

UNITED WAY OF GREATER UNION COUNTY

***INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTAL INFORMATION***

AUGUST 31, 2024

UNITED WAY OF GREATER UNION COUNTY

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees of
United Way of Greater Union County**

Opinion

We have audited the accompanying financial statements of United Way of Greater Union County (“UWGUC” or “the Organization”), which comprise the statement of financial position as of August 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UWGUC as of August 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

**To the Board of Trustees of
United Way of Greater Union County**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government 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 and Government 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 the Organization'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 the Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance for the year ended August 31, 2024, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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.

To the Board of Trustees of
United Way of Greater Union County

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2025, on our consideration of United Way of Central Jersey Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Central Jersey Inc.'s internal control over financial reporting and compliance.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
October 8, 2025

UNITED WAY OF GREATER UNION COUNTY

STATEMENT OF FINANCIAL POSITION

August 31, 2024

| | <u>2024</u> |
|--|--------------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash and cash equivalents | \$ 709,020 |
| Grants receivable | 558,172 |
| Other receivables | 6,975 |
| Investments | 712,609 |
| Other assets | <u>27,699</u> |
| Total current assets | <u>2,014,475</u> |
| NONCURRENT ASSETS | |
| Leasehold improvements and equipment, net | 232,304 |
| Right-of-use assets | 114,027 |
| Beneficial interest in perpetual trust | <u>1,574,180</u> |
| Total noncurrent assets | <u>1,920,511</u> |
| Total assets | <u>\$3,934,986</u> |
| LIABILITIES AND NET ASSETS | |
| CURRENT LIABILITIES | |
| Accounts payable | \$ 394,505 |
| Current portion of operating lease liabilities | 61,113 |
| Loans payable - other, current portion | 13,221 |
| Deferred revenue - government grants | 27,064 |
| Line-of-credit | 48,270 |
| Designations payable | <u>259,305</u> |
| | <u>803,478</u> |
| LONG-TERM LIABILITIES | |
| Long-term operating lease liabilities | 52,914 |
| Loans payable - other, net of current portion | 448,000 |
| Pension liabilities | <u>184,895</u> |
| | <u>685,809</u> |
| Total liabilities | <u>1,489,287</u> |
| NET ASSETS | |
| Without donor restrictions | 835,766 |
| With donor restrictions | <u>1,609,933</u> |
| Total net assets | <u>2,445,699</u> |
| Total liabilities and net assets | <u>\$3,934,986</u> |

The notes to financial statements are an integral part of this statement.

UNITED WAY OF GREATER UNION COUNTY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2024

| | 2024 | | <u>Total</u> |
|--|---|--|---------------------|
| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | |
| Revenue | | | |
| Regular campaign contributions | \$ 976,518 | \$ - | \$ 976,518 |
| Special events revenue | 98,452 | - | 98,452 |
| Less: Special events expense | <u>(70,276)</u> | <u>-</u> | <u>(70,276)</u> |
| Net special events revenue | <u>28,176</u> | <u>-</u> | <u>28,176</u> |
| Other revenue | | | |
| Interest and dividend income | 27,762 | - | 27,762 |
| Income distribution from perpetual trusts | 69,140 | | 69,140 |
| Government grants | 2,155,173 | | 2,155,173 |
| Other grants | - | 31,062 | 31,062 |
| Other income | 6,040 | - | 6,040 |
| Net assets released from restriction | <u>32,236</u> | <u>(32,236)</u> | <u>-</u> |
| Total other revenue | <u>2,290,351</u> | <u>(1,174)</u> | <u>2,289,177</u> |
| Total revenue | <u>3,295,045</u> | <u>(1,174)</u> | <u>3,293,871</u> |
| Operating expenses | | | |
| Program services | | | |
| Distributions to agencies in Greater Union County | 1,924 | - | 1,924 |
| Direct program services | <u>2,622,554</u> | <u>-</u> | <u>2,622,554</u> |
| Total program services | <u>2,624,478</u> | <u>-</u> | <u>2,624,478</u> |
| Supporting services | | | |
| General and administration | 101,650 | - | 101,650 |
| Fund-raising | <u>114,096</u> | <u>-</u> | <u>114,096</u> |
| Total supporting services | <u>215,746</u> | <u>-</u> | <u>215,746</u> |
| Total operating expenses | <u>2,840,224</u> | <u>-</u> | <u>2,840,224</u> |
| Change in net assets before nonoperating activities | 454,821 | (1,174) | 453,647 |
| Nonoperating expenses | | | |
| Pension related changes | | | |
| Direct program services | 14,581 | - | 14,581 |
| Supporting services | | | |
| General and administration | 2,910 | - | 2,910 |
| Fund-raising | <u>3,266</u> | <u>-</u> | <u>3,266</u> |
| Total pension related changes | <u>20,757</u> | <u>-</u> | <u>20,757</u> |
| Net realized and unrealized gain on investments and beneficial interest in perpetual trusts | 82,054 | 153,042 | 235,096 |
| Net realized gain on sale of building | <u>1,156,598</u> | <u>-</u> | <u>1,156,598</u> |
| Total nonoperating | <u>1,217,895</u> | <u>153,042</u> | <u>1,370,937</u> |
| Change in net assets | 1,672,716 | 151,868 | 1,824,584 |
| Net assets | | | |
| Beginning of year | <u>(836,950)</u> | <u>1,458,065</u> | <u>621,115</u> |
| End of year | <u>\$ 835,766</u> | <u>\$ 1,609,933</u> | <u>\$ 2,445,699</u> |

The notes to financial statements are an integral part of this statement.

