UNITED WAY OF MONMOUTH AND OCEAN COUNTIES

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

YEARS ENDED JUNE 30, 2025 AND 2024

UNITED WAY OF MONMOUTH AND OCEAN COUNTIES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Monmouth and Ocean Counties
Wall Township, New Jersey

Opinion

We have audited the accompanying financial statements of United Way of Monmouth and Ocean Counties (the ***"Organization"***) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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 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, including omissions, 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.

To the Board of Directors
United Way of Monmouth and Ocean Counties
Wall Township, New Jersey

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying Additional Resources Generated on page 18, is presented for purposes of additional analysis and is not a required part of the basic 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.

Tait, Weller & Baker LLP

Iselin, New Jersey
January 12, 2025

UNITED WAY OF MONMOUTH AND OCEAN COUNTIES

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 And 2024

	2025	2024
ASSETS		
ASSETS		
Cash and cash equivalents	$ 634,225	$ 619,895
Investments ***(Note 4)***	542,138	674,038
Pledges receivable, net ***(Note 2)***	159,797	208,091
Grants receivable ***(Note 3)***	50,000	257,114
Other receivables	30,495	18,200
Gift of Warmth receivable ***(Note 6)***	80,000	80,000
Prepaid expenses	14,578	18,244
Rent security deposits	7,266	14,448
Right-of-use asset ***(Note 7)***	187,467	24,263
Property and equipment, net ***(Note 5)***	11,281	21,698
Total Assets	$1,717,247	$1,935,991
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and payroll related payables	$ 77,410	$ 71,442
Deferred revenue	1,200	-
Lease liability ***(Note 7)***	195,964	25,841
Line of credit ***(Note 8)***	397,881	247,881
Designations and grants payable	155,446	443,174
Total Liabilities	827,901	788,338
NET ASSETS		
Without Donor Restrictions ***(Note 6)***		
Available for operations	340,142	462,010
Investment in property and equipment	11,281	21,698
Total Without Donor Restrictions	351,423	483,708
With Donor Restrictions ***(Note 6)***	537,923	663,945
Total Net Assets	889,346	1,147,653
Total Liabilities and Net Assets	$1,717,247	$1,935,991

UNITED WAY OF MONMOUTH AND OCEAN COUNTIES

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For The Years Ended June 30, 2025 And 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Gross Campaign Results:	$1,100,910	$ 173,070	$1,273,980	$ 1,076,542	$ 181,764	$ 1,258,306
Less: Donor designations	(381,469)	-	(381,469)	(440,599)	-	(440,599)
Provision for uncollectible	(58,447)	-	(58,447)	(58,961)	-	(58,961)
Campaign contributions revenue	660,994	173,070	834,064	576,982	181,764	758,746
Other revenue, gains (losses) and other support:						
Government grant revenue	-	100,000	100,000	42,502	250,000	292,502
Grant income	82,513	-	82,513	51,500	20,000	71,500
ERC Credit ***(Note 15)***	42,539	-	42,539	-	-	-
Special events, net of direct costs of $118,672 and $145,719 in 2025 and 2024	123,792	-	123,792	187,078	-	187,078
Designations from other United Way's	32,289	-	32,289	38,714	-	38,714
Service fees	18,000	-	18,000	19,705	-	19,705
Donations in-kind ***(Note 13)***	285,498	-	285,498	229,608	-	229,608
Investment income	41,043	-	41,043	31,926	-	31,926
Miscellaneous revenue	878	-	878	4,990	-	4,990
Net assets released from restrictions due to satisfaction of requirements ***(Note 6)***	399,092	(399,092)	-	268,071	(268,071)	-
Total other revenue and gains (losses)	1,025,644	(299,092)	726,552	874,094	1,929	876,023
Total revenue, gains and other support	1,686,638	(126,022)	1,560,616	1,451,076	183,693	1,634,769
EXPENSES						
Program services:						
Gross funds awarded/distributed	467,969	-	467,969	440,599	-	440,599
Less: donor designations	(381,469)	-	(381,469)	(440,599)	-	(440,599)
Net funds awarded/distributed	86,500	-	86,500	-	-	-
Community Service	263,063	-	263,063	386,134	-	386,134
Volunteer Center	767,340	-	767,340	636,959	-	636,959
Gift of Warmth	246,135	-	246,135	128,639	-	128,639
Total program services	1,363,038	-	1,363,038	1,151,732	-	1,151,732
Supporting services:						
Administrative	222,018	-	222,018	190,434	-	190,434
Fundraising	280,055	-	280,055	284,700	-	284,700
Total supporting services	502,073	-	502,073	475,134	-	475,134
Total expenses	1,865,111	-	1,865,111	1,626,866	-	1,626,866
Excess (deficit) of revenue over expenses	(178,473)	(126,022)	(304,495)	(175,790)	183,693	7,903
OTHER CHANGES						
Realized and unrealized gains (losses)	46,188	-	46,188	52,276	-	52,276
Increase/(decrease) in net assets	(132,285)	(126,022)	(258,307)	(123,514)	183,693	60,179
NET ASSETS						
Beginning of year	483,708	663,945	1,147,653	607,222	480,252	1,087,474
End of year	$ 351,423	$ 537,923	$ 889,346	$ 483,708	$ 663,945	$ 1,147,653

See notes to financial statements.

