

**COUNTY UNITED WAY, INC.**

**FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

**COUNTY UNITED WAY, INC.**

Years Ended June 30, 2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
of County United Way, Inc.

### **Opinion**

We have audited the accompanying financial statements of County United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of County United Way, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County United Way, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 County United Way, Inc.'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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 County United Way, Inc.'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 County United Way, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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.



Cumberland, Maryland  
October 11, 2024

**COUNTY UNITED WAY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 485,687	\$ 412,698
Pledges receivable, net of allowance for uncollectible pledges	49,429	38,882
<b>TOTAL CURRENT ASSETS</b>	<b>535,116</b>	<b>451,580</b>
FURNITURE AND EQUIPMENT, net of accumulated depreciation	16,489	2,695
OPERATING LEASE RIGHT-OF-USE ASSET, net	6,952	-
<b>OTHER ASSETS</b>		
Cash and cash equivalents restricted for endowment fund	16,832	7,711
Investments restricted for endowment fund	438,575	424,406
<b>TOTAL OTHER ASSETS</b>	<b>455,407</b>	<b>432,117</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,013,964</b>	<b>\$ 886,392</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 5,627	\$ 1,781
Live United Grants	25,357	28,777
Allocations payable - affiliated and unaffiliated agency appropriations	109,647	162,591
Payroll withholdings payable	5,148	3,977
Due to United Way of America	1,190	1,558
Current portion of operating lease obligation	5,852	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>152,821</b>	<b>198,684</b>
OPERATING LEASE OBLIGATION - net of current portion	1,100	-
<b>TOTAL LIABILITIES</b>	<b>153,921</b>	<b>198,684</b>
<b>NET ASSETS</b>		
Without donor restrictions	386,825	301,816
With donor restrictions	473,218	385,892
<b>TOTAL NET ASSETS</b>	<b>860,043</b>	<b>687,708</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,013,964</b>	<b>\$ 886,392</b>

See Notes to Financial Statements

**COUNTY UNITED WAY, INC.**

**STATEMENTS OF ACTIVITIES**

Years Ended June 30, 2024 and 2023

	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>PUBLIC SUPPORT AND RECLASSIFICATIONS</b>				
Current year's pledges, net of allowance for uncollectible pledges & refunds	\$ 447,278	\$ -	\$ 403,346	\$ -
<b>TOTAL PUBLIC SUPPORT AND RECLASSIFICATIONS</b>	<u>447,278</u>	<u>-</u>	<u>403,346</u>	<u>-</u>
				<b>Total</b>
<b>OTHER REVENUES</b>				
Investment income	129	958	134	15,951
Endowment fund contributions	-	300	-	300
Special events	45,814	-	37,155	-
Increase/ (decrease) in market value of investments	-	49,302	-	17,503
Special programs	-	119,643	-	25,850
Contributed facilities and services	205,591	-	254,702	-
COVID-19 micro grants	-	-	6,834	1,628
Employee retention credit	-	-	44,905	-
Transfer from endowment fund	27,271	(27,271)	343,730	(44,905)
<b>TOTAL OTHER REVENUES</b>	<u>278,805</u>	<u>142,932</u>	<u>747,076</u>	<u>16,327</u>
<b>TOTAL SUPPORT AND REVENUES</b>	<u>726,083</u>	<u>142,932</u>	<u>869,015</u>	<u>16,327</u>
<b>EXPENSES</b>				
Payments to agencies	102,096	-	162,548	-
Payments to national organization	5,129	-	4,675	-
Functional expenses				
Management and general	52,400	-	24,811	-
Fund-raising	125,414	-	165,590	-
Program services	224,516	-	250,669	-
Special programs	-	55,606	-	49,520
Special events	105,826	-	86,422	-
Live United grants	25,693	-	66,243	-
<b>TOTAL EXPENSES</b>	<u>641,074</u>	<u>55,606</u>	<u>760,958</u>	<u>49,520</u>
<b>CHANGES IN NET ASSETS</b>				
	85,009	87,326	(13,882)	(33,193)
<b>NET ASSETS (DEFICIT), beginning of year</b>	<u>301,816</u>	<u>385,892</u>	<u>315,698</u>	<u>419,085</u>
<b>TOTAL NET ASSETS (DEFICIT)</b>	<u>\$ 386,825</u>	<u>\$ 473,218</u>	<u>\$ 301,816</u>	<u>\$ 385,892</u>

