,861</u>	<u>-</u>	<u>865,861</u>	<u>878,735</u>	<u>-</u>	<u>878,735</u>
Total Community Funding	<u>1,752,049</u>	<u>-</u>	<u>1,752,049</u>	<u>1,764,564</u>	<u>-</u>	<u>1,764,564</u>
Supporting Services						
Fundraising	195,702	-	195,702	164,209	-	164,209
Administration	<u>605,097</u>	<u>-</u>	<u>605,097</u>	<u>578,096</u>	<u>-</u>	<u>578,096</u>
Total Supporting Services	<u>800,799</u>	<u>-</u>	<u>800,799</u>	<u>742,305</u>	<u>-</u>	<u>742,305</u>
Total Allocations and Expenses	<u>2,552,848</u>	<u>-</u>	<u>2,552,848</u>	<u>2,506,869</u>	<u>-</u>	<u>2,506,869</u>
Change in Net Assets	1,690,350	(594,538)	1,095,812	2,249,817	(85,776)	2,164,041
NET ASSETS						
Beginning 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>
End of year	<u>\$ 22,379,299</u>	<u>\$ 257,946</u>	<u>\$ 22,637,245</u>	<u>\$ 20,688,949</u>	<u>\$ 852,484</u>	<u>\$ 21,541,433</u>

See notes to financial statements

United Way of Bergen County

Statements of Functional Expenses

	Year Ended March 31, 2023				Year Ended March 31, 2022			
	Community Funding	Fundraising	Administration	Total	Community Funding	Fundraising	Administration	Total
Resource allocation	\$ 886,188	\$ -	\$ -	\$ 886,188	\$ 885,829	\$ -	\$ -	\$ 885,829
Salaries and wages	513,436	105,411	357,992	976,839	517,629	90,682	355,004	963,315
Employee benefits	77,415	15,894	53,975	147,284	80,100	14,033	54,935	149,068
Payroll taxes	39,633	8,137	27,634	75,404	39,262	6,878	26,926	73,066
Campaign materials	-	4,473	-	4,473	-	8,457	-	8,457
Occupancy	58,585	12,028	40,848	111,461	71,563	9,058	35,460	116,081
Professional fees	83,230	18,327	59,452	161,009	82,212	15,525	45,046	142,783
Special events	-	108,212	-	108,212	-	89,827	-	89,827
Equipment rental and maintenance	7,719	1,585	5,382	14,686	16,164	2,832	11,085	30,081
Depreciation and amortization	7,345	1,508	5,118	13,971	7,040	1,233	4,829	13,102
Supplies	4,616	948	3,218	8,782	3,156	553	2,164	5,873
Postage and mailing	4,512	926	3,146	8,584	4,691	822	3,218	8,731
Conferences and meetings	8,476	1,770	5,910	16,156	8,553	1,697	5,864	16,114
Telephone	9,730	1,997	6,783	18,510	5,525	968	3,790	10,283
Direct mail	-	12,233	-	12,233	-	3,366	-	3,366
Dues	16,246	3,335	11,329	30,910	12,925	2,264	8,864	24,053
Other	34,918	7,130	24,310	66,358	29,915	5,841	20,911	56,667
Total expenses	<u>1,752,049</u>	<u>303,914</u>	<u>605,097</u>	<u>2,661,060</u>	<u>1,764,564</u>	<u>254,036</u>	<u>578,096</u>	<u>2,596,696</u>
Less: expenses deducted from revenues on the statements of activities	<u>-</u>	<u>108,212</u>	<u>-</u>	<u>108,212</u>	<u>-</u>	<u>89,827</u>	<u>-</u>	<u>89,827</u>
	<u>\$ 1,752,049</u>	<u>\$ 195,702</u>	<u>\$ 605,097</u>	<u>\$ 2,552,848</u>	<u>\$ 1,764,564</u>	<u>\$ 164,209</u>	<u>\$ 578,096</u>	<u>\$ 2,506,869</u>

See notes to financial statements

United Way of Bergen County

Statements of Cash Flows

	Year Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,095,812	\$ 2,164,041
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	13,971	13,102
Provision for bad debts	104,517	29,086
Equity in earnings of joint venture	(1,780,950)	(2,025,105)
Amortization of operating leases - right of use asset	80,651	-
Change in operating assets and liabilities		
Contributions receivable	303,615	70,173
Notes receivable and advances	1,431,628	(6,134)
Other receivables	204,438	71,156
Prepaid expenses and other assets	(11,483)	45,622
Accounts payable and accrued expenses	(151,778)	(287,470)
Designations payable	(269,263)	266,104
Lease liabilities - operating leases	(69,250)	-
Other liabilities	-	(10,670)
	951,908	329,905
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of line of credit	(500,000)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances BCUW/Madeline Housing Partners LLC	(856,655)	(237,671)
Purchases of property and equipment	(24,407)	-
Proceeds from beneficial interest in charitable trusts	-	30,218
Purchases of investments	-	(899)
Proceeds from sale of investments	468,172	-
	(412,890)	(208,352)
Net Change in Cash	39,018	121,553
CASH		
Beginning of year	1,045,643	924,090
End of year	\$ 1,084,661	\$ 1,045,643

See notes to financial statements

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

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 via private 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.

