



United Way of Greater Philadelphia and Southern New Jersey

Financial Statements
June 30, 2023 and 2022

United Way of Greater Philadelphia and Southern New Jersey

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Independent Auditor's Report

To the Board of Directors of
United Way of Greater Philadelphia and Southern New Jersey
Philadelphia, Pennsylvania

Opinion

We have audited the financial statements of United Way of Greater Philadelphia and Southern New Jersey ("UWGPSNJ"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 the UWGPSNJ as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 UWGPSNJ 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 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 UWGPSNJ's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS, 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 UWGPSNJ'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 UWGPSNJ'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.

BDO USA, P.C.

Philadelphia, Pennsylvania
December 12, 2023

Financial Statements

United Way of Greater Philadelphia and Southern New Jersey

Statements of Financial Position

June 30,	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 20,360,019	\$ 23,692,753
Short-term investments, at fair value (Note 3)	3,115,682	7,318,309
Pledges receivable, net (Note 4)	4,081,598	6,031,735
Other current assets	393,069	411,827
Total Current Assets	27,950,368	37,454,624
Long-term investments, at fair value (Note 3)	79,991,796	70,805,139
Long-term pledges receivable, net (Note 4)	565,887	-
Funds held for others (Note 2)	3,500,000	-
Land and equipment, net (Note 6)	261,995	403,979
Operating lease right-of-use asset, net (Note 7)	2,408,812	2,734,412
Total Assets	\$ 114,678,858	\$ 111,398,154
Liabilities and Net Assets		
Current Liabilities		
Distributions payable to agencies, including donor designations of \$1,492,916 and \$2,380,154 in 2023 and 2022, respectively	\$ 6,514,638	\$ 8,323,567
Accounts payable and accrued expenses (Note 8)	1,225,842	1,555,946
Operating lease liability (Note 7)	331,907	306,876
Deferred revenue	101,667	536,337
Total Current Liabilities	8,174,054	10,722,726
Funds held for others (Note 2)	3,500,000	-
Operating lease liability (Note 7)	2,164,926	2,496,833
Total Liabilities	13,838,980	13,219,559
Net Assets		
Without donor restrictions	69,315,036	68,822,941
With donor restrictions (Note 11)	31,524,842	29,355,654
Total Net Assets	100,839,878	98,178,595
Total Liabilities and Net Assets	\$ 114,678,858	\$ 111,398,154

See accompanying notes to financial statements.

United Way of Greater Philadelphia and Southern New Jersey

Statement of Activities and Changes in Net Assets Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total 2023
Public Support			
Annual campaign	13,981,002	\$ 5,493,288	\$ 19,474,290
Gross campaign results in prior year - released from restriction	415,000	(415,000)	-
Program restricted campaign gifts raised in prior year released from restriction	554,355	(554,355)	-
Less - amounts raised on behalf of others	(2,873,483)	-	(2,873,483)
Gross undesignated annual campaign	12,076,874	4,523,933	16,600,807
Provision for uncollectable pledges	(880,864)	-	(880,864)
Net annual campaign	11,196,010	4,523,933	15,719,943
Grants and other contributions	101,565	-	101,565
Total Public Support	11,297,575	4,523,933	15,821,508
Revenue			
Earned revenue	2,641,471	-	2,641,471
Amounts received from other United Ways	140,691	-	140,691
Administrative fees on amounts raised on behalf of others	493,163	-	493,163
Legacies and bequests	1,506,718	-	1,506,718
Rental and miscellaneous income	134,587	-	134,587
Application of spending policy	3,390,402	-	3,390,402
Investment income	516,964	-	516,964
Donated materials and services	493,192	-	493,192
Net assets released from restrictions	3,551,378	(3,551,378)	-
Total Revenue	12,868,566	(3,551,378)	9,317,188
Total Public Support and Revenue	24,166,141	972,555	25,138,696

See accompanying notes to financial statements.

United Way of Greater Philadelphia and Southern New Jersey

Statement of Activities and Changes in Net Assets Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total 2023
Distributions and Expenses			
Distributions and related items -			
distributions to agencies	8,402,554	-	8,402,554
Less - donor designated distributions to agencies	(2,375,054)	-	(2,375,054)
Net distributions to agencies	6,027,500	-	6,027,500
Special distributions and projects	8,458,983	-	8,458,983
Total Distributions and Related Items	14,486,483	-	14,486,483
Expenses			
Fundraising	1,865,104	-	1,865,104
General and administrative	4,504,696	-	4,504,696
Donated general and administrative materials and services	109,145	-	109,145
Total Cost of Campaign	6,478,945	-	6,478,945
Program Services			
Community impact	4,340,796	-	4,340,796
Other program services	151,413	-	151,413
Grant expenditures	288,589	-	288,589
Total Program Services	4,780,798	-	4,780,798
Total Expenses and Program Services	11,259,743	-	11,259,743
Total Distributions and Expenses	25,746,226	-	25,746,226
Change in net assets from operating activities	(1,580,085)	972,555	(607,530)
Non-Operating Activities			
Investment income, net of spending policy	2,072,180	1,196,633	3,268,813
Change in Net Assets from Non-Operating Activities	2,072,180	1,196,633	3,268,813
Change in Net Assets	492,095	2,169,188	2,661,283
Net Assets, July 1, 2022	68,822,941	29,355,654	98,178,595
Net Assets, June 30, 2023	\$ 69,315,036	\$ 31,524,842	\$ 100,839,878

See accompanying notes to financial statements.

United Way of Greater Philadelphia and Southern New Jersey

Statement of Activities and Changes in Net Assets Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total 2022
Public Support			
Annual campaign	\$ 13,313,578	\$ 4,874,478	\$ 18,188,056
Gross campaign results in prior year - released from restriction	674,251	(674,251)	-
Program restricted campaign gifts raised in prior year released from restriction	861,643	(861,643)	-
Less - amounts raised on behalf of others	(4,338,279)	41,111	(4,297,168)
Gross undesignated annual campaign	10,511,193	3,379,695	13,890,888
Provision for uncollectable pledges	(694,914)	-	(694,914)
Net annual campaign	9,816,279	3,379,695	13,195,974
Grants and other contributions	1,104,772	-	1,104,772
Total Public Support	10,921,051	3,379,695	14,300,746
Revenue			
Earned revenue	1,460,749	-	1,460,749
Amounts received from other United Ways	141,819	-	141,819
Administrative fees on amounts raised on behalf of others	644,843	-	644,843
Legacies and bequests	178,876	-	178,876
Rental and miscellaneous income	87,327	-	87,327
Application of spending policy	3,341,597	-	3,341,597
Investment income	157,413	-	157,413
Donated materials and services	237,597	-	237,597
Net assets released from restrictions	6,386,273	(6,386,273)	-
Total Revenue	12,636,494	(6,386,273)	6,250,221
Total Public Support and Revenue	23,557,545	(3,006,578)	20,550,967

See accompanying notes to financial statements.

