

# **UNITED WAY OF MONMOUTH COUNTY**

***FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

**JUNE 30, 2011 AND 2010**

# UNITED WAY OF MONMOUTH COUNTY

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# TAIT, WELLER & BAKER LLP

*Certified Public Accountants*

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**To the Board of Trustees  
United Way of Monmouth County  
Farmingdale, New Jersey**

We have audited the accompanying statements of financial position of United Way of Monmouth County (a nonprofit organization) as of June 30, 2011, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the United Way of Monmouth County's management. Our responsibility is to express an opinion on these financial statements based on our audit. The Organization's 2010 financial statements were audited by other auditors whose report dated November 30, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Monmouth County as of June 30, 2011 and changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The statements of functional expenses and grants to agencies for the years ended June 30, 2011 and 2010, which appear on pages 14 through 17 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The additional information on page 18 related to additional resources generated by United Way of Monmouth County is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on it.



**Iselin, New Jersey  
November 10, 2011**

# UNITED WAY OF MONMOUTH COUNTY

## STATEMENTS OF FINANCIAL POSITION

June 30, 2011 and 2010

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	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 550,104	\$ 271,239
Investments	460,641	541,010
Pledges receivable, net	727,154	756,747
Other receivables	31,738	31,987
Gift of Warmth receivable	-	80,000
Prepaid expenses	15,738	16,569
Rent security deposits	2,520	2,520
Property and equipment, net	<u>21,823</u>	<u>29,204</u>
<b>Total Assets</b>	<b><u>\$ 1,809,718</u></b>	<b><u>\$ 1,729,276</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and payroll related payables	\$ 49,545	\$ 43,274
Computer lease payable	-	1,115
Designations and grants payable	<u>327,782</u>	<u>241,984</u>
<b>Total Liabilities</b>	<b><u>377,327</u></b>	<b><u>286,373</u></b>
<b>NET ASSETS</b>		
<b>Unrestricted</b>		
Available for operations	1,390,287	1,294,209
Investment in property and equipment	<u>21,823</u>	<u>28,089</u>
<b>Total Unrestricted</b>	1,412,110	1,322,298
<b>Temporarily Restricted</b>	<u>20,281</u>	<u>120,605</u>
<b>Total Net Assets</b>	<b><u>1,432,391</u></b>	<b><u>1,442,903</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,809,718</u></b>	<b><u>\$ 1,729,276</u></b>