UNITED WAY OF GREATER UNION COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2024

| | Family Strengthening | Government Grant Distribution | Community Investment & Impact | Total Direct Program Services | General & Administration | General Fundraising/ Resource Development | Fundraising Communications | Total Fund Raising | Supporting Services | Total |
|--|-------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|--|-------------------------------|--------------------------|------------------------|---------------------|
| Expenses | | | | | | | | | | |
| Distributions | \$ - | \$ - | \$ 1,924 | \$ 1,924 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,924 |
| Salaries | 85,272 | 984,293 | 32,234 | 1,101,799 | 56,829 | 54,580 | 9,202 | 63,782 | 120,611 | 1,222,410 |
| Fringe and taxes | <u>15,179</u> | <u>139,651</u> | <u>920</u> | <u>155,750</u> | <u>586</u> | <u>563</u> | <u>95</u> | <u>658</u> | <u>1,244</u> | <u>156,994</u> |
| Total salaries and related expenses | 100,451 | 1,123,944 | 33,154 | 1,257,549 | 57,415 | 55,143 | 9,297 | 64,440 | 121,855 | 1,379,404 |
| Consultants | 26,491 | 269,854 | 21,830 | 318,175 | 20,806 | 19,983 | 3,369 | 23,352 | 44,158 | 362,333 |
| Transportation and meetings | 580 | 7,392 | 492 | 8,464 | 437 | 420 | 76 | 496 | 933 | 9,397 |
| Campaign/Communications | 513 | 5,623 | 740 | 6,876 | 1,371 | 1,318 | 222 | 1,540 | 2,911 | 9,787 |
| Professional development & conferences | 115 | 6,431 | 478 | 7,024 | 308 | 295 | 50 | 345 | 653 | 7,677 |
| Office supplies | 9,505 | 70,034 | 3,817 | 83,356 | 162 | 155 | 26 | 181 | 343 | 83,699 |
| Telephone | 4,036 | 13,348 | 1,387 | 18,771 | 2,463 | 2,365 | 399 | 2,764 | 5,227 | 23,998 |
| Postage | 31 | 341 | 45 | 417 | 83 | 80 | 13 | 93 | 176 | 593 |
| Buildings and grounds | 1,481 | 107,065 | 3,587 | 112,133 | 3,964 | 3,807 | 642 | 4,449 | 8,413 | 120,546 |
| Administrative printing | 4 | 4,632 | 45 | 4,681 | 10 | 11 | 2 | 13 | 23 | 4,704 |
| Subscriptions | 143 | 4,505 | 207 | 4,855 | 384 | 369 | 62 | 431 | 815 | 5,670 |
| Insurance | 1,159 | 21,215 | 1,672 | 24,046 | 3,102 | 2,979 | 502 | 3,481 | 6,583 | 30,629 |
| Equipment expenses | 999 | 61,368 | 1,441 | 63,808 | 2,674 | 2,568 | 433 | 3,001 | 5,675 | 69,483 |
| Computer expenses | 14 | 15,182 | 20 | 15,216 | 36 | 35 | 6 | 41 | 77 | 15,293 |
| UWW Dues | 876 | 9,613 | 1,264 | 11,753 | 2,345 | 2,253 | 380 | 2,633 | 4,978 | 16,731 |
| Client assistance | 162,652 | 479,014 | 13,099 | 654,765 | - | - | - | - | - | 654,765 |
| Other expenses | 630 | 7,053 | 909 | 8,592 | 1,686 | 1,619 | 273 | 1,892 | 3,578 | 12,170 |
| Interest | <u>970</u> | <u>10,638</u> | <u>1,399</u> | <u>13,007</u> | <u>2,595</u> | <u>2,493</u> | <u>420</u> | <u>2,913</u> | <u>5,508</u> | <u>18,515</u> |
| Total operating expenses | 310,650 | 2,217,252 | 85,586 | 2,613,488 | 99,841 | 95,893 | 16,172 | 112,065 | 211,906 | 2,825,394 |
| Depreciation | <u>676</u> | <u>7,415</u> | <u>975</u> | <u>9,066</u> | <u>1,809</u> | <u>1,738</u> | <u>293</u> | <u>2,031</u> | <u>3,840</u> | <u>12,906</u> |
| Operating expenses | 311,326 | 2,224,667 | 86,561 | 2,622,554 | 101,650 | 97,631 | 16,465 | 114,096 | 215,746 | 2,838,300 |
| Net periodic pension costs | <u>1,087</u> | <u>11,925</u> | <u>1,569</u> | <u>14,581</u> | <u>2,910</u> | <u>2,795</u> | <u>471</u> | <u>3,266</u> | <u>6,176</u> | <u>20,757</u> |
| Total expenses before distributions | <u>\$ 312,413</u> | <u>\$ 2,236,592</u> | <u>\$ 88,130</u> | <u>\$ 2,637,135</u> | <u>\$ 104,560</u> | <u>\$ 100,426</u> | <u>\$ 16,936</u> | <u>\$ 117,362</u> | <u>\$ 221,922</u> | <u>\$ 2,859,057</u> |

The notes to financial statements are an integral part of this statement.