United Way of Greater Philadelphia and Southern New Jersey

Statement of Activities and Changes in Net Assets Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total 2022
Distributions and Expenses			
Distributions and related items -			
distributions to agencies	10,420,243	-	10,420,243
Less - donor designated distributions to agencies	(3,649,490)	-	(3,649,490)
Net distributions to agencies	6,770,753	-	6,770,753
Special distributions and projects	8,040,721	-	8,040,721
Total Distributions and Related Items	14,811,474	-	14,811,474
Expenses			
Fundraising	2,493,586	-	2,493,586
General and administrative	3,439,451	-	3,439,451
Donated general and administrative materials and services	118,298	-	118,298
Total Cost of Campaign	6,051,335	-	6,051,335
Program Services			
Community impact	5,005,729	-	5,005,729
Other program services	250,846	-	250,846
Grant expenditures	503,346	-	503,346
Total Program Services	5,759,921	-	5,759,921
Total Expenses and Program Services	11,811,256	-	11,811,256
Total Distributions and Expenses	26,622,730	-	26,622,730
Change in net assets from operating activities	(3,065,185)	(3,006,578)	(6,071,763)
Non-Operating Activities			
Investment income, net of spending policy	(9,329,985)	(2,430,473)	(11,760,458)
Change in Net Assets from Non-Operating Activities	(9,329,985)	(2,430,473)	(11,760,458)
Change in Net Assets	(12,395,170)	(5,437,051)	(17,832,221)
Net Assets, July 1, 2021	81,218,111	34,792,705	116,010,816
Net Assets, June 30, 2022	\$ 68,822,941	\$ 29,355,654	\$ 98,178,595

See accompanying notes to financial statements.

United Way of Greater Philadelphia and Southern New Jersey

Statements of Cash Flows

Year ended June 30,	2023	2022
Cash Flows from Operating Activities		
Changes in net assets	\$ 2,661,283	\$ (17,832,221)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	141,984	159,217
Net realized and unrealized (gains) losses on investments	(6,826,788)	9,734,725
Provision for (recovery of) uncollectible pledges	613,779	(1,271,904)
Forgiveness of Payroll Protection Loan	-	(1,090,272)
Operating lease liability adjustment	378,416	420,351
Changes in assets and liabilities:		
Decrease in pledges receivable	770,471	3,306,641
Decrease in grants receivable	-	1,490,417
Decrease in cash surrender value of life insurance policies	-	53,542
Decrease (increase) in other assets	18,758	(64,455)
Increase (decrease) in funds held on behalf of others	3,500,000	(10,220,000)
Decrease in distributions payable to agencies	(1,808,929)	(745,820)
(Decrease) increase in deferred revenue	(434,670)	536,337
Decrease in operating lease liabilities	(359,692)	(351,055)
Decrease in accounts payable and accrued expenses	(330,104)	(1,464,197)
Net cash used in operating activities	(1,675,492)	(17,338,694)
Cash flows from investing activities		
Purchase of/proceeds from sales of investments, net	1,842,758	3,172,642
Net cash provided by investing activities	1,842,758	3,172,642
Cash flows from financing activities		
Loan to related party	(1,256,250)	-
Payments from related party loan	1,256,250	-
Net cash provided by financing activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents and Funds Held for Others	167,266	(14,166,052)
Cash and Cash Equivalents and Funds Held for Others, beginning of year	23,692,753	37,858,805
Cash and Cash Equivalents and Funds Held for Others, end of year	\$ 23,860,019	\$ 23,692,753

See accompanying notes to financial statements.

United Way of Greater Philadelphia and Southern New Jersey

Statement of Functional Expenses Year Ended June 30, 2023

	Program Services				Support Services			2023 Total
	Community Impact	Other Program Services	Grants	Total	General and Administrative	Fundraising	Total	
Distributions to agencies	\$ 8,402,554	\$ -	\$ -	\$ 8,402,554	\$ -	\$ -	\$ -	\$ 8,402,554
Less - donor designated distributions	(2,375,054)	-	-	(2,375,054)	-	-	-	(2,375,054)
Special distributions and projects	8,458,983	-	-	8,458,983	-	-	-	8,458,983
Total Distributions	14,486,483	-	-	14,486,483	-	-	-	14,486,483
Salaries	2,100,746	34,990	3,625	2,139,361	1,968,207	741,859	2,710,066	4,849,427
Employee health & retirement benefits	274,202	1,114	4,641	279,957	392,006	155,802	547,808	827,765
Payroll taxes	169,575	992	4,131	174,698	131,269	79,096	210,365	385,063
Total Salaries and Related Benefits	2,544,523	37,096	12,397	2,594,016	2,491,482	976,757	3,468,239	6,062,255
Other Operating Expenses								
Professional services and contract payments	914,638	31,286	30,849	976,773	1,389,950	491,454	1,881,404	2,858,177
Donated professional services and contract payments	384,047	-	-	384,047	109,145	-	109,145	493,192
Office services	3,039	-	-	3,039	5,028	1,644	6,672	9,711
Supplies	14,959	77	321	15,357	24,127	24,562	48,689	64,046
Telephone	3,035	36	150	3,221	4,575	2,212	6,787	10,008
Postage and shipping	4,217	345	1,439	6,001	10,067	4,489	14,556	20,557
Occupancy	73,761	18,451	76,878	169,090	283,634	92,727	376,361	545,451
Outside printing, artwork and advertising	26,587	1,613	6,720	34,920	19,995	30,576	50,571	85,491
Travel, training and meetings	111,726	2,021	8,420	122,167	70,086	154,382	224,468	346,635
Membership dues	4,625	-	-	4,625	9,177	1,287	10,464	15,089
Equipment rental and repairs	41,789	117	485	42,391	71,107	23,246	94,353	136,744
Miscellaneous	2,548	-	-	2,548	4,724	1,397	6,121	8,669
United Way Worldwide dues	161,607	46,173	115,434	323,214	92,347	46,173	138,520	461,734
Depreciation of building and equipment	49,695	14,198	35,496	99,389	28,397	14,198	42,595	141,984
Total Other Operating Expenses	1,796,273	114,317	276,192	2,186,782	2,122,359	888,347	3,010,706	5,197,488
Total Operating Expenses	4,340,796	151,413	288,589	4,780,798	4,613,841	1,865,104	6,478,945	11,259,743
Total Expenses	\$ 18,827,279	\$ 151,413	\$ 288,589	\$ 19,267,281	\$ 4,613,841	\$ 1,865,104	\$ 6,478,945	\$ 25,746,226

See accompanying notes to financial statements.