# UNITED WAY OF MONMOUTH COUNTY

## STATEMENT OF ACTIVITIES

For the years ended June 30, 2011 and 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Gross Campaign Contribution	\$ 2,031,872	\$ 209,461	\$ 2,241,333	\$ 2,005,733	\$ 197,456	\$ 2,203,189
Less: Donor designations	(944,185)	-	(944,185)	(902,590)	-	(902,590)
Provision for uncollectible	(109,829)	-	(109,829)	(110,503)	-	(110,503)
Campaign contributions – net	<u>977,858</u>	<u>209,461</u>	<u>1,187,319</u>	<u>992,640</u>	<u>197,456</u>	<u>1,190,096</u>
Other revenue and gains (losses) and support:						
County grant revenue	42,429	-	42,429	36,995	-	36,995
Other Grant income	29,681	-	29,681	28,400	-	28,400
Special events	98,930	-	98,930	86,075	-	86,075
Designations from other United Ways	157,626	-	157,626	165,283	-	165,283
Service fees	9,390	-	9,390	12,959	-	12,959
Donations in-kind	161,611	-	161,611	118,618	-	118,618
Investment income	8,415	-	8,415	9,984	-	9,984
Realized and unrealized gains	15,491	-	15,491	5,667	-	5,667
Miscellaneous revenue	54,140	-	54,140	13,293	-	13,293
Net assets released from restrictions due to satisfaction of requirements	<u>309,785</u>	<u>(309,785)</u>	<u>-</u>	<u>112,000</u>	<u>(112,000)</u>	<u>-</u>
<b>Total other revenue and gains (losses)</b>	<u>887,498</u>	<u>(309,785)</u>	<u>577,713</u>	<u>589,274</u>	<u>(112,000)</u>	<u>477,274</u>
<b>Total revenue, gains (losses) and other support</b>	<u>1,865,356</u>	<u>(100,324)</u>	<u>1,765,032</u>	<u>1,581,914</u>	<u>85,456</u>	<u>1,667,370</u>
<b>EXPENSES</b>						
Program services:						
Gross funds awarded/distributed	1,433,080	-	1,433,080	1,405,818	-	1,405,818
Less: donor designations	(944,185)	-	(944,185)	(902,590)	-	(902,590)
Net funds awarded/distributed	488,895	-	488,895	503,228	-	503,228
Community service	177,029	-	177,029	193,901	-	193,901
Gift of Warmth program	307,610	-	307,610	112,022	-	112,022
2-1-1 contract	40,000	-	40,000	40,000	-	40,000
DOVIA	2,175	-	2,175	-	-	-
Volunteer center	329,764	-	329,764	249,801	-	249,801
<b>Total program services</b>	<u>1,345,473</u>	<u>-</u>	<u>1,345,473</u>	<u>1,098,952</u>	<u>-</u>	<u>1,098,952</u>
Supporting services:						
Administrative	185,905	-	185,905	172,744	-	172,744
Fundraising	244,166	-	244,166	265,828	-	265,828
<b>Total supporting services</b>	<u>430,071</u>	<u>-</u>	<u>430,071</u>	<u>438,572</u>	<u>-</u>	<u>438,572</u>
<b>Total Expenses</b>	<u>1,775,544</u>	<u>-</u>	<u>1,775,544</u>	<u>1,537,524</u>	<u>-</u>	<u>1,537,524</u>
<b>Increase (decrease) in net assets</b>	89,812	(100,324)	(10,512)	44,390	85,456	129,846
<b>NET ASSETS</b>						
<b>Beginning of year</b>	<u>1,322,298</u>	<u>120,605</u>	<u>1,442,903</u>	<u>1,277,908</u>	<u>35,149</u>	<u>1,313,057</u>
<b>End of year</b>	<u>\$ 1,412,110</u>	<u>\$ 20,281</u>	<u>\$ 1,432,391</u>	<u>\$ 1,322,298</u>	<u>\$ 120,605</u>	<u>\$ 1,442,903</u>

# UNITED WAY OF MONMOUTH COUNTY

## STATEMENTS OF CASH FLOWS

For the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Increase (decrease) in net assets</b>	\$ (10,512)	\$ 129,846
<b>Adjustments to reconcile increase (decrease) in net assets     to net cash flows from operating activities</b>		
Depreciation	9,927	11,127
Donated equipment	-	(4,681)
Unrealized gain on investments	(15,491)	(5,723)
Realized loss on investments	-	56
<b>Change in operating assets and liabilities:</b>		
Promises to give	29,593	9,145
Other receivables	249	(1,785)
Gift of Warmth receivable	80,000	(80,000)
Prepaid expenses	831	22,875
Accounts payable and payroll related payables	6,271	(4,069)
Designations payable	85,798	(22,538)
Deferred income	-	(310)
<b>Net cash provided by operating activities</b>	<u>186,666</u>	<u>53,943</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(2,546)	(2,452)
Purchase of investments	(343,954)	(1,179,440)
Sale/maturity of investments	<u>439,814</u>	<u>1,170,855</u>
<b>Net cash provided (used) by investing activities</b>	<u>93,314</u>	<u>(11,037)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on computer lease	<u>(1,115)</u>	<u>(3,344)</u>
<b>Net cash (used) by financing activities</b>	<u>(1,115)</u>	<u>(3,344)</u>
<b>Net increase in cash and cash equivalents</b>	278,865	39,562
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>271,239</u>	<u>231,677</u>
<b>End of year</b>	<u>\$ 550,104</u>	<u>\$ 271,239</u>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURES:</b>		
Cash paid during the year for interest	<u>\$ 306</u>	<u>\$ 427</u>

# UNITED WAY OF MONMOUTH COUNTY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *NATURE OF ORGANIZATION*

United Way of Monmouth County ("*United Way*"), incorporated in 1967, is a not-for-profit organization located in Monmouth County, New Jersey. While maintaining a service relationship with United Way of Worldwide, the United Way is autonomous, independent and governed by a local Board of Directors. The United Way's mission is "to improve the lives of people in Monmouth County by mobilizing the caring power of the people in our community". The United Way's revenues are derived primarily from individual donations, corporate giving, government grants and through participation in the United Way Worldwide's regional Tri-State campaign.