UNITED WAY OF MONMOUTH AND OCEAN COUNTIES

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2025

	PROGRAM				SUPPORTING SERVICES			
	Community Service	Volunteer Center	Gift of Warmth	Total	Administrative	Fund Raising	Total	Grand Total
Awards/Distributions	$ 467,969	$ -	$ -	$ 467,969	$ -	$ -	$ -	$ 467,969
Less Donor Designations	(381,469)	-	-	(381,469)	-	-	-	(381,469)
Subtotal	86,500	-	-	86,500	-	-	-	86,500
Labor and related expenses	151,064	212,535	-	363,599	117,321	117,187	234,508	598,107
Occupancy	16,377	47,772	-	64,149	13,822	17,435	31,257	95,406
Professional Services	47,566	66,921	-	114,487	61,326	93,899	155,225	269,712
Promotion and Marketing	3,080	3,080	-	6,160	-	3,080	3,080	9,240
United Way Dues	2,987	8,713	-	11,700	2,521	3,180	5,701	17,401
IT and Telephone	1,293	5,804	-	7,097	5,862	8,669	14,531	21,628
Insurance	3,250	9,479	-	12,729	2,743	3,460	6,203	18,932
Miscellaneous	8,263	24,103	-	32,366	8,193	15,522	23,715	56,081
Equipment Maintenance and Rentals	1,636	7,150	-	8,786	6,966	10,279	17,245	26,031
Depreciation	1,788	5,216	-	7,004	1,509	1,904	3,413	10,417
Printing and Postage	2,836	2,836	-	5,672	-	2,836	2,836	8,508
Program Expenses	-	89,880	-	89,880	-	-	-	89,880
Conferences and Travel	1,423	2,003	-	3,426	1,105	1,104	2,209	5,635
2-1-1 Information Referral Services	20,000	-	-	20,000	-	-	-	20,000
Donations In-Kind	1,500	281,848	-	283,348	650	1,500	2,150	285,498
Gift of Warmth Utility Assistance	-	-	246,135	246,135	-	-	-	246,135
Subtotal	263,063	767,340	246,135	1,276,538	222,018	280,055	502,073	1,778,611
Total functional expenses	$ 349,563	$767,340	$246,135	$ 1,363,038	$222,018	$280,055	$502,073	$ 1,865,111

See notes to financial statements.

UNITED WAY OF MONMOUTH AND OCEAN COUNTIES

STATEMENT OF FUNCTIONAL EXPENSES – (Continued)

For The Year Ended June 30, 2024

	PROGRAM				SUPPORTING SERVICES			
	Community Service	Volunteer Center	Gift of Warmth	Total	Administrative	Fund Raising	Total	Grand Total
Awards/Distributions	$ 440,599	$ -	$ -	$ 440,599	$ -	$ -	$ -	$ 440,599
Less Donor Designations	(440,599)	-	-	(440,599)	-	-	-	(440,599)
Subtotal	-	-	-	-	-	-	-	-
Labor and related expenses	207,589	193,597	-	401,186	87,977	132,053	220,030	621,216
Occupancy	32,672	30,470	-	63,142	13,847	20,784	34,631	97,773
Professional Services	87,006	81,928	-	168,934	47,329	70,318	117,647	286,581
Promotion and Marketing	3,367	3,232	-	6,599	848	2,639	3,487	10,086
United Way Dues	6,196	5,779	-	11,975	2,626	3,942	6,568	18,543
IT and Telephone	2,478	4,478	-	6,956	12,397	6,094	18,491	25,447
Insurance	6,066	5,657	-	11,723	2,571	3,859	6,430	18,153
Miscellaneous	13,542	12,629	-	26,171	7,782	15,407	23,189	49,360
Equipment Maintenance and Rentals	3,155	5,011	-	8,166	12,171	6,320	18,491	26,657
Depreciation	4,449	4,149	-	8,598	1,886	2,830	4,716	13,314
Printing and Postage	3,864	2,178	-	6,042	-	3,864	3,864	9,906
Program Expenses	-	76,583	-	76,583	-	-	-	76,583
2-1-1 Information Referral Services	15,000	-	-	15,000	-	-	-	15,000
Donations In-Kind	750	211,268	-	212,018	1,000	16,590	17,590	229,608
Gift of Warmth Utility Assistance	-	-	128,639	128,639	-	-	-	128,639
Subtotal	386,134	636,959	128,639	1,151,732	190,434	284,700	475,134	1,626,866
Total functional expenses	$ 386,134	$636,959	$128,639	$ 1,151,732	$190,434	$284,700	$475,134	$ 1,626,866

See notes to financial statements.