United Way of Greater Philadelphia and Southern New Jersey

Statement of Functional Expenses Year Ended June 30, 2022

	Program Services				Support Services			2022 Total
	Community Impact	Other Program Services	Grants	Total	General and Administrative	Fundraising	Total	
Distributions to agencies	\$ 10,420,243	\$ -	\$ -	\$ 10,420,243	\$ -	\$ -	\$ -	\$ 10,420,243
Less - donor designated distributions	(3,649,490)	-	-	(3,649,490)	-	-	-	(3,649,490)
Special distributions and projects	8,040,721	-	-	8,040,721	-	-	-	8,040,721
Total Distributions	14,811,474	-	-	14,811,474	-	-	-	14,811,474
Salaries	2,088,594	49,216	112,735	2,250,545	1,388,849	1,448,701	2,837,550	5,088,095
Employee health & retirement benefits	263,635	987	4,114	268,736	347,863	164,814	512,677	781,413
Payroll taxes	144,673	1,951	8,127	154,751	114,138	102,714	216,852	371,603
Total Salaries and Related Benefits	2,496,902	52,154	124,976	2,674,032	1,850,850	1,716,229	3,567,079	6,241,111
Other Operating Expenses								
Professional services and contract payments	1,575,971	125,202	180,973	1,882,146	968,850	344,625	1,313,475	3,195,621
Donated professional services and contract payments	118,298	-	-	118,298	118,298	-	118,298	236,596
Office services	1,539	48	200	1,787	2,998	980	3,978	5,765
Supplies	19,333	720	3,001	23,054	9,467	6,424	15,891	38,945
Telephone	3,816	113	472	4,401	5,151	2,987	8,138	12,539
Postage and shipping	2,481	97	404	2,982	4,859	5,487	10,346	13,328
Occupancy	162,426	3,380	14,085	179,891	301,753	98,650	400,403	580,294
Outside printing, artwork and advertising	59,448	456	1,901	61,805	17,766	103,635	121,401	183,206
Travel, training and meetings	232,159	891	3,711	236,761	36,294	129,678	165,972	402,733
Membership dues	78,694	-	-	78,694	5,502	86	5,588	84,282
Equipment rental and repairs	21,357	2,498	10,407	34,262	57,413	19,462	76,875	111,137
Miscellaneous	4,802	-	-	4,802	47,974	56	48,030	52,832
United Way Worldwide dues	172,777	49,365	123,412	345,554	98,731	49,365	148,096	493,650
Depreciation of building and equipment	55,726	15,922	39,804	111,452	31,843	15,922	47,765	159,217
Total Other Operating Expenses	2,508,827	198,692	378,370	3,085,889	1,706,899	777,357	2,484,256	5,570,145
Total Operating Expenses	5,005,729	250,846	503,346	5,759,921	3,557,749	2,493,586	6,051,335	11,811,256
Total Expenses	\$ 19,817,203	\$ 250,846	\$ 503,346	\$ 20,571,395	\$ 3,557,749	\$ 2,493,586	\$ 6,051,335	\$ 26,622,730

See accompanying notes to financial statements.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

1. Organization

The United Way of Greater Philadelphia and Southern New Jersey (“UWGPSNJ”) is a voluntary organization whose mission is to improve people’s lives by mobilizing the caring power of donors, volunteers, and communities. UWGPSNJ is a tax-exempt organization under the Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a publicly-supported organization. UWGPSNJ is governed by a volunteer Board of Directors.

UWGPSNJ conducts an annual campaign that raises funds to address the most pressing needs in the community through its Community Impact Fund. Donors to the campaign who contribute to the Community Impact Fund allow their funds to be allocated in accordance with UWGPSNJ’s Community Solutions Agenda developed by UWGPSNJ’s Community Impact Committee, which reports to the Board of Directors. Donors may also designate their funds to one or more tax-exempt organizations.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements of UWGPSNJ have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

All intercompany accounts and transactions are eliminated for consolidation.

Not-for-profit accounting standards require reporting of total assets, liabilities, and net assets in a statement of financial position; reporting the change in net assets in a statement of activities; and reporting sources and uses of cash and cash equivalents in a statement of cash flows. Net assets, revenues and gains, and expenses and losses are classified as with or without donor restrictions based on the existence or absence of donor-imposed restrictions.

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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents and Funds Held for Others

UWGPSNJ considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

In June 2023, UWGPSNJ entered a Fiscal Agency Agreement with The City of Philadelphia to distribute funds from a Settlement Agreement between the City and I.B.I.D Associates Limited Partnership to recipients identified in that settlement. On June 29, 2023, UWGPSNJ received \$3.5 million, which will be distributed in accordance with the Fiscal Agency Agreement beginning in fiscal year 2024.

<i>June 30,</i>	2023	2022
Cash and cash equivalents	\$ 20,360,019	\$ 23,692,753
Funds held for others	3,500,000	-
Cash and cash equivalents and funds held for others	\$ 23,860,019	\$ 23,692,753

Investments

Investments are stated at fair value in the statements of financial position (see Note 3). Realized and unrealized gains and losses on investments are reported as increases or decreases in the statements of activities and changes in net assets. The gains and losses are recorded in the net asset category where the related investment income is reported, in accordance with donor stipulations.

Investment income is shown net of related expenses of \$267,122 and \$249,551 for the years ended June 30, 2023 and 2022, respectively, on the statements of activities and changes in net assets. Related expenses consist of bank fees, custodian fees, and investment advisory fees.

Fair Value of Financial Instruments

Financial instruments consist of cash and cash equivalents, pledges receivable, grants receivable, legacies and bequests receivable, investments, distributions payable, and accounts payable and accrued expenses. The carrying amounts reported in the statements of financial position for cash and cash equivalents, pledges receivable, grants receivable, investments, distributions payable, and accounts payable and accrued expenses approximate fair value.