#### *ACCRUAL BASIS OF ACCOUNTING*

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

#### *NET ASSETS*

The net assets of the United Way and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Unrestricted net assets represent those resources that have no donor restrictions as to their use. The following "categories of funds" are represented as unrestricted:

- Available for operations – used to account for the general activity of the United Way.
- Investment in property and equipment – represents the net book value of property and equipment.

*Temporarily Restricted Net Assets* – Temporarily restricted net assets represent those resources the use of which has been restricted by donors to specific purposes or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor.

#### *REVENUE RECOGNITION*

Revenue is derived primarily from contributions. Contributions are recognized when received or when the donor makes an unconditional promise to give to the United Way. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

#### *CONTRIBUTED PROPERTY AND SERVICES*

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

# UNITED WAY OF MONMOUTH COUNTY

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2011 and 2010

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### **INCOME TAXES**

The United Way 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 reflected in the accompanying financial statements.

Management has reviewed the tax positions for each of the open tax years (2008 – 2010) or expected to be taken in the United Way's 2011 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. There is no interest or penalties recorded 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.

### **PROPERTY AND EQUIPMENT**

Property and equipment are stated at cost if purchased or fair market value if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

<b><u>Description</u></b>	<b><u>Estimated Life (Years)</u></b>
Furniture and fixtures	5
Computer equipment and software	3-5
Equipment	5

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

### **INVESTMENTS**

Investments are reported at their fair value in the statements of financial position and consist of certificates of deposits and mutual funds. Realized and unrealized gains and losses are included in the statements of activities.

### **CASH EQUIVALENTS**

For the purpose of the statements of financial position and the statements of cash flows, United Way considers all cash on hand, cash in banks, and cash in money markets as cash equivalents.

### **FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited.

# UNITED WAY OF MONMOUTH COUNTY

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2011 and 2010

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### (2) PLEDGES RECEIVABLE

Campaign receivables are unconditional promises to give by individuals and corporations, and amounts collected by third parties (*See Note 12*) on behalf of the United Way and its member agencies that have not yet been received. Campaign receivables consists of the following at June 30:

	<u>2011</u>	<u>2010</u>
2007 – 2008 Campaign Receivables	\$ -	\$ 16,679
2009 – 2010 Campaign Receivables	-	850,268
2010 – 2011 Campaign Receivables	<u>836,654</u>	<u>-</u>
	836,654	866,947
Less: Allowance for uncollectible pledges	<u>(109,500)</u>	<u>(110,200)</u>
Pledges receivables, net	<u>\$ 727,154</u>	<u>\$ 756,747</u>

All pledges receivable are due within one year for 2011 and 2010.

The carrying amount of receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance is based on prior years' experience and management's analysis of specific promises made. In addition, amounts collected by third parties on behalf of the United Way 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.

### (3) INVESTMENTS

At June 30, 2011 and 2010, investments consisted of the following:

	<u>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Certificates of Deposit	\$ 356,388	\$ 356,388	\$ 452,824	\$ 452,824
Mutual Funds	<u>81,012</u>	<u>104,253</u>	<u>80,436</u>	<u>88,186</u>
Total Investments	<u>\$ 437,400</u>	<u>\$ 460,641</u>	<u>\$ 533,260</u>	<u>\$ 541,010</u>

As of June 30, 2011 and 2010 net unrealized gains (losses) consists of \$23,241 and \$7,750, respectively.

# UNITED WAY OF MONMOUTH COUNTY

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2011 and 2010

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United Way 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 United Way'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 is not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value United Way's investments as of June 30, 2011 and 2010 is as follows:

	2011			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ 356,388	\$ 356,388	\$ -	\$ -
Mutual Funds	<u>104,253</u>	<u>104,253</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 460,641</u>	<u>\$ 460,641</u>	<u>\$ -</u>	<u>\$ -</u>

  

	2010			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ 452,824	\$ 452,824	\$ -	\$ -
Mutual Funds	<u>88,186</u>	<u>88,186</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 541,010</u>	<u>\$ 541,010</u>	<u>\$ -</u>	<u>\$ -</u>

There were no transfers between Level 1 and Level 2 during the years ended June 30, 2011 and 2010.

# UNITED WAY OF MONMOUTH COUNTY

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2011 and 2010

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### (4) PROPERTY AND EQUIPMENT

The components of property and equipment are as follows at June 30:

	<u>2011</u>	<u>2010</u>
Computer equipment	\$ 53,074	\$ 61,732
Furniture	33,526	33,526
Office Equipment	<u>27,778</u>	<u>29,758</u>
	114,378	125,016
Less: accumulated depreciation	<u>(92,555)</u>	<u>(95,812)</u>
Total property and equipment, net	<u>\$ 21,823</u>	<u>\$ 29,204</u>

Depreciation included as a charge to expense amounted to \$9,927 and \$11,127 for the years ended June 30, 2011 and 2010, respectively.