Recently Adopted Accounting Standards

In 2022, the Organization adopted Accounting Standards Update (“ASU”) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption expired or existing contracts to determine whether they are or contain a lease, the lease classification of any existing leases, or initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Organization recognized right of use assets of \$399,337 and lease liabilities totaling \$399,337 at April 1, 2022. The adoption did not result in a significant effect on amounts reported on the statement of activities for the year ended March 31, 2023.

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

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 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.

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

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

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.

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.

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation.

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, 2023 and 2022 were \$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.

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

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

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in the right of use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent where applicable. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Special Events

Revenues and expenses incurred relative to special events are recognized upon occurrence of the respective event, which is when the Organization has completed its performance obligation. Revenues are shown net of costs of direct benefits to donors.

In-Kind Contributions

The Organization organizes specific charitable campaigns where contributors are requested to donate non-money items such as food, clothing or toys for the benefit of those in need. In addition, the Organization receives donations of products and services from corporate donors to assist with their mission. These contributions are recorded at their estimated fair value at their date of donation. The Organization received no in-kind contributions for the years ended March 31, 2023 and 2022.

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 costs of providing programs and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs such as salaries and related expenses have been allocated among the services benefited. Management determines the allocation of expenses primarily on employee time incurred in each respective functional expense category. Other significant natural expense categories such as occupancy and professional fees which are allocated across multiple functional expense categories are attributed to which the category each individual expense pertains.

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

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 2020.

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 6, 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>2023</u>	<u>2022</u>
Cash	\$ 1,084,661	\$ 1,045,643
Investments	1,569,889	2,038,061
Contributions receivable	628,387	990,469
Notes receivable and advances	65,954	715,718
Other receivables	<u>229,652</u>	<u>378,594</u>
	3,578,543	5,168,485
Donor designated	<u>(257,946)</u>	<u>(852,484)</u>
	<u>\$ 3,320,597</u>	<u>\$ 4,316,001</u>

As described in Note 2, the Organization had \$7,495,4896 and \$7,764,749 in designations payable as of March 31, 2023 and 2022. 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, 2023 and 2022

4. Fair Value Measurements

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

	2023		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)	Total
Money market mutual fund	\$ 1,232,071	\$ -	\$1,232,071
Beneficial interests in charitable trusts	-	52,145	52,145
Total financial instruments at fair value	\$ 1,232,071	\$ 52,145	1,284,216
Certificates of deposit			337,818
Total Investments and Beneficial Interest			\$1,622,034

	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
Beneficial interests in charitable trusts	-	52,145	52,145
Total financial instruments at fair value	\$ 1,700,119	\$ 52,145	1,752,264
Certificates of deposit			337,942
Total Investments and Beneficial Interest			\$2,090,206

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

	2023	2022
Beginning balance	\$ 52,145	\$ 82,363
Proceeds from beneficial interest in charitable trusts	-	(30,218)
Ending Balance	\$ 52,145	\$ 52,145

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

5. 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. Notes receivable and advances are reported at cost.

Current maturities of these notes and advances are as follows at March 31, 2023:

2024	\$ 65,954
2025	203,378
2026	16,852
2027	17,384
2028	17,933
Thereafter	<u>48,891</u>
	<u>\$ 370,392</u>

6. Contributions Receivable

Contributions receivable at March 31, 2023 and 2022 consist of contributions to the Organization, and contributions that have been designated by donors for other charitable agencies or organizations. Designated contributions receivable of \$366,542 at March 31, 2023 and \$668,790 at March 31, 2022 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.

7. 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>

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

8. 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>2023</u>	<u>2022</u>
Beginning of year	\$ 383,722	\$ 413,831
Cash received	(5,263)	(5,061)
Accrued interest	6,937	4,952
Adjustments	<u>(57,170)</u>	<u>(30,000)</u>
End of year	<u>\$ 328,226</u>	<u>\$ 383,722</u>

These amounts are included in other receivables at March 31, 2023 and 2022.

9. Property and Equipment

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

	<u>2023</u>	<u>2022</u>	<u>Depreciable Life</u>
Equipment	\$ 271,105	\$ 282,109	3-5 years
Leasehold improvements	25,201	25,201	5 years
Software	<u>62,547</u>	<u>38,139</u>	3 years
	358,853	345,449	
Accumulated depreciation and amortization	<u>(324,952)</u>	<u>(321,981)</u>	
	<u>\$ 33,901</u>	<u>\$ 23,468</u>	

Depreciation expense for the years ended March 31, 2023 and 2022 is \$10,209 and \$10,697.