Concentration of Credit Risk

UWGPSNJ is required to disclose significant concentrations of credit risk regardless of the degree of such risk. From time to time, UWGPSNJ maintains bank deposits at financial institutions that exceed the limit of insurability under the Federal Deposit Insurance Corporation. In addition, UWGPSNJ's investments consist of a variety of financial instruments. The related values, as presented in the financial statements, are subject to various market fluctuations that include changes in equity markets, the interest rate environment, and general economic conditions.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

Pledges Receivable/Promises to Give

Contributions are recognized as revenue when they are received or unconditionally pledged. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using the effective interest rate applicable to the donor in the year in which the promise is received. Amortization of the discount is included in public support revenue. Conditional promises to give are not included in public support revenue until such time as the conditions are substantially met. An allowance for uncollectible pledges/promises to give is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Land and Equipment

Land and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the respective assets which is 3 to 10 years for equipment, furniture, and fixtures. UWGPSNJ follows the practice of capitalizing all expenditures for equipment, furniture, and fixtures in excess of \$1,000. Repairs and maintenance are charged to expense when incurred.

Donated property and equipment are recorded at fair value on the date of receipt as an increase in net assets without donor restrictions unless the donor stipulates otherwise. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, UWGPSNJ reports expiration of donor restrictions when the asset is placed into service. The cost and accumulated depreciation of property, sold or retired, is removed from the related asset and accumulated depreciation accounts, and the resulting gain or loss is recorded in the period of disposal.

Impairment of Long-Lived Assets

In accordance with the accounting standard related to the accounting for the impairment or disposal of long-lived assets, management assesses whether there are indicators that the value of UWGPSNJ's long-lived assets may be impaired whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The value of a long-lived asset may be impaired if management's estimate of the aggregate, undiscounted future cash flows to be generated from the use or disposition of a long-lived asset are less than the carrying value of the asset. If impairment has occurred, the loss shall be measured as the excess of the carrying amount of the asset over its fair value.

Distributions Payable

Distributions payable represent amounts that are due periodically to UWGPSNJ's network of agencies and others. UWGPSNJ records distributions payable to agencies upon approval by the Board of Directors. Also included in this balance is the amount payable related to donor designations. This amount represents the liability relating to funds to be distributed according to the designations stipulated by individual donors pursuant to UWGPSNJ's Donor Choice Program.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the UWGPSNJ's long-term financial viability. See Note 10 for more information on the composition of net assets without donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. UWGPSNJ reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting UWGPSNJ to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. See Notes 11 and 12 for more information on the composition of net assets with donor restrictions and the release of restrictions, respectively.

Annual Campaign

Contributions to the annual campaign (conducted in the fall of the preceding calendar year) are recorded in the statements of activities and changes in net assets as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. These contributions to the annual campaign, which are in the form of cash and pledges, are recorded as support when the cash or pledges are received and are available for unrestricted use unless specifically restricted by the donor. Allowances for uncollectible contributions receivable are provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

Contributions with donor stipulations that limit the use of the donated assets are reported as with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restricted net assets are reclassified to net assets without donor restrictions and are reported in the statements of activities and changes in net assets as "gross campaign results in prior year-released from restrictions", or "program restricted campaign gifts raised in prior year released from restrictions". UWGPSNJ classifies all contributions with donor-imposed restrictions as net assets without donor restrictions support if those restrictions are satisfied in the same reporting period in which the contribution is made.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

Amounts Raised on Behalf of Others

Amounts raised on behalf of others represent designated pledges and are deducted from gross annual campaign revenues on the accompanying statements of activities and changes in net assets in accordance with US GAAP.

Grants and Other Contributions

Grants and other contributions include all grants and non-campaign contributions (other than legacies and bequests) that have been committed to UWGPSNJ during the fiscal year. Multi-year grants representing non-exchange transactions and non-campaign contributions committed during the fiscal year to be used for specific purposes at some point in the future are reported as net assets with donor restriction until used for the intended purpose as stated above.

Earned Revenue and Administrative fees

Earned revenue and administrative fees are exchange transactions in which UWGPSNJ earns a fee for administrative services provided to other companies.

Donated Materials and Services

A substantial number of volunteers have donated significant amounts of time to UWGPSNJ's fundraising campaign and other program services. No amounts have been reflected in the accompanying financial statements since the cost of these services does not meet the criteria for recognition under US GAAP. UWGPSNJ does include the fair value of definitive donations such as professional services, printed materials, and advertising related to its annual campaign. For the years ended June 30, 2023 and 2022, UWGPSNJ recorded donated professional services of \$493,192 and \$237,597, respectively. The value of these professional services was determined based on standard industry pricing for similar services.

Program Services

Program services expenses include costs incurred to provide training and technical assistance to local youth, to provide low-cost training to local human service agencies, to provide resources for union members, families, and leaders, and to promote volunteer and civic engagement.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of UWGPSNJ are presented on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs that are deemed allocable to programs and services are allocated based on distribution of staff time. These allocations are presented in the statements of functional expenses.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

Operating Indicator

UWGPSNJ utilizes changes in net assets without donor restrictions from operating activities as its performance indicator. This amount is composed of revenue and expenses resulting from the annual campaign, rental and miscellaneous income, and investment income used for operations through the annual spending policy on endowment funds. It excludes such activity as realized and unrealized gains or losses not used for operations through the spending policy and gains and losses resulting from the disposal of fixed assets. In general, changes in net assets without donor restrictions from operating activities should be at or near zero, as funds raised through the annual campaign, net of expenses, are distributed to the community.

3. Investments - Fair Value Measurements

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish a classification of fair value measurements for disclosure purposes. The hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.
- Level 3: Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

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United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

The following table presents information about UWGPSNJ's investment securities that were measured at fair value on a recurring basis as of June 30, 2023 and 2022 by level within the fair value hierarchy:

<i>June 30, 2023</i>	Total Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 4,366,661	\$ 4,366,661	\$ -	\$ -
Mutual funds	36,463,715	36,463,715	-	-
Exchange traded funds	4,307,368	4,307,368	-	-
U.S. Treasury securities	2,339,417	2,339,417	-	-
Corporate debt securities	18,987,693	-	18,987,693	-
Limited partnership/LLC interest	13,975,422	-	-	13,975,422
Beneficial interests in trusts	2,215,269	-	-	2,215,269
Total investments at fair value	82,655,545	47,477,161	18,987,693	16,190,691
Private investment *	451,933	-	-	-
Less: short-term investments	(3,115,682)	(3,115,682)	-	-
Long-Term Investments	\$ 79,991,796	\$ 44,361,479	\$ 18,987,693	\$ 16,190,691

<i>June 30, 2022</i>	Total Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 535,584	\$ 535,584	\$ -	\$ -
Mutual funds	19,841,889	19,841,889	-	-
Exchange traded funds	34,343,890	34,343,890	-	-
U.S. Treasury securities	4,387,926	4,387,926	-	-
Corporate debt securities	2,890,283	-	2,890,283	-
Pooled income fund	11,612	-	11,612	-
Limited partnership/LLC interest	14,002,549	-	-	14,002,549
Beneficial interests in trusts	2,109,715	-	-	2,109,715
Total investments at fair value	78,123,448	59,109,289	2,901,895	16,112,264
Less: short-term investments	(7,318,309)	(7,318,309)	-	-
Long-Term Investments	\$ 70,805,139	\$ 51,790,980	\$ 2,901,895	\$ 16,112,264

* Certain investments for which fair value is measured using the NAV per share as the practical expedient have not been categorized within the fair value hierarchy. The fair value amounts presented in this table are intended to reconcile the fair value hierarchy to the amounts presented in the Statements of Financial Position.