### (5) GIFT OF WARMTH

United Way receives funds and is the trustee for the United Way of Monmouth County New Jersey Resources Gift of Warmth program ("*Gift of Warmth*"). The program assists customers in paying their heating bills during times of financial hardship. Every dollar donated goes directly to the needy. New Jersey Natural Gas matches 100% of donations made up to \$80,000. The activity for this program is reflected as temporarily restricted. As of June 30, 2011, all match contributions were received during the fiscal year. A receivable in the amount of \$80,000 was recorded at June 30, 2010 representing the match for the 2010 fiscal year.

### (6) NET ASSETS

#### *UNRESTRICTED NET ASSETS*

Unrestricted net assets are available for the following uses as of June 30:

	<u>2011</u>	<u>2010</u>
Available for Operations	\$ 1,390,287	\$ 1,294,209
Investment in property and equipment	<u>21,823</u>	<u>28,089</u>
	<u>\$ 1,412,110</u>	<u>\$ 1,322,298</u>

#### *TEMPORARILY RESTRICTED NET ASSETS*

Temporarily restricted net assets are available for the following use of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Gift of Warmth Program	\$ 18,807	\$ 120,605
DOVIA	<u>1,474</u>	<u>-</u>
	<u>\$ 20,281</u>	<u>\$ 120,605</u>

# UNITED WAY OF MONMOUTH COUNTY

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2011 and 2010

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Net assets released from donor restrictions by incurring expenses satisfying the purpose specified by the donors as follows:

	<u>2011</u>	<u>2010</u>
Gift of Warmth Program	\$ 307,610	\$ 112,000
DOVIA	<u>2,175</u>	<u>-</u>
	<u>\$ 309,785</u>	<u>\$ 112,000</u>

### (7) LEASES

#### *CAPITAL LEASE*

United Way had leased computer equipment costing \$10,031 under a capital lease. The lease expired in 2011.

#### *OPERATING LEASE*

##### Office Space

United Way has a lease agreement for office space which expires November 30, 2012. Rent expense was \$54,600 for each year ended June 30, 2011 and 2010.

Future minimum lease payments are as follows at June 30, 2011:

<u>Year ending June 30,</u>	<u>Amount</u>
2012	\$ 54,600
2013	<u>22,750</u>
Total operating lease obligation	<u>\$ 77,350</u>

The agreement includes a rent escalation clause that provides for annual real estate tax and operating expense increases.

##### Office Equipment

The United Way entered into a 60 month lease with monthly lease payments of \$127 for a postage meter. Rent expense was \$1,524 for each year. Future minimum lease payments are as follows at June 30, 2011:

<u>Year ending June 30,</u>	<u>Amount</u>
2012	\$ 1,524
2013	<u>508</u>
Total operating lease obligation	<u>\$ 2,032</u>

# UNITED WAY OF MONMOUTH COUNTY

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2011 and 2010

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### (8) CONCENTRATIONS OF CREDIT AND OTHER RISKS

Financial instruments which potentially subject the United Way of Monmouth County to significant concentrations of credit risk consist principally of cash and equivalents, investments and pledges receivable.

The United Way maintains cash and equivalents and certificates of deposit with various financial institutions. These financial institutions are located throughout the region and the United Way's policy is designed to limit exposure to any one institution. The United Way performs periodic evaluations of the relative credit standing of these financial institutions which are considered in the United Way's investment strategy. At times, cash balances may exceed insured limits.

Pledges receivable are evaluated for collectibility (*See Note 2*).

United Way is one of 27 United Ways that participate in the annual campaign of the United Way Worldwide's Tri-State Regional Office, which was formed to consolidate and coordinate fund-raising for the charitable activities and autonomous local United Ways in New Jersey, New York and Connecticut. In addition, the United Way Worldwide is responsible for managing the campaign for corporations that elect to be part of the regional campaign. United Way received approximately 54% of its revenue from United Way Worldwide for both years ended June 30, 2011 and 2010. In addition, approximately \$1,004,197 (49%) and \$969,773 (48%) of unrestricted gross campaign contributions were contributed by three major contributors through company campaigns for the years ended June 30, 2011 and 2010, respectively. A cancellation of any company campaign would have a detrimental effect on the United Way's campaign revenue.