UNITED WAY OF MONMOUTH AND OCEAN COUNTIES

STATEMENTS OF CASH FLOWS

For The Years Ended June 30, 2025 And 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (258,307)	$ 60,179
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	10,417	13,314
Realized and unrealized (gains) losses on investments	(46,188)	(52,276)
Amortization of right-of-use asset	53,308	97,241
Operating lease liability payments	(46,389)	(102,802)
Change in operating assets and liabilities:		
Pledges receivable	48,294	2,601
Grants receivable	207,114	(235,050)
Other receivables	(12,295)	(15,100)
Prepaid expenses	3,666	5,917
Security deposit	7,182	-
Accounts payable and payroll related payables	5,968	13,025
Designations payable	(287,728)	(189,966)
Deferred income	1,200	(8,650)
Net cash used for operating activities	(313,758)	(411,567)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/maturity of investments	178,088	91
Net cash provided by investing activities	178,088	91
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing on line-of-credit	200,000	250,000
Repayment on line-of-credit	(50,000)	(2,119)
Net cash provided by financing activities	150,000	247,881
Net increase (decrease) in cash and cash equivalents	14,330	(163,595)
CASH AND CASH EQUIVALENTS		
Beginning of year	619,895	783,490
End of year	$ 634,225	$ 619,895

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION

United Way of Monmouth and Ocean Counties ***("United Way")***, originally incorporated in 1967 as United Way of Monmouth County, is a not-for-profit organization located in Monmouth and Ocean Counties, New Jersey. While maintaining a service relationship with United Way Worldwide, United Way is autonomous, independent and governed by a local Board of Directors. United Way's mission is "to bridge the gaps to education, financial stability and health for every person in our community". United Way's revenues are derived primarily from individual donations, corporate giving and government grants.

On July 1, 2016, United Way of Monmouth County completed its merger with United Way of Ocean County and renamed the organization as United Way of Monmouth and Ocean Counties. Upon execution of the merger, all assets and liabilities of United Way of Ocean County were transferred to United Way of Monmouth and Ocean Counties.

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

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of United Way are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary mission of United Way.

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

With donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of United Way or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Expirations of restrictions of net assets with donor restrictions are reported as net assets released from restriction.

REVENUE RECOGNITION

Revenue is derived primarily from contributions and grants. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the condition on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Grant income from restricted grants is recognized in the period when the United Way has incurred the expenditures in compliance with the specific restrictions. United Way accounts for contract revenues, which are exchanged transactions, in the statement of activities to the extent that expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept the legal and contractual requirements of each individual program are used as guidance. All monies not expended in accordance with the grant or contract is recorded as a liability to the grantor as United Way does not maintain any equity in the grant or contract. Funds received under exchange contracts in advance of their usage are classified as amounts due to government agencies and included in accounts payable and other current liabilities in the statement of financial position.

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.

INCOME TAXES

United Way has adopted the accounting standard relating to accounting for uncertainty in income taxes. The standard clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Based on its evaluation, United Way has concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. There are no income tax related penalties or interest for the periods presented in these 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:

Description	Estimated Life (Years)
Furniture and fixtures	5
Computer equipment and software	3-5
Equipment	5
Leasehold improvements	3

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 financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. United Way's payroll, taxes and benefit expenses are allocated based on analysis of time and effort, while other costs are charged directly to the program or department in which the expense was incurred.

(2) PLEDGES RECEIVABLE

Campaign receivables are unconditional promises to give by individuals and corporations, and amounts collected by third parties on behalf of United Way and its participating agencies that have not yet been received. Campaign receivables consist of the following at June 30:

	2025	2024
2023 – 2024 Campaign Receivables	$ -	$ 267,052
2024 – 2025 Campaign Receivables	218,244	-
	218,244	267,052
Less: Allowance for uncollectible pledges	(58,447)	(58,961)
Pledges receivables, net	$ 159,797	$ 208,091

All pledges receivable are due within one year for 2025 and 2024.