The following table outlines purchases and transfers of Level 3 assets for both the years ended June 30, 2023 and 2022:

	Fair value using Level 3 Inputs		
	Limited Partnership/LLC Interest	Beneficial Interests in Trusts	Total
Purchases, included interest accrued	\$ -	\$ -	\$ -
Transfers in	-	-	-
Transfers out	-	-	-

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

The level within which the fair value measurement falls is determined based on the lowest level that is significant to the fair value measurement.

Cash and Cash Equivalents represent short-term securities purchased with an original maturity of three months or less and money market mutual funds. They are classified within Level 1 as fair values and are based on quoted market prices.

Mutual Funds and Exchange Traded Funds represent an actively managed portfolio of registered securities. These securities trade in active markets. They are classified within Level 1 as fair values are based on quoted market prices.

U.S. Treasury Securities represent an actively managed portfolio of registered securities. The individual issues within the portfolio are actively traded bonds among broker dealers. These securities are classified within Level 1 as fair values are based upon quoted market prices.

Corporate Debt Securities represent bonds that are sold in a dealer market. These bonds trade based upon a bid-ask spread. The dealers use matrix pricing in determining their value. As such, these securities are classified as Level 2 as inputs are obtained from other valuation methodologies.

Limited Partnership/LLC Interest - The underlying partnership includes investments organized by type (cash and investments in other funds) with an indication of whether they were valued with Level 1, Level 2, or Level 3 inputs. The interest in the partnership is valued from a macro perspective due to the nature of the investment type. These financial instruments are valued as level 3 as they are not freely transferable and require approval before withdraw.

Beneficial Interests in Trusts - The underlying trusts include: money markets, equity securities, and mutual funds. The interests in the trusts are valued using a market approach. These financial instruments are Level 3 in the fair value hierarchy.

The following provides a description of the types of non-recurring financial instruments UWGPSNJ holds, the methodology for estimating fair value, and the level within the hierarchy of the estimate:

Pledges receivable and grants receivable - All multi-year pledges, grants, and legacies and bequests received in fiscal years 2023 and 2022 are recorded at the present value of future cash flows with a discount rate adjusted for any market conditions to arrive at fair value. These are considered Level 2 inputs.

Distributions payable - All multi-year distributions committed in fiscal years 2023 and 2022 are recorded at the present value of future cash flows with a discount rate adjusted for any market conditions to arrive at fair value. These are considered Level 2 inputs.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

Investments Measured at NAV

UWGPSNJ has a policy which permits investments that do not have a readily determinable fair value, as such, to use the NAV per share as calculated on the reporting entity's measurement date as the fair value of the investment. UWGPSNJ measures the fair value of an investment that does not have a readily determinable fair value, based on the NAV of the investments as a practical expedient, without further adjustments, unless it is probable that the investment will be sold at an amount significantly different than the NAV. If the practical expedient NAV is not as of the reporting entity's measurement date, then the NAV is adjusted to reflect any significant events that would materially affect the value of the security and the NAV of UWGPSNJ as of the valuation date. In using the NAV as a practical expedient, certain attributes of the investments, that may impact the fair value of the investment, are not considered in measuring fair value. Attributes of those investments include the investment strategies of the investees and may also include, but are not limited to, restrictions on the investor's ability to redeem its investments at the measurement date at NAV as well as any unfunded commitments.

A listing of the investments held by UWGPSNJ and their attributes, that may qualify for these valuations consist of the following as of June 30, 2023 and 2022:

<i>June 30, 2023</i>	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Investment	\$ 451,933	\$ -	Daily	N/A

<i>June 30, 2022</i>	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Investment	-	-	Daily	N/A

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United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

4. Pledges Receivable

Pledges receivable represent unconditional promises to give. Pledges receivable consist of the following as of June 30, 2023 and 2022:

<i>June 30,</i>	2023	2022
Pledges receivable related to current campaign	\$ 3,729,664	\$ 5,316,472
Pledges receivable related to dollars processed on behalf of other United Ways	921,506	985,098
Allowance for uncollectible pledges	(814,117)	(914,212)
Net pledges receivable related to current campaign, current	3,837,053	5,387,358
Pledges receivable related to prior campaigns	1,614,066	2,206,864
Allowance for uncollectible pledges	(1,614,066)	(2,206,864)
Net pledges receivable related to prior campaigns, current	-	-
Pledges receivable related to future campaigns due in less than one year	244,545	644,377
Pledges receivable related to future campaigns due in two to four years	645,000	-
Discount on pledges	(79,113)	-
Net pledges receivable related to future campaigns	810,432	644,377
Total pledges receivable, net	\$ 4,647,485	\$ 6,031,735

Long-term pledges receivable at June 30, 2023 represent the balance of multi-year campaign pledges received for the Fall 2022 Campaign. The gross amount of these pledges for the year ended June 30, 2023 was \$459,545.

An analysis of changes in the allowance for uncollectible pledges is as follows:

<i>June 30,</i>	2023	2022
Balance, beginning of year	\$ 3,121,076	\$ 4,378,188
Allowance for uncollectible pledges:		
Designated	167,517	249,546
Undesignated	646,600	664,666
Pledges written off	(419,424)	(101,309)
Reversal of prior years' designated reserve	(367,328)	(1,068,832)
Reversal of prior years' undesignated reserve	(720,258)	(1,001,183)
Balance, end of year	\$ 2,428,183	\$ 3,121,076

The allowance for uncollectible pledges is computed based upon a five-year historical average, applied to gross campaign pledges. Reversal of prior years' reserves represents a change in the estimated allowance for uncollectible pledges for prior years' campaigns.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

5. Grants Receivable

Grants receivable represents amounts receivable for various grants awarded to UWGPSNJ. Based on historical collections, no provision for uncollectible accounts has been reserved for grants receivable as of June 30, 2023 and 2022.