### (9) PENSION PLAN

United Way offers a 401(k) defined contribution pension plan (the "*Plan*") through Extensis Group. The Plan covers all full-time employees over the age of 21 with at least one year of service. For the year ended June 30, 2011, United Way contributed 2% of the salary amount. For the year ended June 30, 2010, the contribution to the pension plan was suspended. Pension expense for the years ended June 30, 2011 and 2010 was \$6,726 and \$0, respectively.

Effective July 1, 2010, the Board of Directors approved the re-instatement of an employer contribution in the amount of 2% to the employee pension plan for the 2011 fiscal year.

### (10) GRANTS AND CONTRACTS

United Way entered into a contract with NJ 2-1-1 Partnership, a subsidiary of the United Ways of New Jersey to work collaboratively to provide 24 hour, 7 days a week inbound telephone support (live answering and maintenance of local, regional and state service) for residents of Monmouth County. The cost to the United Way was \$40,000 for 2011 and for 2010.

# UNITED WAY OF MONMOUTH COUNTY

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2011 and 2010

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### (11) SHARED SERVICES

The United Way has a contract arrangement with the United Way of Greater Union County, for communication support. The annual cost for this service is \$24,102 and is based upon 600 hours of service. Any services provided in excess of the 600 hour service agreement will be billed at an agreed upon hourly rate. These costs are included in consultant services in the statement of functional expenses.

The United Way also has a contract with the United Way of Greater Mercer County to provide the Controller services. Revenue earned for the year ended June 30, 2011 and 2010 was \$49,140 and \$3,293, respectively and is included in miscellaneous revenue on the statement of activities.

### (12) RELATED PARTY TRANSACTIONS

The Executive Director of the United Way is also the Treasurer of the United Ways of New Jersey and the NJ 2-1-1 Partnership. The United Way maintains the accounting records for both entities. Related party expenses incurred by the United Way and charged to the NJ 2-1-1 Partnership for the year ended June 30, 2011 and 2010 were \$5,000 and \$10,000, respectively.

### (13) DONATIONS IN-KIND

The following is a summary of donations in-kind which is included as revenue and expense in the statement of activity:

	<u>2011</u>	<u>2010</u>
SnowFlake Wishes Gifts (gifts for children, adults/seniors)	\$ 86,200	\$ 94,479
IBM equipment	-	4,681
School Time Wishes Gifts (school supplies)	11,938	8,114
Other	55,127	3,420
Mack Cali and other (warehouse space)	6,000	4,405
Christmas Trees	<u>2,346</u>	<u>3,519</u>
Total donations in-kind	<u>\$ 161,611</u>	<u>\$ 118,618</u>

Donations in-kind distributed to agencies totaled \$135,451 and \$110,149, and those used by the United Way totaled \$26,160 and \$8,469 for the years ended June 30, 2011 and 2010, respectively.

# UNITED WAY OF MONMOUTH COUNTY

## NOTES TO FINANCIAL STATEMENTS – (Continued)

June 30, 2011 and 2010

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### (14) ADMINISTRATIVE COST RATIO

United Way uses the data reported on IRS Form 990 to calculate its administrative cost ratio.

The administrative cost ratio for the years ended June 30, 2011 and 2010 have been calculated as follows:

	<u>2011</u>	<u>2010</u>
Support services		
Management and general expenses, Form 990, Part IX, Line 25, Column C	\$ 185,905	\$ 172,774
Fundraising expenses, Form 990, Part IX, Line 25, Column D	<u>195,653</u>	<u>215,690</u>
Total support services	<u>\$ 381,558</u>	<u>\$ 388,434</u>
 Total revenue and support from Form 990, Part VIII, Line 2, Column A	 <u>\$ 2,742,568</u>	 <u>\$2,519,822</u>
 Administrative cost ratio	 <u>13.91%</u>	 <u>15.42%</u>

### (15) COST DEDUCTION STANDARD – UNITED WAY WORLDWIDE

United Way adheres to the following cost deduction standards set by United Way Worldwide on designations (agency transactions):

Fees deducted from donor designated contributions to cover processing costs are based on a percentage of the contribution, which is within the United Way Worldwide guidelines. This percentage is lower than the actual cost of processing.