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. Payments on pledges are applied to the specific pledges identified on the remittance or, if unspecified, are applied based on management's discretion.

(3) GRANTS RECEIVABLE

Grants receivable are due as follows at June 30:

	2025	2024
Receivable in one year	$ 50,000	$ 257,114

(4) INVESTMENTS

At June 30, 2025 and 2024, investments consisted of the following:

	2025		2024	
	Cost	Market	Cost	Market
Mutual Funds/ETF's	$ 448,234	$ 542,138	$ 597,929	$ 674,038
Total Investments	$ 448,234	$ 542,138	$ 597,929	$ 674,038

As of June 30, 2025 and 2024 net unrealized gains consisted of $93,904 and $76,109, respectively.

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 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.

All of United Way's securities were classified as Level 1 securities as of June 30, 2025 and 2024.

(5) PROPERTY AND EQUIPMENT

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

	2025	2024
Computer equipment	$ 55,825	$ 55,825
Furniture	33,051	33,051
Office equipment	6,117	6,117
Vehicles	47,002	47,002
	141,995	141,995
Less: accumulated depreciation	(130,714)	(120,297)
Total property and equipment, net	$ 11,281	$ 21,698

Depreciation included as a charge to expense amounted to $10,417 and $13,314 for the years ended June 30, 2025 and 2024, respectively.

(6) NET ASSETS

WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are available for the following uses as of June 30:

	2025	2024
Available for operations	$ 340,142	$ 462,010
Investment in property and equipment	11,281	21,698
	$ 351,423	$ 483,708

WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following use of June 30:

	2025	2024
NJ Natural Gas Gift of Warmth Program	$ 377,892	$ 444,705
Financial Success Center	-	10,000
2024 – 2025 Campaign Contributions	-	10,000
Basic Needs Initiative	160,031	199,240
	$ 537,923	$ 663,945

Significant classes of net assets with donor restrictions include:

GIFT OF WARMTH

United Way receives funds and is the trustee for the United Way – NJ Natural Gas 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 those in need. New Jersey Natural Gas matches 100% of donations made up to $80,000. The activity for this program is reflected as net assets with donor restrictions. A receivable existed in the amount of $80,000 at June 30, 2025 and 2024, representing the match for the 2025 and 2024 fiscal years respectively.

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

	2025	2024
Gift of Warmth Program	$ 239,884	$ 197,311
Financial Success Center	10,000	20,000
Annual Campaign	10,000	-
Basic Needs Initiative	139,208	50,760
	$ 399,092	$ 268,071

(7) LEASES

United Way leases office space in Eatontown, New Jersey under a lease agreement with an initial term greater than 12 months. United Way determines whether an agreement is or contains a lease at lease inception. Right-of-use assets represent United Way's right to use an underlying asset for the lease term and lease liabilities represent United Way'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 and interest expense related to United Way's operating leases are included in occupancy and office expense on the statement of functional expenses.

In determination of the lease term, United Way 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 United Way's incremental borrowing rate.

The following quantitative data related to United Way's operating leases for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Operating Lease Amounts:		
Right-of-use assets	$ 187,467	$ 24,263
Lease liabilities	195,964	25,841
Other Information:		
Operating outgoing cash flows for operating leases	$ 46,389	$ 102,802
Weighted-average remaining lease term	4.58 years	.25 years
Weighted average discount rate	8.5%	2.21%

Lease cost information for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Operating lease cost	$ 53,306	$ 97,241

Future lease payments at June 30, 2024 are as follows:

Year Ending June 30,	Rent Commitments
2026	$ 49,700
2027	50,810
2028	51,789
2029	52,826
2030	31,199
Total future payments	236,324
Less: present value adjustment	(40,360)
Lease liability	$ 195,964

(8) LINE-OF-CREDIT

On August 18, 2023, United Way opened a three-year line-of-credit with OceanFirst Bank of $500,000, which runs through August 18, 2026. The line-of-credit is collateralized United Way's investments; interest is payable monthly on outstanding balances at an interest rate of 1.0% over the "Wall Street Journal" Prime rate through May 14, 2025, when the interest rate on the line-of-credit was modified. After the modification, interest is payable monthly on outstanding balances at an interest rate of .25% over the prime rate (7.75% and 9.50% at June 30, 2025 and 2024, respectively), with an interest rate floor of 6.00%. Any unpaid principal is due on August 18, 2026. At June 30, 2025 and 2024, the outstanding balance on the line-of-credit was $397,881 and $247,881, respectively. Interest expense for the years ended June 30, 2025 and 2024 was $26,587 and $19,908, respectively. In fiscal 2024, United Way also incurred origination fees of $3,347 in connection with opening the line-of-credit.