6. Land and Equipment

Land and equipment consisted of the following as of June 30, 2023 and 2022:

<i>June 30,</i>	2023	2022
Equipment, furniture, and fixtures	\$ 4,015,848	\$ 4,015,847
Less: accumulated depreciation	(3,753,853)	(3,611,868)
Land, building, and equipment, net	\$ 261,995	\$ 403,979

Depreciation expense was \$141,984 and \$159,217 for the years ended June 30, 2023 and 2022, respectively.

7. Leases

The Organization leases certain office space and equipment under operating leases with various expiration dates through April 2030. As specified in Note 2, ASU 2016-02, *Leases*, requires the Organization to record Right-of-Use assets, representing the right to utilize and receive the economic benefit from a leased asset over the specified lease term, and Lease Liabilities, representing the obligation to make lease payments measured at the present value of future lease payments over the remaining lease term. The standard requires the Organization to classify leases as either finance or operating based on whether the arrangement is effectively a purchase of the underlying asset.

In conjunction with the adoption of ASU 2016-02, the Organization has made the following elections: (i) to adopt the package of practical expedients to not reassess certain factors for leases that commenced prior to the implementation date of ASU 2016-02, (ii) to not apply the lease standard to existing land easements that were not previously recorded as leases, (iii) to exclude short-term leases, defined as those with an initial term of one year or less, from the lease standard, (iv) to not separate non-lease components from lease components and instead to account for all components as a single lease component, and (v) to use the Organization's risk free rate.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

	2023	2022
Lease costs for the year ended June 30:		
Operating lease cost	\$ 378,416	\$ 409,951
Short-term lease cost	-	-
Variable lease cost	-	-
Right-of-use assets and liabilities as of June 30:		
Right-of-use assets - Operating leases	2,408,812	2,734,412
Lease liability - Operating leases	2,496,833	2,803,709
Right-of-use assets obtained in exchange for new operating lease liabilities:	-	274,412
Weighted-Averages		
Remaining lease term (in months) - Operating leases:	82	94
Discount rate - Operating leases:	2.01 %	2.01 %

For operating leases, right-of-use assets are included in operating lease assets, net and lease liabilities are included in either the operating lease liability or operating lease liability, net of current in the statements of financial position.

<i>Year Ending June 30,</i>	<i>Amount</i>
2024	\$ 368,561
2025	376,525
2026	380,527
2027	390,049
2028	399,824
Thereafter	758,380
Total lease payments	2,673,866
Less: imputed interest	(177,033)
Total lease liability	2,496,833
Less: current portion of lease liability	(331,907)
Long-term portion of lease liability	\$ 2,164,926

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of June 30:

	2023	2022
Accounts payable	\$ 359,652	\$ 566,464
Accrued salaries and vacation	360,206	271,145
Fundraising fee reimbursements due to other United Ways	66,231	173,834
Other accrued expenses	439,753	544,503
	\$ 1,225,842	\$ 1,555,946

9. Loan Payable

UWGPSNJ applied for and received two Paycheck Protection Program loans under the provisions of the CARES (“Coronavirus Aid, Relief, and Economic Security”) Act, which was signed into law on March 27, 2020. The first loan in the amount of \$736,705 was received on April 27, 2020. The loan included terms that allowed for all or partial forgiveness of loan proceeds. On December 21, 2020, the Small Business Administration notified the bank that the loan had been forgiven. The second loan in the amount of \$1,090,272 was received on April 17, 2021. The loan also included terms that allowed for all or partial forgiveness of loan proceeds. UWGPSNJ was notified by the loan servicer that the loan was forgiven by the Small Business Administration in January 2022.

For the years ended June 30, 2023 and 2022, UWGPSNJ recorded forgiveness income of \$0 and \$1,090,272, respectively, which is included in grants and contributions in the statements of activities.

10. Board Designated Net Assets

A portion of net assets without donor restrictions has been designated by the Board of Directors for the following purposes as of June 30:

	2023	2022
Memorial/Endowment funds	\$ 47,101,322	\$ 43,681,871
Land, Building and Equipment	-	276,287
Education	245,204	285,010
Basic Needs	335,301	335,301
Financial Stability	112,955	633,956
Stabilization Reserve	-	975,195
Strategic Long-Range Initiatives	-	657,304
Office Relocation	-	1,222,057
Engagement	-	26,500
Total board designated net assets	\$ 47,794,782	\$ 48,093,481

To honor the bequests of significant donors and the amounts received in relationship to the distribution of the net assets, the Board has established several memorial funds. The Board has also

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

established a General Fund for various bequests, memorial, and donor gifts. These funds had the following values as of June 30:

Name of Memorial Fund	2023	2022
General Fund	\$ 30,016,906	\$ 27,247,944
Gladys L. Lit Fund	5,119,420	4,919,513
Parkway Sale Fund	5,523,790	5,293,306
1956 Otto Haas Charitable Fund	1,414,849	1,359,483
Lon Greenberg Fund	1,187,575	1,140,968
James Stewart Fund	1,110,148	1,081,377
North Penn United Way	698,544	688,388
Western Home Fund	576,447	553,918
Rebecca C. Daly Fund	453,390	435,742
Linda and Tony Conti Fund	289,890	278,653
Jacob Gimbel Fund	276,893	266,025
Peritz S. Berman Fund	217,540	208,978
Mrs. Gerald F. Rorer Fund	215,930	207,576
	\$ 47,101,322	\$ 43,681,871

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	2023	2022
Perpetual (Note 12):		
Endowment funds	\$ 11,750,893	\$ 11,750,893
Donor-restricted for purpose or time:		
Time restrictions	8,192,076	7,804,229
Program restrictions	11,581,873	9,800,532
	\$ 31,524,842	\$ 29,355,654

Net Assets Released from Donor Restrictions

Net assets are released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrences of other events specified by donors were as follows:

	2023	2022
Fulfillment of program restrictions	\$ 4,105,733	\$ 7,247,916
Gross campaign results received in prior year released from restrictions (time)	415,000	674,251
	\$ 4,520,733	\$ 7,922,167

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

12. Net Assets With Donor Restriction Held in Perpetuity

Net asset with donor restriction held in perpetuity as of June 30 are as follows:

	2023	2022
John Haas Fund	\$ 9,889,595	\$ 9,547,144
United Way of Camden County Irrevocable Trusts	2,536,300	2,329,896
Mr. & Mrs. Robert E. Cawthorn Fund	1,448,324	1,391,688
Solomon Allinger Fund	946,783	909,747
United Way of Western Montgomery County Endowment Fund	745,238	715,972
Frederick McOwen Fund	581,919	559,167
United Way of Camden County Poverty Fund	141,220	135,680
Alma and Sylvan Cohen Fund	94,260	90,583
Samuel Fels Fund	24,650	23,708
Hannah Merzbacher Fund	16,887	16,214
Gustav Soulas Fund	16,483	15,818
Total, at fair value	16,441,659	15,735,617
Less: cumulative appreciation reported in net assets with donor restrictions	(4,690,766)	(3,984,724)
Total	\$ 11,750,893	\$ 11,750,893

13. Endowments

UWGPSNJ's endowments consist of approximately 30 individual funds established for a variety of purposes. The endowments consist of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based upon the existence or absence of donor-imposed restrictions.