Processing fees are not deducted from designated gifts originating by or from other United Ways.

### (16) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, November 10, 2011, have been evaluated in the preparation of the financial statements.

In September 2011, the Board of Directors unanimously voted to approve Community Impact grant award extensions for the fiscal year ending June 30, 2012, in the amount of \$492,000.

## **SUPPLEMENTAL INFORMATION**

# UNITED WAY OF MONMOUTH COUNTY

## STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended June 30, 2011

	PROGRAM					Total	SUPPORTING SERVICES			Grand Total
	Community Service	Gift of Warmth	2-1-1 Contract	DOVIA	Volunteer Center		Administrative	Fund Raising	Total	
Awards/distributions	\$ 1,433,080	\$ -	\$ -	\$ -	\$ -	\$ 1,433,080	\$ -	\$ -	\$ -	\$ 1,433,080
Less Donor Designations	(944,185)	-	-	-	-	(944,185)	-	-	-	(944,185)
Subtotal	488,895	-	-	-	-	488,895	-	-	-	488,895
Labor and related expenses	119,155	-	-	-	116,610	235,765	125,319	114,735	240,054	475,819
Professional services	-	-	-	-	-	-	9,000	-	9,000	9,000
Consultant services	12,703	-	-	-	9,642	22,345	8,004	9,221	17,225	39,570
Supplies	854	-	-	-	4,577	5,431	866	997	1,863	7,294
Equipment maintenance	2,119	-	-	-	2,585	4,704	2,145	2,472	4,617	9,321
Telephone	950	-	-	-	1,159	2,109	962	1,109	2,071	4,180
Postage	2,970	-	-	-	3,624	6,594	3,008	3,465	6,473	13,067
Rent	15,110	-	-	-	6,552	21,662	15,309	17,629	32,938	54,600
In-kind space	-	-	-	-	6,000	6,000	-	-	-	6,000
Special events	-	-	-	-	-	-	-	48,513	48,513	48,513
Printing	8,323	-	-	-	464	8,787	520	4,162	4,682	13,469
Travel	2,110	-	-	-	2,744	4,854	2,138	2,462	4,600	9,454
Conference and training	1,361	-	-	-	1,661	3,022	1,379	1,588	2,967	5,989
Mail campaign	-	-	-	-	-	-	-	5,235	5,235	5,235
Promotion/marketing	2,952	-	-	-	26,914	29,866	-	20,915	20,915	50,781
Subscriptions	42	-	-	-	51	93	43	49	92	185
Local dues	80	-	-	-	80	160	-	1,439	1,439	1,599
Insurance	-	-	-	-	1,524	1,524	7,702	-	7,702	9,226
Depreciation	2,256	-	-	-	2,753	5,009	2,285	2,633	4,918	9,927
Internet	325	-	-	-	396	721	328	379	707	1,428
Outside services	1,708	-	-	-	2,084	3,792	1,731	1,993	3,724	7,516
Bank charges	-	-	-	-	-	-	1,106	-	1,106	1,106
Interest expense	70	-	-	-	85	155	70	81	151	306
Donations in-kind	-	-	-	-	135,451	135,451	-	-	-	135,451
2-1-1 Contract	-	-	40,000	-	-	40,000	-	-	-	40,000
MCPECC expenses	-	-	-	-	-	-	-	491	491	491
DOVIA	-	-	-	2,175	-	2,175	-	-	-	2,175
Gift of Warmth expense	-	307,610	-	-	-	307,610	-	-	-	307,610
United Way dues	3,941	-	-	-	4,808	8,749	3,990	4,598	8,588	17,337
Subtotal	177,029	307,610	40,000	2,175	329,764	856,578	185,905	244,166	430,071	1,286,649
Total functional expenses	\$ 665,924	\$ 307,610	\$ 40,000	\$ 2,175	\$ 329,764	\$ 1,345,473	\$ 185,905	\$ 244,166	\$ 430,071	\$ 1,775,544