UNITED WAY OF GREATER UNION COUNTY

STATEMENT OF CASH FLOWS

Year Ended August 31, 2024

| | <u>2024</u> |
|--|-------------------|
| OPERATING ACTIVITIES | |
| Change in net assets | \$1,824,584 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | |
| Depreciation expense | 12,906 |
| Amortization of right-of-use assets | 61,277 |
| Operating lease liability | (62,359) |
| Loss on disposal of equipment | 1,812 |
| Net realized gain on sale of building | (1,156,598) |
| Net realized and unrealized gain on: | |
| Investments | (82,054) |
| Beneficial interest in perpetual trusts | (153,042) |
| Change in assets and liabilities | |
| Contributions receivable | 1,917 |
| Government grants receivable | (86,452) |
| Other receivables | (677) |
| Other assets | (11,764) |
| Accounts payable | (378,307) |
| Designations payable | (1,419) |
| Deferred revenue | (555,352) |
| Pension liabilities | (98,714) |
| Fiduciary liabilities | <u>(4,000)</u> |
| Net cash used in operating activities | <u>(688,242)</u> |
| INVESTING ACTIVITIES | |
| Proceeds from sale of investments | 462,039 |
| Purchases of investments | (479,648) |
| Proceeds on sale of building | 1,156,598 |
| Purchases of leasehold improvements and equipment | <u>(218,316)</u> |
| Net cash provided by investing activities | <u>920,673</u> |
| FINANCING ACTIVITIES | |
| Borrowings on line of credit | 48,270 |
| Repayment of loans payable - other | <u>(12,567)</u> |
| Net cash provided by financing activities | <u>35,703</u> |
| Net change in cash and cash equivalents | 268,134 |
| CASH AND CASH EQUIVALENTS | |
| Beginning of year | <u>440,886</u> |
| End of year | <u>\$ 709,020</u> |
| SUPPLEMENTAL INFORMATION | |
| Interest paid | <u>\$ 18,515</u> |

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS

August 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF THE ORGANIZATION

United Way of Greater Union County (“UWGUC” or “the Organization”) is a New Jersey voluntary, not-for-profit organization whose principal activities are resource development, community impact and the support of voluntary health and welfare agencies which provide services in the community. UWGUC is an organization described under Section 501(c)(3) of the Internal Revenue Code and is therefore exempt from federal income taxes under Section 501(a) of the Code. UWGUC is exempt from the state income tax under similar statutes. It is governed by a volunteer Board of Trustees.

ACCOUNTING METHOD

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

BASIS OF PRESENTATION

The accompanying financial statements present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of UWGUC. These net assets may be used at the discretion of UWGUC’s management and the Board of Trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UWGUC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on donor restricted net assets are reported as net assets released from restrictions.

NON-OPERATING ACTIVITY

It is the policy of UWGUC to record the actuarially determined pension-related net gain or loss, and the settlement gain or loss, if any, for the UWGUC pension plan as a non-operating activity in the statement of activities. Additionally, the activity relating to the increase or decrease in the market value of investments and beneficial interest in perpetual trusts is included in non-operating activity and the net change is not allocated to functional areas. The net periodic benefit cost is reflected as an operating expense.

Further in February 2024, UWGUC recognized net realized gains on the closing sale of the building from their previous location included in non-operating activity.

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS – (Continued)

August 31, 2024

REVENUE AND SUPPORT RECOGNITION

Contribution Revenues

UWGUC recognizes contributions and grants, including unconditional promises to give, as revenue in the year received. Conditional promises to give, that is, those with a measurable performance or other measurable barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history and type of contribution. Contributions receivable are expected to be received within one year.

UWGUC accounts for government grant revenues, as conditional contributions, in the statement of activities to the extent that expenses have been incurred for the purpose specified by the grantor during the period. Funds received in advance of incurring expenses are classified as deferred revenue - government grants in the statement of financial position. Expenses incurred that have not yet been reimbursed are recorded as government grant receivables. Grants receivable are expected to be received within one year.

Donors can choose to designate that their contributions be distributed to a specific organization or another United Way. Such contributions are referred to as donor directed contributions. The collection of these contributions and distributions to specified agencies or United Ways are transactions in which UWGUC is acting as an agent. These transactions are not reported in the statement of activities as revenue and expenses but are included in regular campaign contributions on the statement of activities and then deducted as donor designated contributions before arriving at campaign contributions revenue. Donor designations received by the United Way of Greater Union County are recorded as incoming designation revenue.