The Board of Directors of UWGPSNJ has interpreted Pennsylvania Act 141 as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, to the extent that there are no donor stipulations to the contrary. UWGPSNJ classifies the original value of gifts donated to the permanent endowment and the original value of subsequent gifts made to the permanent endowment as net assets with donor restrictions until those amounts are appropriated for expenditure by UWGPSNJ in a manner consistent with the standard of prudence described by Pennsylvania Act 141.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

The following tables provide endowment composition by fund and endowment activity as of and for the year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net composition by type of fund as of June 30, 2023:			
Undesignated endowment funds	\$ -	\$ -	\$ -
Donor restricted endowment funds	17,538	24,276,817	24,294,355
Board designated endowment funds	47,101,322	-	47,101,322
Total funds	\$ 47,118,860	\$ 24,276,817	\$ 71,395,677
Changes in endowment net assets for the year ended June 30, 2023:			
Endowment net assets, July 1, 2022	\$ 43,698,715	\$ 23,230,399	\$ 66,929,114
Investment return:			
Investment income	802,088	394,546	1,196,634
Net appreciation (realized and unrealized)	3,478,522	1,673,428	5,151,950
Total investment return	4,280,610	2,067,974	6,348,584
Contributions	1,508,382	-	1,508,382
Appropriation of assets for expenditure in accordance with the spending policy	(2,368,847)	(1,021,556)	(3,390,403)
Endowment net assets, June 30, 2023	\$ 47,118,860	\$ 24,276,817	\$ 71,395,677

The following tables provide endowment composition by fund and endowment activity as of and for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net composition by type of fund as of June 30, 2022:			
Undesignated endowment funds	\$ -	\$ -	\$ -
Donor restricted endowment funds	16,844	23,230,399	23,247,243
Board designated endowment funds	43,681,871	-	43,681,871
Total funds	\$ 43,698,715	\$ 23,230,399	\$ 66,929,114

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

Changes in endowment net assets for the year ended June 30, 2022:

Endowment net assets, July 1, 2021	\$	55,596,001	\$	26,791,326	\$	82,387,327
Investment return:						
Investment income		840,058		471,278		1,311,336
Net appreciation (realized and unrealized)		(5,780,615)		(3,134,986)		(8,915,601)
<hr/>						
Total investment return		(4,940,557)		(2,663,708)		(7,604,265)
<hr/>						
Contributions		13,627		-		13,627
Transfer to unrestricted net assets		(4,526,312)		-		(4,526,312)
Appropriation of assets for expenditure in accordance with the spending policy		(2,444,044)		(897,219)		(3,341,263)
<hr/>						
Endowment net assets, June 30, 2022	\$	43,698,715	\$	23,230,399	\$	66,929,114

Endowment balances classified as net assets with donor restrictions consisted of the following at June 30:

June 30, 2023

Net assets with donor restrictions:	
The portion of perpetual endowment funds that is required to be retained	\$ 11,750,893
<hr/>	
Total endowment funds classified as net assets with donor restrictions	11,750,893
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Net assets with donor restrictions:	
Term endowment funds	7,826,168
Accumulated gains on endowment fund	4,699,756
<hr/>	
Total endowment funds classified as net assets with donor restrictions	\$ 24,276,817

June 30, 2022

Net assets with donor restrictions:	
The portion of perpetual endowment funds that is required to be retained	\$ 11,750,893
<hr/>	
Total endowment funds classified as net assets with donor restrictions	11,750,893
<hr/>	
Net assets with donor restrictions:	
Term endowment funds	7,486,416
Accumulated gains on endowment fund	3,993,090
<hr/>	
Total endowment funds classified as net assets with donor restrictions	\$ 23,230,399

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

UWGPSNJ has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to partially offset annual campaign and administrative overhead costs while maintaining the purchasing power of the endowment. Endowment assets include those assets of donor-restricted funds that must be held in perpetuity or for a donor-specified period, as well as Board designated funds. Under this policy, endowment assets are invested in a manner that is intended to yield a long-term average annual rate of return of 5% above inflation over a rolling ten-year period on a net of fees basis while assuming a moderate level of investment risk. Actual results in any given year may vary from this amount.

To satisfy long-term rate of return objectives, UWGPSNJ relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UWGPSNJ targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve long-term strategies.

UWGPSNJ utilizes a spending policy on its Board designated, donor restricted endowment funds to calculate the portion of net appreciation that is appropriated to partially fund operating expenses. This amount is generally calculated as 5% of the five-year average market value of the Board designated, endowment funds as of September 30th of each year, except where donor restrictions specify otherwise.

The spending policy is a total return policy, such that investment income and realized and unrealized gains are reinvested and included in the investment balances on which the spending policy is calculated. Any cumulative realized and unrealized gains and losses and investment income remaining after the 5% draw remains in the respective endowment fund. This is consistent with UWGPSNJ's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return. These funds are recorded as a transfer to unrestricted net assets (application of spending policy) on the accompanying statements of activities and changes in net assets.