(9) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

United Way strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in money market funds and certificates of deposit maturing within one year. As part of the United Way's liquidity management, it has a practice to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

The following table reflects United Way's financial assets as of June 30, 2025 and 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.

	2025	2024
Financial Assets		
Cash and cash equivalents	$ 634,225	$ 619,895
Investments	542,138	674,038
Pledges receivable (due within one year)	159,797	208,091
Grants receivable (due within one year)	50,000	257,114
Other receivables	30,495	18,200
Gift of Warmth receivable	80,000	80,000
Total financial assets	1,496,655	1,857,338
Less:		
Net assets with donor restrictions	(537,923)	(663,945)
Financial assets available to meet general expenditures within one year	$ 958,732	$1,193,393

(10) CONCENTRATIONS OF CREDIT AND OTHER RISKS

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

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

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

In addition, for the year ended June 30, 2025, $664,024 (59%) of gross campaign contributions without donor restrictions were contributed by five major contributors, while for the year ended June 30, 2024, $707,175 (63%) of unrestricted gross campaign contributions were contributed by five major contributors through company campaigns. The cancellation of any company campaign would have a detrimental effect on United Way's campaign revenue.

(11) RETIREMENT SAVINGS PLAN

United Way offers a 401(k) defined contribution retirement savings plan (the "Plan") through Extensis Group. The Plan enables eligible employees to receive an automatic contribution of 3% of annual compensation and a maximum 2% matching contribution of their elective deferral up to 4% of their annual compensation. Additionally, the Board of Directors has the discretion to grant an extra 1% at the end of the fiscal year. Pension expense for the years ended June 30, 2025 and 2024 was $29,099 and $29,426, respectively.

(12) GRANTS AND CONTRACTS

United Way entered into a contract with NJ 2-1-1 Partnership, a subsidiary of United Ways of New Jersey to work collaboratively to provide 24 hours, 7 days a week inbound telephone support (live answering and maintenance of local, regional and state service) for residents of Monmouth and Ocean Counties. The cost to United Way was $20,000 and $15,000 for the years ended June 30, 2025 and 2024, 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:

	2025	2024
Warmest Wishes (winter clothing)	$ 153,250	$ 165,335
Basic Needs	18,208	16,020
Advertising, books and other	4,500	2,750
Special events	18,120	16,340
Rental Space	91,420	29,163
Total donations in-kind	$ 285,498	$ 229,608

Donations in-kind distributed to agencies totaled $171,458 and $181,355, and those used by United Way totaled $114,040 and $48,253 for the years ended June 30, 2025 and 2024, respectively.

(14) 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 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.

(15) CARES ACT

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the ***"CARES Act"***) signed into law on March 27, 2020 and the subsequent extension of the CARES Act, United Way believed that it was eligible for a refundable employee retention credit. The tax credit was equal to 50% of qualified wages paid to employees during a quarter, capped at $10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extended and slightly expanded the qualified wage caps on these credits through December 31, 2021. Based on these additional provisions, the tax credit is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to $10,000 of qualified wages per quarter. During the fiscal year ended December 31, 2025, United Way recorded revenue of $42,539 related to the CARES Employee Retention Credit (***"ERC"***), which is included on the Statement of Activities and Changes in Net Assets.

The ERC program is subject to audit by the Federal Government for eligibility and related costs.

(16) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, January 12, 2025, have been evaluated in the preparation of the financial statements.

SUPPLEMENTAL INFORMATION

UNITED WAY OF MONMOUTH AND OCEAN COUNTIES

ADDITIONAL RESOURCES GENERATED (UNAUDITED)

For The Years Ended June 30, 2025 And 2024

For the year ended June 30, 2024, United Way generated additional resources for the community that is not included in the accompanying financial statements. These resources include funds and in-kind donations distributed directly to participating agencies and through Monmouth and Ocean 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 and Ocean Counties, New Jersey, not-for-profit agencies resulting from United Way of Monmouth and Ocean 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 year ended June 30, 2024, funds awarded to agencies totaled $530,799. During the fiscal year ended June 30, 2025 there were no funds awarded to agencies as there was a temporary pause on payments.

In fiscal 2024, United Way participated in the SingleCare (formerly FamilyWize) Prescription Drug Saving Program. The program is a free resource from the SingleCare Community Service Partnership. As part of the program, United Way distributed prescription discount cards to local pharmacies, agencies and individuals. Since 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. SingleCare has reported as of June 30, 2024 the total value redeemed by Monmouth and Ocean County residents amounted to $1,098,543, respectively. There was no funding related to the SingleCare program in fiscal year 2025.