Contributions receivable are unconditional promises to give by individuals, corporations and foundations, and amounts collected by third parties on behalf of UWGUC and its member agencies that have not yet been received. The carrying amount of receivables is reduced by an allowance that reflects management's best estimate of amounts that will not be collected. The allowance would be based on prior years' experience and management's analysis of specific promises made. In addition, amounts collected by third parties on behalf of UWGUC and its member agencies are reduced by amounts deemed to be uncollectible by the third-party collector. Payments on pledges are applied to the specific pledges identified on the remittance or, if unspecified, are applied based on management's discretion.

CASH EQUIVALENTS

UWGUC considers all cash and other highly liquid instruments with initial maturities of three months or less to be cash equivalents.

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Net investment return (loss) is reported in the statement of activities in operating activities as interest and dividend income with realized and unrealized gains and losses included in the statement of activities as non-operating activities.

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS – (Continued)

August 31, 2024

BENEFICIAL INTEREST IN PERPETUAL TRUSTS

UWGUC has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, UWGUC has neither possession nor control over the assets of the trusts. Perpetual trusts provide for the distribution of net income of the trust; however, the assets of the trusts will not be distributable to UWGUC. Amounts recorded as beneficial interest in perpetual trusts are measured based on the fair value of assets contributed to the trusts as of August 31, 2024. Annual distributions from the trusts are reported as investment income that increases net assets without donor restrictions, and changes in the fair value of the assets are recognized as net realized and unrealized gain (loss) on beneficial interest in perpetual trusts that increase or decrease donor restricted net assets in the statement of activities.

LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment are recorded at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which range from three to twenty-five years.

Expenditures for maintenance and repairs are charged to activities as incurred. Expenditures for betterments and major renewals are capitalized and, therefore, are included in property and equipment.

UWGUC reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these financial statements.

COMMUNITY INVESTMENT FUNDS

Total dollars available for Community Investment Funds are approved by the Finance Committee and the Board of Trustees. The Community Investment Committee has responsibility for oversight of all awards from the Community Investment Fund.

Community Investment Funds, which are included in distributions to agencies in Greater Union County, are recorded as expenses when they are approved by the Board of Trustees and are generally payable within one year.

DEFERRED REVENUE - GOVERNMENT GRANTS

Deferred revenue - government grants represent payments received in advance of services being rendered and are recognized when conditions are met.

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS – (Continued)

August 31, 2024

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The salaries of employees are allocated between program services, general and administrative and fundraising expenses based on time and effort. Other expenses related to UWGUC are programmatic in nature as they are incurred in furtherance of UWGUC's program activities.

CONCENTRATION OF CREDIT RISK

UWGUC occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification ("**ASC**") 825, "**Financial Instruments**", identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

DONATED SERVICES

A substantial number of volunteers have donated their time to UWGUC's program services and its fundraising and administrative functions. No amounts have been included in the accompanying financial statements for donated services since such services do not meet recognition criteria for inclusion in the financial statements.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INCOME TAXES

UWGUC is a not-for-profit corporation that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue code and New Jersey taxation codes. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Management has reviewed the tax positions for each of the open tax years (2021 – 2023) or expected to be taken in UWGUC's 2024 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS – (Continued)

August 31, 2024

(2) INVESTMENTS

UWGUC utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that United Way has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the UWGUC’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value UWGUC’s investments and beneficial interest in perpetual trust at August 31, 2024 are as follows:

| <u>Investments</u> | <u>2024</u> | | | |
|--|--------------------|-------------------|----------------|--------------------|
| | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Money Market Funds | \$ 13,844 | \$ 13,844 | \$ - | \$ - |
| Mutual Funds/ETF - Fixed Income | 267,137 | 267,137 | - | - |
| Mutual Funds/ETF - Equity | <u>431,628</u> | <u>431,628</u> | - | - |
| Totals | <u>\$ 712,609</u> | <u>\$ 712,609</u> | <u>\$ -</u> | <u>\$ -</u> |
| Beneficial interest in Perpetual Trust | <u>\$1,574,180</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$1,574,180</u> |

The changes in financial instruments for which UWGUC used Level 3 inputs to determine fair value are as follows for the year ended August 31, 2024:

| | <u>2024</u> |
|--------------------------------------|--------------------|
| Balance, beginning of year | \$1,421,138 |
| Unrealized gain– change in valuation | <u>153,042</u> |
| Balance, end of year | <u>\$1,574,180</u> |

Investment return, exclusive of amounts received related to the perpetual interests in beneficial trusts, consists of the following for the year ended August 31:

| | <u>2024</u> |
|------------------------|-------------------|
| Dividends and interest | \$ 27,762 |
| Unrealized gain | <u>82,054</u> |
| | <u>\$ 109,816</u> |

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS – (Continued)

August 31, 2024

(3) LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment includes the following as of August 31:

| | <u>2024</u> |
|---|-------------------|
| Leasehold improvements & equipment | \$ 245,210 |
| Less: Accumulated depreciation | <u>(12,906)</u> |
| Leasehold improvements and equipment, net | <u>\$ 232,304</u> |

Depreciation expense was \$12,906 the year ended August 31, 2024.