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United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

14. Liquidity and Availability of Resources

UWGPSNJ's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

<i>June 30,</i>	2023	2022
Cash and cash equivalents	\$ 20,360,019	\$ 23,692,753
Investments	83,107,478	78,123,448
Pledge receivables, net	4,081,598	6,031,735
Other current assets	393,069	411,827
Total financial assets available within one year	107,942,164	108,259,763
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donor in perpetuity	11,750,893	11,750,893
Restricted by donor with purpose restrictions	11,581,873	9,800,532
Total amounts unavailable for general expenditures within one year	23,332,766	21,551,425
Amounts unavailable to management without Board's approval:		
Board designated for Basic Needs	335,301	335,301
Board designated for Education	245,204	285,010
Board designated for Financial Stability	112,955	633,956
Board designated for Capacity Building and Engagement	-	26,500
Board designated for Strategic Mission of the Organization	47,101,322	46,812,714
Total amounts unavailable to management without Board's approval	47,794,782	48,093,481
Total financial assets available to management for general expenditure within one year	\$ 36,814,616	\$ 38,614,857

Liquidity Management

UWGPSNJ maintains a policy of structuring its financial assets including 100% of its investment portfolio to be available as its general expenditures, liabilities and other obligations become due. Furthermore, in response to the timing difference between the annual receipt and payment of cash, UWGPSNJ has a committed line of credit, which it could draw upon to satisfy its financial obligations in a timely manner without prematurely selling its investments. Additionally, UWGPSNJ has Board Designated net assets without donor restrictions, that while UWGPSNJ does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

15. Annual Campaign

UWGPSNJ reports to the local community the amount raised in its annual campaign. This amount differs from the amount as reported in the accompanying statements of activities and changes in net assets. The reconciliation of the annual campaign as reported to the community consisted of the following for the years ended June 30:

	2023	2022
Annual campaign per financial statements	\$ 19,474,289	\$ 18,188,056
Amounts raised in prior years for current campaign	415,000	674,251
Amounts raised for future campaigns	(1,823,687)	(490,673)
Amounts recorded for prior campaigns	(513,056)	(405,971)
Endowed campaign gifts in investment income	1,440,538	1,422,117
Amounts raised for The Philadelphia Poverty Action Fund	1,705,805	11,069,272
Adjustment from resource table projection to final results	83,717	(3,417,550)
Annual campaign reported to the local community	\$ 20,782,606	\$ 27,039,502

Revenue recognition related to amounts reported in the gross annual campaign is mandated by United Way Worldwide reporting guidelines and is in accordance with accounting principles generally accepted in the United States of America. In accordance with these guidelines, Local United Way organizations (“LUWs”), such as UWGPSNJ, report gross annual campaign revenues in accordance with their respective geographic areas to avoid duplicative reporting of campaign results. As such, UWGPSNJ only reports amounts that it raises within its service area as gross annual campaign in the statements of activities and changes in net assets. Amounts raised outside its service area are not reported as public support by UWGPSNJ, but rather, by the LUW in the region in which it was raised. Although some level of effort is expended in raising such funds, the effort is generally shared with the LUW, and UWGPSNJ recuperates most of its costs through processing fees on the dollars distributed for those campaigns. Amounts raised outside UWGPSNJ service area by the UWGPSNJ or other LUWs that are available for distribution by UWGPSNJ are reported as a separate line item in public support, since the related funds are reported as a distribution to agencies by UWGPSNJ. The net impact on net assets of not reporting the effect of these transactions is zero, since these are all effectively agency transactions under US GAAP, and the amounts raised on behalf of others is offset by the amount reported as donor designated distributions to agencies. All designated funding is reported as amounts raised on behalf of others, thus not reported in the net annual campaign.

16. Related Parties

UWGPSNJ’s Board of Directors includes volunteers from the local business community who provide valuable assistance to UWGPSNJ in the development of policies and programs. UWGPSNJ has adopted a policy that defines how Board members may participate in decisions regarding allocations and grants to agencies with which they are affiliated.

During the year, UWGPSNJ contracted to receive services from various companies in which Board members are employed. There have been no excess benefits to Board members as a result of these relationships.

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Notes to Financial Statements June 30, 2023 and 2022

UWGPSNJ acts as a fiscal agent for The Philadelphia Poverty Action Fund (“PPAF”). On March 7, 2023, UWGPSNJ entered into an unsecured promissory note with PPAF in the amount of \$1,256,250. The note bore interest at a rate of 4.5% and was scheduled to mature on February 9, 2026 (maturity date). Principal and interest were due the earlier of the receipt of \$1,256,250 from the City of Philadelphia or the maturity date. The loan was repaid in full on June 2, 2023.

17. Pension Plans

UWGPSNJ sponsors a defined contribution 403(b) plan for all eligible employees. Employees may elect to defer up to \$18,500 in pretax contributions to the 403(b) plan. Employees over 50 years of age may contribute \$24,000 in pretax contributions to the 403(b) plan. UWGPSNJ matches 50% of pretax employee contributions not to exceed the lesser of (i) 6% of salary or \$3,000 for full-time employees or (ii) 6% of compensation or \$1,500 for part-time employees.

UWGPSNJ may also make a discretionary contribution to the 403(b) plan on behalf of all eligible employees, based upon a percentage of their compensation for the calendar year. In addition, all eligible employees who, as of June 30, 2003, (i) had completed 15 years of service or (ii) were age 50 and completed 10 years of service received an additional amount equal to 10% of their compensation for the year. UWGPSNJ contributions to the 403(b) plan was \$188,474 and \$223,897 for the years ended June 30, 2023 and 2022, respectively.

18. Beneficial Interests in Trusts

UWGPSNJ has a beneficial interest in two trusts.

UWGPSNJ has a one-third beneficial interest in a certain trust fund established by a donor. The fund provides the irrevocable right for UWGPSNJ to receive one-third of the income earned on the trust asset in perpetuity. UWGPSNJ’s portion of the trust, which is held and administered by a trustee, was approximately \$279,000 and \$265,000 at June 30, 2023 and 2022, respectively.

UWGPSNJ has a beneficial interest in a trust which provides the irrevocable right to receive income earned on the trust asset in perpetuity. The value of the trust was \$1,936,486 and \$1,844,679 at June 30, 2023 and 2022, respectively.

The value of each trust is included in long-term investments on the statements of financial position at June 30, 2023 and 2022.

19. Cost Deduction Standards

The United Way Worldwide Membership Standard M - Cost Deduction Requirements (“Standard”) sets forth uniform standards for local United Ways to calculate the amount of fundraising and management and general expenses to deduct from donor pledges. The UWGPSNJ complies with the guidelines outlined in the Standard.

United Way of Greater Philadelphia and Southern New Jersey

Notes to Financial Statements June 30, 2023 and 2022

20. Income Taxes

For the years ended June 30, 2023 and 2022, UWGPSNJ did not identify any uncertain tax positions taken or expected to be taken, which would require adjustment or disclosure in the financial statements. UWGPSNJ information returns for the past three years are generally open for examination by U.S. federal, state, and local taxing authorities.

21. Subsequent Events

UWGPSNJ has evaluated the impact of subsequent events through December 12, 2023, the date the financial statements herein were issued. UWGPSNJ has determined that there are no material events that would require disclosure.