

UNITED WAY OF BUCKS COUNTY

FINANCIAL STATEMENTS

DECEMBER 31, 2022

(WITH SUMMARIZED FINANCIAL INFORMATION  
FOR DECEMBER 31, 2021)

UNITED WAY OF BUCKS COUNTY

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way of Bucks County  
Fairless Hills, Pennsylvania

### *Opinion*

We have audited the accompanying financial statements of United Way of Bucks County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, cash flows, and functional expenses for the year 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 United Way of Bucks County as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 United Way of Bucks County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Bucks County'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 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 Bucks County  
(Continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Bucks County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Bucks County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### Report on Summarized Comparative Information

We have previously audited United Way of Bucks County's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Marison Cogen LLP*

March 7, 2024

UNITED WAY OF BUCKS COUNTY  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022  
(WITH FINANCIAL INFORMATION  
FOR DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,056,222	\$ 2,554,971
Grants and pledges receivable	1,518,109	250,690
Prepaid expenses	22,898	19,501
Investments	<u>962,881</u>	<u>1,124,661</u>
	3,560,110	3,949,823
<b>INVESTMENTS</b>	283,543	337,595
<b>PROPERTY AND EQUIPMENT</b>	142,566	88,288
<b>SECURITY DEPOSIT</b>	<u>13,387</u>	<u>13,387</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,999,606</u></u>	<u><u>\$ 4,389,093</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 283,268	\$ 284,908
Campaign agency funds	29,374	12,661
Pennsylvania Pre-K Counts advances	<u>-</u>	<u>142,575</u>
<b>TOTAL LIABILITIES</b>	<u>312,642</u>	<u>440,144</u>
<b>NET ASSETS</b>		
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Unappropriated	2,950,472	3,214,507
Building fund - Board designated	<u>45,484</u>	<u>45,484</u>
	2,995,956	3,259,991
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>691,008</u>	<u>688,958</u>
<b>TOTAL NET ASSETS</b>	<u>3,686,964</u>	<u>3,948,949</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,999,606</u></u>	<u><u>\$ 4,389,093</u></u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF BUCKS COUNTY  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>2022</u>		<u>2021</u>	
Memo about campaign support				
Gross campaign		\$ 3,671,645		\$ 4,033,077
Less: Donor designations		(30,699)		(13,627)
Undesignated campaign		<u>3,640,946</u>		<u>4,019,450</u>
Less: Valuation allowance		<u>(73,408)</u>		<u>(100,000)</u>
Net campaign		<u><u>\$ 3,567,538</u></u>		<u><u>\$ 3,919,450</u></u>
		<u>2022</u>		
	<u>Without Donor</u>	<u>With Donor</u>		<u>2021</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
SUPPORT				
Contributions received in the current period	\$ 1,227,549	\$ 309,177	\$ 1,536,726	\$ 1,913,143
In-kind contributions	2,104,220	-	2,104,220	2,106,307
Grants	1,731,968	63,819	1,795,787	40,000
	<u>5,063,737</u>	<u>372,996</u>	<u>5,436,733</u>	<u>4,059,450</u>
Less: Valuation allowance	<u>(73,408)</u>	<u>-</u>	<u>(73,408)</u>	<u>(100,000)</u>
	<u>4,990,329</u>	<u>372,996</u>	<u>5,363,325</u>	<u>3,959,450</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of program restrictions	<u>370,946</u>	<u>(370,946)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT	<u>5,361,275</u>	<u>2,050</u>	<u>5,363,325</u>	<u>3,959,450</u>
REVENUE				
Pennsylvania Pre-K Counts revenue	2,548,868	-	2,548,868	2,051,458
Interest and dividends	34,265	-	34,265	29,874
Fee revenue	4,686	-	4,686	2,015
Miscellaneous	15,519	-	15,519	18,548
Forgiveness of note payable - bank	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,829</u>
TOTAL REVENUE	<u>2,603,338</u>	<u>-</u>	<u>2,603,338</u>	<u>2,217,724</u>
TOTAL SUPPORT AND REVENUE	<u>7,964,613</u>	<u>2,050</u>	<u>7,966,663</u>	<u>6,177,174</u>
EXPENSES				
Program				
Allocations	341,514	-	341,514	481,872
Funds distribution	26,831	-	26,831	32,363
Community impact	535,075	-	535,075	415,188
Community and agency services	6,564,142	-	6,564,142	4,502,400
Individual services	42,980	-	42,980	21,359
Support				
General and administration	206,833	-	206,833	142,261
Fundraising	<u>267,797</u>	<u>-</u>	<u>267,797</u>	<u>425,450</u>
TOTAL EXPENSES	<u>7,985,172</u>	<u>-</u>	<u>7,985,172</u>	<u>6,020,893</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(20,559)	2,050	(18,509)	156,281
NET REALIZED AND UNREALIZED INVESTMENT GAINS (LOSSES)	<u>(243,476)</u>	<u>-</u>	<u>(243,476)</u>	<u>64,095</u>
CHANGE IN NET ASSETS	<u><u>\$ (264,035)</u></u>	<u><u>\$ 2,050</u></u>	<u><u>\$ (261,985)</u></u>	<u><u>\$ 220,376</u></u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF BUCKS COUNTY  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
NET ASSETS, BEGINNING OF YEAR	\$ 3,259,991	\$ 688,958	\$ 3,948,949	\$ 3,728,573
CHANGE IN NET ASSETS	<u>(264,035)</u>	<u>2,050</u>	<u>(261,985)</u>	<u>220,376</u>
NET ASSETS, END OF YEAR	<u>\$ 2,995,956</u>	<u>\$ 691,008</u>	<u>\$ 3,686,964</u>	<u>\$ 3,948,949</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF BUCKS COUNTY  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022  
(WITH FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (261,985)	\$ 220,376
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	18,932	24,101
Increase (decrease) in provision for losses on current campaign pledges receivable	(60,000)	100,000
Forgiveness of note payable - bank	-	(115,829)
Net realized and unrealized investment (gains) losses	243,476	(64,095)
(Increase) decrease in assets		
Pledges receivable	(1,207,419)	(136,918)
Prepaid expenses	(3,397)	6,789
Prepaid grants	-	19,409
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(1,640)	140,954
Campaign agency funds	16,713	(34,183)
Pennsylvania Pre-K Counts advances	<u>(142,575)</u>	<u>36,328</u>
Net cash provided by (used in) operating activities	<u>(1,397,895)</u>	<u>196,932</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	733,445	1,267,586
Purchases of investments	(761,089)	(1,287,163)
Purchase of property and equipment	<u>(73,210)</u>	<u>-</u>
Net cash used in investing activities	<u>(100,854)</u>	<u>(19,577)</u>
NET INCREASE (DECREASE) IN CASH	(1,498,749)	177,355
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,554,971</u>	<u>2,377,616</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,056,222</u>	<u>\$ 2,554,971</u>