(4) NET ASSETS

Restricted net assets are available for the following purposes as of August 31:

| | <u>2024</u> |
|---|--------------------|
| Time restricted | \$ 26,371 |
| Haiti relief | 9,382 |
| Beneficial interest in perpetual trusts | <u>1,574,180</u> |
| | <u>\$1,609,933</u> |

Restricted net assets from grants were released for the following purposes as of August 31:

| | <u>2024</u> |
|----------------------------------|------------------|
| Haiti relief | \$ 8,042 |
| Women's leadership | 115 |
| Plainfield health initiatives | 7,865 |
| Neafsy Fund | 3,858 |
| Tiexiera fund | 405 |
| Roselle collaborative | 5,822 |
| Family strengthening initiatives | 2,500 |
| Time restricted | <u>3,629</u> |
| | <u>\$ 32,236</u> |

Beneficial interest in perpetual trusts are trusts held in perpetuity by PNC Bank. The amounts held in trust are resources that are neither in the possession of nor under the management of UWGUC but are held and administered by an external fiscal agent. UWGUC receives revenue from the trusts to be used for unrestricted purposes based on annual earnings of assets. The change in fair value of trust assets was a gain of \$153,042 for the year ended August 31, 2024, and is included in net realized and unrealized gain (loss) on investments and beneficial interest in perpetual trusts for the years then ended.

The following is a summary of the fair value, based on quoted market prices, of the UWGUC beneficial interest in the corpus of these trusts as of August 31:

| | <u>2024</u> |
|----------------------------|--------------------|
| Jessie Munger | \$ 811,701 |
| Walter L. Glenney | 149,414 |
| Grace N. and Harry H. Pond | 139,573 |
| Dorothy F. Waring | 93,591 |
| Joseph L. Snyder | <u>379,901</u> |
| | <u>\$1,574,180</u> |

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS – (Continued)

August 31, 2024

(5) AFFILIATIONS

UWGUC is a member of the United Way Worldwide (“UWWW”), a related organization. During 2024, fees paid to UWWW were \$16,731. In addition, \$4,183 were included in accounts payable in the statement of financial position as of August 31, 2024.

(6) PENSION PLAN

UWGUC has a noncontributory defined benefit pension plan covering all employees who have attained age 21 and have at least one year of service. UWGUC’s funding policy provides that payments to the pension plan shall be equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974 plus additional amounts which may be approved by UWGUC from time to time. The UWGUC Defined Benefit Pension Plan was amended effective December 31, 2010, to freeze future participation and benefit credit. As part of that amendment, there were new minimum benefits established for some employees. Accordingly, additional benefits accruing to the ‘plan’ discontinued effective January 1, 2011.

A summary of the plan’s benefit obligation at August 31 is as follows:

| | |
|--|--------------------|
| | <u>2024</u> |
| Change in benefit obligation | |
| Benefit obligation at beginning of year | \$ 947,186 |
| Interest cost | 51,808 |
| Actuarial (gain) loss | 1,792 |
| Benefits paid | <u>(9,655)</u> |
| Benefit obligation at end of year | <u>\$ 991,131</u> |
| | <u>2024</u> |
| Change in plan assets | |
| Fair value of plan assets at beginning of year | \$ 663,577 |
| Actual return on plan assets | 104,289 |
| Employer contributions | 48,025 |
| Benefits paid | <u>(9,655)</u> |
| | <u>\$ 806,236</u> |
| | <u>2024</u> |
| Benefit obligation | |
| Projected benefit obligation | \$ 991,131 |
| Fair value of plan assets | <u>806,236</u> |
| | <u>\$(184,895)</u> |
| Funded status recognized in the statement of financial position as a pension liability | <u>\$(184,895)</u> |
| Accumulated benefit obligation | <u>\$ 991,131</u> |

The components of net periodic benefit cost reflected in the statement of activities were as follows for the years ended August 31:

| | |
|----------------------------|--------------------|
| | <u>2024</u> |
| Net periodic pension costs | |
| Interest cost | \$ 51,808 |
| Amortization of loss | 53,064 |
| Expected return on assets | <u>(54,749)</u> |
| Total net periodic costs | <u>\$ 50,123</u> |

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS – (Continued)

August 31, 2024

Assumptions are as follows as of August 31:

| | <u>2024</u> |
|--|--------------------|
| Measurement date | 8/31/2024 |
| Discount rate | 5.50% |
| Rate of increase in compensation level | 0.00% |
| Expected long-term rate of return on plan assets | 8.00% |
| Non-operating pension related changes: | |
| Net change in net assets of plan | \$ (29,366) |
| Net periodic pension costs | <u>50,123</u> |
| Total non-operating | <u>\$ 20,757</u> |

No plan assets are expected to be returned to the employer during September 1, 2023 to August 31, 2024, fiscal year.