# UNITED WAY OF MONMOUTH COUNTY

## STATEMENTS OF FUNCTIONAL EXPENSES – (Continued)

For the years ended June 30, 2010

	PROGRAM					SUPPORTING SERVICES			
	Community Service	Gift of Warmth	2-1-1 Contract	Volunteer Center	Total	Administrative	Fund Raising	Total	Grand Total
Awards/distributions	\$ 1,405,818	\$ -	\$ -	\$ -	\$ 1,405,818	\$ -	\$ -	\$ -	\$ 1,405,818
Less Donor Designations	(902,590)	-	-	-	(902,590)	-	-	-	(902,590)
Subtotal	503,228	-	-	-	503,228	-	-	-	503,228
Labor and related expenses	132,872	-	-	110,397	243,269	123,851	113,038	236,889	480,158
Professional services	-	-	-	-	-	10,500	-	10,500	10,500
Consultant services	-	-	-	-	-	-	27,785	27,785	27,785
Supplies	3,660	-	-	1,677	5,337	1,387	2,416	3,803	9,140
Equipment maintenance	3,960	-	-	1,772	5,732	1,645	2,869	4,514	10,246
Telephone	1,048	-	-	863	1,911	802	1,398	2,200	4,111
Postage	2,473	-	-	2,037	4,510	1,891	3,298	5,189	9,699
Rent	15,509	-	-	6,552	22,061	11,860	20,679	32,539	54,600
In-kind space	-	-	-	3,000	3,000	-	-	-	3,000
Special events	-	-	-	-	-	-	50,138	50,138	50,138
Printing	12,751	-	-	978	13,729	747	5,971	6,718	20,447
Travel	1,926	-	-	1,468	3,394	1,363	2,376	3,739	7,133
Conference and training	3,008	-	-	2,415	5,423	2,243	3,910	6,153	11,576
Mail campaign	-	-	-	-	-	-	1,665	1,665	1,665
Promotion/marketing	8,110	-	-	1,096	9,206	-	15,511	15,511	24,717
Non-profit Assistance Center	-	-	-	210	210	-	-	-	210
Subscriptions	103	-	-	85	188	79	137	216	404
Local dues	109	-	-	109	218	-	1,956	1,956	2,174
Insurance	-	-	-	1,503	1,503	8,332	-	8,332	9,835
Depreciation	2,837	-	-	2,337	5,174	2,170	3,783	5,953	11,127
Internet	309	-	-	254	563	236	412	648	1,211
Outside services	180	-	-	148	328	137	239	376	704
Bank charges	-	-	-	-	-	1,377	-	1,377	1,377
Interest expense	234	-	-	193	427	179	312	491	918
Donations in-kind	-	-	-	108,744	108,744	-	-	-	108,744
2-1-1 Contract	-	-	40,000	-	40,000	-	-	-	40,000
MCPECC expenses	-	-	-	-	-	-	1,519	1,519	1,519
Gift of Warmth expense	-	112,022	-	-	112,022	-	-	-	112,022
Board retreat	-	-	-	-	-	265	-	265	265
United Way dues	4,812	-	-	3,963	8,775	3,680	6,416	10,096	18,871
Subtotal	193,901	112,022	40,000	249,801	595,724	172,744	265,828	438,572	1,034,296
Total functional expenses	\$ 697,129	\$ 112,022	\$ 40,000	\$ 249,801	\$ 1,098,952	\$ 172,744	\$ 265,828	\$ 438,572	\$ 1,537,524

# UNITED WAY OF MONMOUTH COUNTY

## STATEMENTS OF GRANTS TO AGENCIES

For the years ended June 30, 2011 and 2010

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	<u>2011</u>	<u>2010</u>
180, Turning Lives Around, Inc.	\$ -	\$ 14,723
Monmouth Housing Alliance, D/B/A/ Affordable Housing Alliance and Subsidiaries	-	4,619
Alzheimer's Disease and Related Disorders Association, Inc., Greater New Jersey Chapter	-	5,196
Asian, Inc.	-	10,826
Big Brothers/Big Sisters of Monmouth County, Inc.	20,000	9,238
Boys and Girls Club of Monmouth County	58,000	12,413
Cancer Care of New Jersey	-	2,887
Catholic Charities, Diocese of Trenton	-	3,464
Center for Vocational Rehabilitation	50,000	3,176
CentraState Medical Center, Inc.	-	5,467
Cerebral Palsy Association of Middlesex County	-	2,887
Child Assault Prevention of Monmouth County	25,000	4,619
Coastal Habitat for Humanity	-	20,786
Collier Services	-	14,434
Community Outreach Group	-	6,004
The Community Y.M.C.A.	30,000	5,774
Consumer Advisory Council of the Disabled	-	5,774
Court Appointed Special Advocates of New Jersey	25,000	14,434
CPC Behavioral Healthcare	-	10,970
Family & Children's Service	-	4,041
Family Based Services Association of New Jersey, Inc.	-	7,217
Family Promise of Monmouth County, Inc.	-	17,898
The Family Resource Network, Inc. and Affiliates	-	4,619
The Food Bank of Monmouth and Ocean Counties, Inc.	-	4,330
Freehold Area Open Door	-	7,794
Girl Scouts of the Jersey Shore, Inc.	-	4,041
HABcore, Inc.	-	5,774
Hispanic Affairs & Resource Center, Inc.	-	8,083
Homing Corporation	-	11,547
Interfaith Neighbors, Inc.	125,000	9,469