The accompanying notes are an integral part of these financial statements.



UNITED WAY OF BUCKS COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2022  
(WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022								2021 Total
	Program				Support			Total	
	Allocations	Funds Distribution	Community Impact	Community and Agency Services	Individual Services	General and Administration	Fundraising		
Allocations: Community agencies	\$ 341,514	\$ -	\$ -	\$ 14,842	\$ -	\$ -	\$ -	\$ 356,356	\$ 481,872
Pennsylvania Pre-K Counts grants	-	-	-	2,498,527	-	-	-	2,498,527	2,054,338
Bucks United Flood Recovery grant	-	-	-	1,552,481	-	-	-	1,552,481	-
Salaries	-	17,038	243,628	22,170	23,743	104,425	167,391	578,395	562,073
Benefits	-	3,900	48,508	10,441	6,123	45,020	27,529	141,521	109,930
Staff expenses	-	130	3,205	978	158	2,533	880	7,884	16,964
Facilities and equipment	-	1,948	120,755	27,794	3,868	14,060	22,370	190,795	180,041
Marketing and communications	-	249	3,985	4,538	1,230	2,010	16,988	29,000	40,722
Professional services	-	1,829	23,833	17,817	3,343	27,157	16,140	90,119	59,820
Community program services	-	-	61,889	289,440	570	-	-	351,899	327,592
Volunteer and community relations	-	-	3,394	-	-	-	-	3,394	2,268
United Way support services	-	1,202	19,611	15,993	2,919	8,980	12,944	61,649	54,865
In-kind gifts	-	-	-	2,104,220	-	-	-	2,104,220	2,106,307
	<u>341,514</u>	<u>26,296</u>	<u>528,808</u>	<u>6,559,241</u>	<u>41,954</u>	<u>204,185</u>	<u>264,242</u>	<u>7,966,240</u>	<u>5,996,792</u>
Depreciation	-	535	6,267	4,901	1,026	2,648	3,555	18,932	24,101
<b>TOTAL EXPENSES</b>	<u>\$ 341,514</u>	<u>\$ 26,831</u>	<u>\$ 535,075</u>	<u>\$ 6,564,142</u>	<u>\$ 42,980</u>	<u>\$ 206,833</u>	<u>\$ 267,797</u>	<u>\$ 7,985,172</u>	<u>\$ 6,020,893</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF BUCKS COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 – NATURE OF ACTIVITY