Expected amount of contributions to the plan during the next fiscal year are approximately \$48,025.

The following table discloses the amount of benefits expected to be paid in future years as of August 31, 2024:

Benefits expected to be paid in future years

| | |
|-----------|-------------------|
| 2025 | \$ 40,491 |
| 2026 | 40,086 |
| 2027 | 72,851 |
| 2028 | 71,965 |
| 2029 | 72,858 |
| 2030-2034 | <u>351,883</u> |
| | <u>\$ 650,134</u> |

Plan assets, which are all Level 1 investments, comprise the following as of August 31:

| | <u>2024</u> |
|----------------------------------|--------------------|
| Cash | \$ 11,390 |
| Equities – Mutal Funds & ETF | 490,893 |
| Fixed income – Mutal Funds & ETF | <u>303,953</u> |
| | <u>\$ 806,236</u> |

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. PNC Institutional Asset Management has been contracted to provide investment management services for the pension plan assets. The amounts maintained under the contract shall be managed as a balanced fund and shall be diversified among and with principal classes of investment. The plan assets are managed with a long-term asset mix guideline of 60% equity alternatives and 40% in the general account. Also, plan assets are managed on a total return basis.

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS – (Continued)

August 31, 2024

A Defined Contribution Plan 401(k) plan superseded the Defined Benefit Plan effective January 1, 2011. Amounts equal to 3% of gross salaries for employees for up to 5 years of service and 6% of gross salaries for employees with 5 or more years of service will be contributed by the employer at their discretion. Eligible employees may elect to make voluntary salary deferrals to their respective 401(k) account. UWGUC contributed \$20,757 during the year ended August 31, 2024..

(7) LINE OF CREDIT

In April 2020, UWGUC entered into a revolving line of credit with Bank of America in the amount of \$125,000 and is collateralized by all assets of UWGUC. The line of credit had an interest rate equal to the bank's prime rate plus 1.25%. On August 31, 2024, \$48,270 was outstanding under the line of credit. UWGUC incurred interest expenses of \$5,222 during 2024.

(8) DESIGNATIONS PAYABLE

At August 31, 2024, UWGUC, acting as an intermediary organization, had \$259,305 in unspent contributions received on behalf of other United Ways and agencies.

(9) ADMINISTRATIVE COST RATIO (UNAUDITED)

UWGUC calculates the ratio of support services to total revenue using the data on IRS Form 990. This form is readily accessible and universally used to calculate the ratio for a nonprofit organization. The calculation method utilized is as follows:

| | <u>2024</u> |
|--|--------------------|
| From 990 line 25, fundraising | \$ 114,096 |
| From 990 line 25, mgmt and general | <u>101,650</u> |
| Total supporting service | <u>\$ 215,746</u> |
| Total revenue and support (990, Line 12) | <u>\$4,432,267</u> |
| Administrative cost ratio | 5% |

(10) LOAN PAYABLE

During fiscal 2020, UWGUC issued a promissory note to the U.S. Small Business Administration for a secured disaster loan in the amount of \$150,000. The annual interest rate is 2.75% and has a maturity date of June 13, 2050. UWGUC may prepay the note in part or full at any time, without notice or penalty. UWGUC is required to pay principal and interest payments of \$641 every month beginning twelve months from the date of the note with the remaining principal and accrued interest due and payable thirty (30) years from the date of the note. During fiscal year 2022, the Small Business Administration extended deferment periods for all disaster loans from twenty-four to thirty months from the effective date of the note.

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS – (Continued)

August 31, 2024

On December 21, 2021, UWGUC was approved for and received a modification to the above loan. This modification increased the loan amount from \$150,000 to \$500,000. The interest rate remains at 2.75% and the maturity date remains unchanged. UWGUC may prepay the note in part or in full at any time, without penalty or notice. UWGUC is required to pay principal and interest payments of \$2,155 every month beginning after the thirty-month deferment period. The outstanding balance at August 31, 2024, was \$461,221.

Future maturities of the loan as of August 31 are as follows:

| | |
|------------|-------------------|
| 2025 | \$ 13,221 |
| 2026 | 13,589 |
| 2027 | 13,967 |
| 2028 | 14,356 |
| 2029 | 14,756 |
| Thereafter | <u>391,332</u> |
| | <u>\$ 461,221</u> |

(11) LEASES

UWGUC leases office space in Elizabeth, NJ and various office equipment under leaser agreements with an initial term greater than 12 months. UWGUC determines whether an agreement is or contains a lease at lease inception. Right-of-use assets represent UWGUC's right to use an underlying asset for the lease term and lease liabilities represent the UWGUC's obligation to make lease payments arising from the lease, measured at an amount equal to the present value of the minimum lease payments over the remaining expected term of the lease. Amortization expense related to the UWGUC's financial leases are included in equipment expense on the statement of functional expenses.

In determination of the lease term, the UWGUC considers the likelihood of lease renewal options and lease termination provisions.