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

10. Leases

The Organization leases office space and certain office equipment under operating leases that expire at various dates through 2028.

The components of lease cost were as follows for the year ended March 31, 2023:

Operating Lease Cost	\$ 90,185
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Information associated with the measurement of the Organization's operating lease obligations as of March 31, 2023 are as follows:

Weighted average lease term in years for operating leases	4.50
Weighted average discount rate for operating leases	2.96%

Supplemental cash flow information related to leases was as follows for the year ended March 31, 2023:

Cash paid for amounts included in the measurement of operating lease liabilities	\$ 69,249
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As of March 31, 2023, maturities for lease liabilities were as follows:

<u>Fiscal year ending March 31,</u>	<u>Operating Leases</u>
2024	\$ 81,320
2025	81,320
2026	81,320
2027	81,320
2028	<u>40,660</u>
Total future minimum lease payments	365,940
Less present value discount	<u>(22,938)</u>
Total lease liability	<u>\$343,002</u>

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

11. 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 \$51,406 and \$50,748 for the years ended March 31, 2023 and 2022. A tax deferred annuity plan (403b) is also available, to which employees can choose to contribute. The Organization does not contribute to this plan.

12. 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, 2023 and 2022 totaled approximately \$1,579,924 and \$428,078. These awards are not included in the statements of activities.

13. 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, 2023 and 2022 was \$0 and \$500,000.

14. 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>2023</u>	<u>2022</u>
Program services	<u>\$ 257,946</u>	<u>\$ 852,484</u>

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

	<u>2023</u>	<u>2022</u>
Program services	<u>\$ 852,484</u>	<u>\$ 938,260</u>

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

15. Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash on deposit with financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”) are insured up to \$250,000. At times cash balances may exceed the FDIC limit. As of March 31, 2023 and 2022, the Organization’s uninsured cash balances on deposit totaled approximately \$1,917,000 and \$1,957,000.

Total contributions received from one donor aggregated to 82% during 2023 and 74% during 2022. In addition, contributions receivable from one donor aggregated to 31% of the total contributions receivable at March 31, 2023 and three donors aggregated to 68% at March 31, 2022.

16. Joint Venture

The Organization entered into an agreement to establish a joint venture with The Madeline Corporation, another not-for-profit organization, and formed BC UW/Madeline Housing Partners LLC (“BC UW/Madeline”), a limited liability company. Each organization has a 50% interest in BC UW/Madeline. BC UW/Madeline also has an 85% interest in the entity BC UW/Madeline CHM I LLC, a limited liability company. 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. The Organization advances funds for various housing projects which are reimbursed by BC UW/Madeline at a later date. The balance due from BC UW/Madeline of \$5,438,010 and \$5,099,616 is reported at cost, less an allowance for uncollectable balances at March 31, 2023 and 2022,

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

	2023	2022
Total Assets	\$70,228,807	\$ 61,919,676
Total Liabilities	27,910,305	23,163,075
Total Revenue	7,286,342	7,240,113
Total Expenses	3,724,442	3,189,904

United Way of Bergen County

Notes to Financial Statements
March 31, 2023 and 2022

17. 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 for the years ended March 31, 2023 and 2022.

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 \$143,504 and \$138,230 for the years ended March 31, 2023 and 2022.

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 \$380,291 and \$71,750 for the years ended March 31, 2023 and 2022.

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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, 2023 and 2022

United Way of Bergen County

Supplementary Schedules of Change in Net Assets

	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Amount	%	Amount	%
PUBLIC SUPPORT AND OTHER REVENUES				
Campaign funds raised	\$ 13,321,573		\$ 15,424,129	
Government grants	1,989,924		605,378	
Interest income	44,488		9,953	
Special events, net of expenses	309,971		280,803	
Other	700,241		407,888	
Provision for uncollectible pledges, notes receivable and advances	(104,517)		(29,086)	
Total Public Support and Other Revenues	16,261,680	100.0%	16,699,065	100.0%
INVESTMENT IN CHARITABLE PROGRAMS				
Amounts distributed on behalf of others	12,814,046		13,625,182	
Allocations to community programs	886,188		885,829	
Allocations of government grants	1,579,924		428,078	
Program related expense	865,861		878,735	
Total Investment in Charitable Programs	16,146,019	99.3%	15,817,824	94.7%
SUPPORTING SERVICES EXPENSES				
Fundraising	195,702		164,209	
Administration	605,097		578,096	
Total Supporting Services Expenses	800,799	4.9%	742,305	4.5%
Total Charitable Investments and Supporting Services	16,946,818	104.1%	16,560,129	99.2%
Change in Net Assets Before Investment in BCUW/Madeline Housing Partners LLC	(685,138)	-4.1%	138,936	0.8%
RECONCILIATION OF NET ASSETS				
Investment in BCUW/Madeline Housing Partners LLC	1,780,950		2,025,105	
Change in Net Assets	\$ 1,095,812		\$ 2,164,041	

See notes to financial statements