United Way of Bucks County (United Way or the Organization) was incorporated as a 501(c)(3) nonprofit organization under the laws of the Commonwealth of Pennsylvania in 1952. The mission of the Organization is to create opportunities for quality education, financial stability, and good health to ensure real, lasting change for individuals and its communities. United Way improves life in Bucks County by connecting people who care with those who need care. Primarily, this includes helping donors direct time and resources to where they are needed most in Bucks County.

United Way focuses on raising funds to invest in programs and activities that improve access to a quality education, a stable income, and good health; promoting a culture of philanthropy; and advocating on behalf of causes, clients, and organizations. Projects coordinated by the Organization include community planning and problem solving; investing in short and long term solutions to issues like food insecurity, access to care, and family stability; and securing grants to advance these projects.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Pennsylvania Pre-K Counts advances represent funds received by the Organization in advance to be passed through to partner agencies.

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received requiring perpetual investment for use by the Organization are classified as net assets with donor restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.

Grants and Pledges Receivable

The Organization provides an allowance for doubtful accounts which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. At December 31, 2022, an allowance of \$140,000 was considered necessary.

UNITED WAY OF BUCKS COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Organization carries its investments in marketable securities at market value. Under FASB ASC 820, *Fair Value Measurement*, fair value is defined as the price that the Organization would receive to sell an investment to an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market. FASB ASC 820 establishes a three-tier hierarchy based on quoted prices in active markets, other observable inputs, or unobservable inputs.

Net realized and unrealized gains and losses on investments (determined based on original cost) and investment income are included in the statement of activities.

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment and Depreciation

Assets are stated at cost. The cost of property and equipment is depreciated over the estimated useful lives of the related assets on a straight-line basis.

Revenue Recognition

In accordance with FASB ASC 606, *Revenue from Contracts with Customers*, the Organization recognizes revenue upon transfer of promised goods or services in an amount that reflects the consideration expected to be received in exchange for those goods or services. To determine revenue recognition for arrangements within the scope of FASB ASC 606, the Organization performs the following five steps:

1. Identify the contract with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue as (or when) the performance obligations are satisfied.

Fee revenue and miscellaneous revenue related to administrative fees are recognized at a point in time when the service is performed.

There are no contract assets or contract liabilities and therefore no unsatisfied performance obligations.

In-kind Contributions

The Organization recognizes contributed services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contributed goods and services are reflected in the accompanying financial statements at their estimated values at the date of receipt. Contributed goods primarily consist of home goods distributed to the homeless, families in transitional housing, and those who have experienced a recent crisis. The Organization recorded \$2,104,220 of contributed goods and \$-0- of contributed services for the year ended December 31, 2022.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs, such as facilities and equipment, professional services, and community program services have been allocated among the programs and supporting services benefited on various bases, such as headcount. The Organization's programs are as follows:

UNITED WAY OF BUCKS COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocations: Actual funds distributed to social service programs via member (funded) agencies that address the areas of disabilities, early childhood, emergency services, family support, senior services, substance abuse, violence prevention, youth, and national agencies.

Funds Distribution: Funds invested in the activities of human service planning, the process of allocating the dollars raised in the annual campaign, and the ongoing development and relationship with member (funded) and affiliate (non-funded) agencies.

Community Impact: Funds invested in targeting community projects that bring together collaborative efforts by engaging systems, including governments, business, faith groups, educational, non-profits and citizens to address community conditions or critical needs.

Community and Agency Services: Funds invested in activities and programs that are provided for the benefit of the general social service community of agencies and the community at large, i.e. annual human services conferences, countywide volunteer efforts, publicizing information on available human services.

Individual Services: Funds invested in activities and programs that provide services to the individual client such as “First Call for Help” Information and Referral, Operation Helping Hand, and Gifts in Kind; or the work of the Community Services Labor Liaison.