The discount rate for a lease is derived from the rate implicit in the lease whenever readily determinable or the UWGUC's incremental borrowing rate.

The following quantitative data related to the UWGUC's operating leases for the years ended August 31, 2024 is as follows:

| | |
|--|--------------------|
| | <u>2024</u> |
| Operating Lease Amounts: | |
| Right-of-use assets | \$ 114,027 |
| Lease liabilities | 114,027 |
| Other Information: | |
| Operating outgoing cash flows for operating leases | \$ 62,359 |
| Weighted-average remaining lease term | 2.46 years |
| Weighted average discount rate | 3.54% |

Lease cost information for the years ended August 31, 2024 is as follows:

| | |
|----------------------|--------------------|
| | <u>2024</u> |
| Operating lease cost | <u>\$ 61,277</u> |

UNITED WAY OF GREATER UNION COUNTY

NOTES TO FINANCIAL STATEMENTS – (Continued)

August 31, 2024

Future lease payments at August 31, 2024 are as follows:

| <u>Fiscal Year</u> | <u>Office Space</u> | <u>Equipment</u> | <u>Total</u> |
|--------------------------------|---------------------|------------------|-------------------|
| 2025 | \$ 35,375 | \$ 25,738 | \$ 61,113 |
| 2026 | 35,375 | 20,290 | 55,665 |
| 2027 | <u>5,895</u> | <u>2,340</u> | <u>8,235</u> |
| Total undiscounted cash flows | <u>\$ 76,645</u> | <u>\$ 48,368</u> | 125,013 |
| Less: present value adjustment | | | <u>(10,986)</u> |
| Lease liability | | | <u>\$ 114,027</u> |

(12) LIQUIDITY AND AVAILABILITY OF RESOURCES

UWGUC strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of short-term cash requirements are invested in money market funds and other short-term investments. As part of the UWGUC's liquidity management, it has a practice to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The following table reflects the United Way's financial assets as of August 31, 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions. Amounts not available to meet general expenditures within one year may include net assets with donor restrictions.

| | <u>2024</u> |
|--|--------------------|
| Financial assets | |
| Cash and cash equivalents | \$ 709,020 |
| Government grants receivable | 558,172 |
| Other receivables | 6,975 |
| Investments | <u>712,609</u> |
| | 1,986,776 |
| Less: | |
| Net assets with donor restrictions | (35,753) |
| Designations payable | (259,305) |
| Line of credit repayments | (48,270) |
| Loan repayments | <u>(13,221)</u> |
| Total financial assets available within one year | <u>\$1,630,227</u> |

UWGUC has approximately \$77,000 in undrawn line of credit available to meet cash flow needs.

(13) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, October 8, 2025 have been evaluated in the preparation of the financial statements.

SUPPLEMENTAL INFORMATION

UNITED WAY OF GREATER UNION COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended August 31, 2024

| <u>Grantor/Pass Through/Program Title</u> | <u>Federal Assistance Listing</u> | <u>Grant Number</u> | <u>Grant Period</u> | <u>Amounts Provided To Subrecipients</u> | <u>Expenditures</u> |
|--|-----------------------------------|---------------------|------------------------|--|---------------------|
| Federal Awards | | | | | |
| US Department of Health and Human Services | | | | | |
| Ryan White HIV/AIDS Program | 93.924 | N/A | 3/01/2023 - 2/29/2024 | \$ - | \$ 137,820 |
| Ryan While HIV/AIDS Program | 93.924 | N/A | 3/01/2024 - 2/28/2025 | - | 123,391 |
| Promoting a Healthy Plainfield | 93.493 | 90XP0564-01-00 | 8/31/2023 - 8/31/2025 | - | <u>76,951</u> |
| Subtotal - US Department of Health and Human Services | | | | - | 338,162 |
| U S Department of Housing and Urban Development | | | | | |
| Passed-through County of Union, New Jersey | | | | | |
| Community Development Block Grant | 14.218 | D-12-56-823-321-919 | 9/1/2023 - 8/31/2024 | 86,710 | 100,000 |
| CDGB Cares-Social Services – Phase 2 | 14.218 | CV022-945 | 3/1/2023 - 8/31/2023 | <u>33,497</u> | <u>37,775</u> |
| | | | | 120,207 | 137,775 |
| U S Department of Homeland Security | | | | | |
| Federal Emergency Management Agency | | | | | |
| Passed-through United Way Worldwide | | | | | |
| Emergency Food and Shelter - Phase 40 | 97.024 | 40-6034-00 | 11/1/2021 - 04/30/2024 | - | 184,610 |
| Emergency Food and Shelter - Phase 41 | 97.024 | 41-6034-00 | 11/1/2021 - 12/31/2024 | - | <u>95,903</u> |
| Subtotal - US Department of Homeland Security | | | | - | 280,513 |
| U S Department of Labor | | | | | |
| Passed-through NJ Dept of Labor and Workforce Development | | | | | |
| WIOA Youth Activities | 17.259 | YC-FY2024 | 7/1/2023 - 6/30/2024 | - | 250,370 |
| WIOA Youth Activities | 17.259 | YC-FY2025 | 7/1/2024 - 6/30/2025 | - | <u>1,996</u> |
| Subtotal - US Department of Labor | | | | - | <u>252,366</u> |
| Total Federal Awards | | | | <u>120,207</u> | <u>1,008,816</u> |

See Independent Auditor's Report.