# UNITED WAY OF MONMOUTH COUNTY

## STATEMENTS OF GRANTS TO AGENCIES – (Continued)

For the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Jersey Shore University Medical Center Foundation	\$ 12,000	\$ 6,929
Jewish Community Center of Greater Monmouth County	-	7,506
Jewish Family & Children's Service of Greater Monmouth County	-	14,434
LADACIN Network	35,000	14,434
Literacy Volunteers of Monmouth County	-	3,464
Long Branch Concordance	-	7,217
Love in the Name of Christ	-	8,660
Mental Health Association of Monmouth County	-	5,526
Mercy Center Corporation	-	5,947
Monmouth Council Inc., Boy Scouts of America	-	4,041
Monmouth Day Care Center	-	11,259
Monmouth Neighborhood Housing, Inc.	-	11,547
National Multiple Sclerosis Society	-	7,506
New York Services for the Handicapped	-	4,041
NJ Tournament of Champions	-	4,041
Novadebt	-	2,887
Ocean Monmouth legal Services, Inc.	-	3,464
Ocean's Harbor House	-	1,732
Parker Family Health Center	5,000	6,929
Planned Parenthood of Central New Jersey	-	14,723
Pleasant Valley Adult Day Care Center, Inc.	-	6,929
Prevention First	38,000	8,660
Project PAUL	23,895	7,790
Red Bank Regional Source Foundation	-	22,928
Regional Perinatal Consortium of Monmouth & Ocean Counties, Inc.	-	5,774
SEARCH Day Program, Inc. and Subsidiary	-	5,774
The Arc of Monmouth, Inc. and Subsidiaries	20,000	20,207
The First Tee	22,000	-
The Kitchen at St. Mark's	-	3,464
Valerie Fund	-	10,970
Visiting Nurse Association of Central Jersey Health Group, Inc. and Affiliates	-	10,393
YMCA of Western Monmouth County	-	6,929
Total grants to agencies	<u>\$488,895</u>	<u>\$503,223</u>

# UNITED WAY OF MONMOUTH COUNTY

## *ADDITIONAL RESOURCES GENERATED*

### **For the year ended June 30, 2011**

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For the years ended June 30, 2011 and 2010, United Way generated additional resources for the community that are not included in the accompanying financial statements. These resources include funds and in-kind donations distributed directly to participating agencies and through Monmouth County pharmacies that meet the criteria to be classified as agency transactions. A summary of these resources is as follows:

The Emergency Food and Shelter Program (EFSP) provides funds to Monmouth County, New Jersey, not-for-profit agencies resulting from the United Way of Monmouth County's management of that program. EFSP was created by Congress with a \$50 million appropriation in 1983 to help meet the needs of hungry and homeless people throughout the United States and its territories by allocating federal funds for the provision of food and shelter. The program is governed by a national Board; United Way Worldwide is the Secretariat and Fiscal Agent to the Board. Locally, the program is a model for public-private cooperation. For the years ended June 30, 2011 and 2010, funds paid directly to agencies totaled \$390,883 and \$373,253, respectively.

In fiscal 2011 and 2010, the United Way participated in the FamilyWize Prescription Drug Saving Program. The program is a free resource from the FamilyWize Community Service Partnership. As part of the program, United Way distributed prescription discount cards to local pharmacies, agencies and individuals. Since the United Way acted in an agent capacity and did not retain variance power over the distribution of these cards, the cards have not been recorded as in-kind donations. FamilyWize has reported as of June 30, 2011 and 2010 the total value redeemed by Monmouth County residents amounted to \$137,023 and \$94,923, respectively

***TAIT, WELLER & BAKER LLP***  
*Certified Public Accountants*  
*Philadelphia, New Jersey, New York*  
*[www.taitweller.com](http://www.taitweller.com)*