Income Tax Status

The Organization is incorporated in the Commonwealth of Pennsylvania and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. United Way of Bucks County has been classified as a publicly supported charitable organization and is registered as required with the Pennsylvania Bureau of Charitable Organizations. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, as modified by other subsequently issued related ASUs. The amendments in these Updates specify the accounting for leases. The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases. The Organization adopted the new standard effective January 1, 2022. The Organization’s only leases are an equipment and a building lease with total payments immaterial to the financial statements. Therefore, the adoption of the standard did not have an impact on the Organization’s financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*. The amendments in this Update affect loans, debt securities, trade receivables, and any other financial assets that have the contractual right to receive cash. The ASU requires an entity to recognize expected credit losses rather than incurred losses for financial assets. The amendments in this Update were extended by ASU No. 2019-10 and are effective for fiscal years beginning after December 15, 2022, including interim periods within fiscal years beginning after December 15, 2023. The Organization is currently assessing the impact this Update will have on its financial statements when adopted.

UNITED WAY OF BUCKS COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

FASB ASC 855-10 establishes general standards of accounting and disclosure of events that occur after the statement of financial position date but before the date the financial statements are available to be issued. Subsequent events have been evaluated through March 7, 2024, the date that the financial statements were available to be issued.

NOTE 3 – CONCENTRATION OF CREDIT RISK INVOLVING CASH

During the year, the Organization may have deposits with major financial institutions which exceed Federal Deposit Insurance Corporation limits.

NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2      Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

*Corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

UNITED WAY OF BUCKS COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

*Government bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of December 31, 2022:

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Blended Funds	\$ 201,483	\$ -	\$ -	\$ 201,483
Commodities Funds	5,723	-	-	5,723
Communications Funds	10,702	-	-	10,702
Consumer Cyclical Funds	7,750	-	-	7,750
Consumer Defensive Funds	11,853	-	-	11,853
Emerging Markets Funds	18,939	-	-	18,939
Europe Stock Funds	4,085	-	-	4,085
Foreign Blended Funds	31,189	-	-	31,189
Foreign Diversified Funds	22,909	-	-	22,909
Foreign Growth Funds	27,725	-	-	27,725
Foreign Value Funds	31,611	-	-	31,611
Growth Funds	9,485	-	-	9,485
Health Funds	27,713	-	-	27,713
Infrastructure Funds	1,197	-	-	1,197
Technology Funds	27,196	-	-	27,196
Utilities Funds	9,588	-	-	9,588
Corporate bonds	370,353	-	-	370,353
Government bonds	426,923	-	-	426,923
	<u>\$ 1,246,424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,246,424</u>
Total assets at fair value	<u>\$ 1,246,424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,246,424</u>

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2022 consist of the following:

Land	\$ 11,017
Automobiles	109,710
Building	205,487
Furniture, equipment, and software	212,785
	538,999
Less: Accumulated depreciation	396,433
	\$ 142,566

For the year ended December 31, 2022 depreciation expense charged to operations was \$18,932.

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NOTE 6 – LINE OF CREDIT

The Organization has available a \$250,000 on demand revolving line of credit with a bank secured by assets of the Organization. At December 31, 2022 there were no borrowings on the line.

NOTE 7 – CAMPAIGN AGENCY FUNDS

The Organization manages and administers annual campaigns, the purpose of which is to raise funds in accordance with its charitable purpose. As part of these campaigns donors may designate all or a portion of their pledge for specific purposes. These campaign agency funds or “donor designations” are considered transfers of assets and liabilities (which are not included in the support or expenses of the Organization). The campaign agency funds at December 31, 2022 are \$29,374.

NOTE 8 – NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED

The Board of Directors has designated a portion of its net assets without donor restrictions to support the Organization’s building fund. This amount is classified as building fund – board designated in net assets without donor restrictions.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time at December 31, 2022 include \$631,008 to be used for programs in a future period.

Net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization are restricted to investments in perpetuity, the income from which is expendable to support the following at December 31, 2022:

General operations	\$ 50,000
Scholarship	<u>10,000</u>
	<u><u>\$ 60,000</u></u>

NOTE 10 – EMPLOYEE BENEFIT PLAN

The Organization has a contributory 401(k) savings plan for all eligible employees in which the employer matches up to 3% of employee contributions. Contributions for the year ended December 31, 2022 amounted to \$14,566.

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NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization’s financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 1,056,222
Pledges receivable	1,518,109
Investments	962,881
Less financial assets unavailable for general expenditures within one year due to:	
Restrictions by donor for time or purpose	(407,465)
Board designations	<u>(45,484)</u>
	<u>\$ 3,084,263</u>

As shown above the Organization has approximately \$3,100,000 of assets available within one year of the statement of financial position date to meet cash needs for general expenditures. The Organization has a goal to maintain financial assets to be liquid with minimal market risk. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also has a committed line of credit in the amount of \$250,000, which it could draw upon in the event of an unanticipated liquidity need.