See accompanying Notes to Schedule of Expenditures of Federal Awards and Elate Financial Assistance.

UNITED WAY OF GREATER UNION COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE – (Continued)

Year Ended August 31, 2024

| <u>Grantor/Pass Through/Program Title</u> | <u>Grant Number</u> | <u>Grant Period</u> | <u>Amounts Provided To Subrecipients</u> | <u>Expenditures Life Of Contract</u> |
|--|---------------------|-----------------------|--|--|
| State Financial Assistance | | | | |
| State of New Jersey Department of Children and Families | | | | |
| Family Success Center | MF0147 | 7/1/2023 - 6/30/2024 | \$ - | \$ 221,803 |
| Family Success Center | 25MF0147 | 7/1/2024 - 6/30/2025 | - | 37,136 |
| | | | - | 258,939 |
| State of NJ Department of Community Affairs | | | | |
| Lead Remediation and Abatement | 2023-02335-1000-00 | 7/1/2024 - 12/31/2026 | - | 9,650 |
| United Way Union County 2024 | 2024-05393-0392-00 | 7/1/2023 - 06/30/2025 | - | 158,592 |
| | | | - | 168,242 |
| State of New Jersey Department of Labor and Workforce Development | | | | |
| NJ Youth Corp | YC-FY2024 | 7/1/2023 - 6/30/2024 | - | 154,840 |
| NJ Youth Corp | YC-FY2025 | 7/1/2024 - 6/30/2025 | - | 69,341 |
| NJ Youth Corp CAP | 23-CAP-10 | 6/1/2023 - 5/31/2025 | - | 59,196 |
| | | | - | 283,377 |
| Total State Financial Assistance | | | - | 710,558 |
| Total Federal Awards and State Financial Assistance | | | <u>\$120,207</u> | <u>\$ 1,719,374</u> |

See Independent Auditor's Report.

See accompanying Notes to Schedule of Expenditures of Federal Awards and Elate Financial Assistance.

UNITED WAY OF GREATER UNION COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

August 31, 2024

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal and State of New Jersey awards includes the grant activity of United Way of Greater Union County from the respective sources and is presented on the accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and State of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards and state financial assistance are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and NJ 15-08-OMB, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(3) INDIRECT COSTS

UWGUC does not have a federally negotiated indirect cost rate and has not elected to use the 10% de minimis indirect cost rate.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**To the Board of Trustees of
 United Way of Greater Union County**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of United Way of Greater Union County ("UWGUC"), which comprise the statement of financial position as of August 31, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended and the related notes to the financial statements and have issued our report thereon dated October 8, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered UWGUC's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UWGUC's internal control. Accordingly, we do not express an opinion on the effectiveness of UWGUC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UWGUC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**To the Board of Trustees of
United Way of Greater Union County**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UWGUC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UWGUC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania
October 8, 2025**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

**To the Board of Trustees of
United Way of Greater Union County**

Opinion on Each Major Federal Program

We have audited United Way of Greater Union County's ("UWGUC") compliance requirements described in the *OMB Compliance Supplement* and *New Jersey State Compliance Supplement* that could have a direct and material effect on each of UWGUC's major federal and state programs for the year ended August 31, 2024. UWGUC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, UWGUC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of UWGUC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of UWGUC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to UWGUC's federal programs.

**To the Board of Trustees of
United Way of Greater Union County**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the UWGUC's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about UWGUC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 UWGUC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of UWGUC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of UWGUC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

**To the Board of Trustees of
United Way of Greater Union County**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania
October 8, 2025**

UNITED WAY OF GREATER UNION COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2024

Section 1 - Summary of Auditor's Results

Financial Statements

| | |
|--|---------------|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|--|---------------|
| Internal control over major programs: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

Identification of major federal programs:

| | <u>Assistance Listing Number</u> | <u>Expenditures</u> |
|--|--|---------------------|
| U.S. Department of Homeland Security Federal Emergency Management Agency Passed Through United Way Worldwide Emergency Food and Shelter Program | 97.024 | <u>\$ 280,513</u> |
| U.S. Department of Health and Human Services Ryan White HIV/AIDS Program | 93.924 | <u>\$ 261,211</u> |
| U.S. Department of Labor Passed Through NJ Dept of Labor and Workforce Development WIOA Youth Activities | 17.259 | <u>\$ 252,366</u> |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

UNITED WAY OF GREATER UNION COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2024

Section 2 - Financial Statement Findings

None reported.

Section 3 - Major Federal Award Findings and Questioned Costs

None to report.

Section 4 - Schedule of Prior Year Findings

None to report.