See Notes to Financial Statements

COUNTY UNITED WAY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2024 and 2023

	2024			2023			
	Management and General	Fund-raising	Program Services	Management and General	Fund-raising	Program Services	Total
Salaries	\$ 19,394	\$ 46,418	\$ 83,099	\$ 7,865	\$ 52,496	\$ 79,467	\$ 139,828
Employee benefits	4,009	9,596	17,178	1,431	9,550	14,457	25,438
Payroll taxes	1,762	4,218	7,552	621	4,143	6,272	11,036
TOTAL SALARIES AND RELATED EXPENSES	<u>25,165</u>	<u>60,232</u>	<u>107,829</u>	<u>9,917</u>	<u>66,189</u>	<u>100,196</u>	<u>176,302</u>
Advertising	5,095	12,194	21,831	2,372	15,833	23,967	42,172
Professional fees	2,374	5,681	10,170	1,055	7,039	10,656	18,750
Supplies	368	882	1,579	383	2,557	3,870	6,810
Telephone & Internet	361	865	1,548	150	1,004	1,520	2,674
Postage and shipping	330	791	1,416	128	856	1,295	2,280
Occupancy	941	2,253	4,035	259	1,726	2,614	4,599
Rent and equipment maintenance	1,807	4,324	7,741	753	5,027	7,609	13,389
Printing and publications	758	1,813	3,245	283	1,886	2,856	5,025
Travel	446	1,068	1,913	150	1,006	1,523	2,679
Insurance	627	1,499	2,682	255	1,698	2,570	4,523
Miscellaneous	539	1,290	2,309	86	571	864	1,521
Fees and licenses	297	710	1,270	193	1,289	1,952	3,434
In-kind labor	12,698	30,390	54,403	8,769	58,522	88,590	155,881
TOTAL BEFORE DEPRECIATION	<u>51,806</u>	<u>123,992</u>	<u>221,971</u>	<u>24,753</u>	<u>165,203</u>	<u>250,082</u>	<u>440,038</u>
Depreciation	594	1,422	2,545	58	387	587	1,032
TOTAL FUNCTIONAL EXPENSES	<u>\$ 52,400</u>	<u>\$ 125,414</u>	<u>\$ 224,516</u>	<u>\$ 24,811</u>	<u>\$ 165,590</u>	<u>\$ 250,669</u>	<u>\$ 441,070</u>

See Notes to Financial Statements

**COUNTY UNITED WAY, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 172,335	\$ (47,075)
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation	4,561	1,032
Allowance for uncollectible pledges	(18,111)	(2,531)
(Increase)/decrease in market value of investments	(49,302)	(17,503)
Decrease (increase) in operating assets		
Pledges receivable	7,826	43,107
Increase (decrease) in operating liabilities		
Accounts Payable	3,846	799
Allocations payable – Affiliated & Unaffiliated Agency Appropriations	(52,944)	(39,734)
Due to United Way of America	(368)	(1,198)
Live United grants	(3,420)	12,889
Payroll withholdings payable	1,170	(903)
NET CASH FLOWS FROM OPERATING ACTIVITIES	65,593	(51,117)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(213,385)	(147,850)
Sales Proceeds from Investments	230,015	187,099
Purchase of furniture and equipment	(18,355)	1,470
Cash and cash equivalents restricted for endowment fund	9,121	(13,536)
NET CASH FLOWS FROM INVESTING ACTIVITIES	7,396	27,183
NET DECREASE IN CASH AND CASH EQUIVALENTS	72,989	(23,934)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	412,698	436,632
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 485,687	\$ 412,698
 <b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS:</b>		
Contributed facilities and services	\$ 205,591	\$ 254,702

See Notes to Financial Statements



**COUNTY UNITED WAY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1 – Summary of significant accounting principles**

**Nature of activities**

County United Way, Inc. (d/b/a United Ways of the Potomac Highlands) (the "Organization" or "County United Way") is a nonprofit organization governed by a volunteer board of directors, including the United Ways of Allegany, Garrett, Hampshire, and Mineral Counties, following the guidance of the national organization of the United Way of America. Its purpose is to raise funds from the general public to be disbursed to various local nonprofit agencies.

**Tax status**

County United Way, Inc. is a nonprofit, nonstock organization incorporated under the laws of the State of Maryland. It is an organization which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been classified by the Internal Revenue Service as an organization that is not a private foundation. However, it is primarily a publicly supported organization. As a result, contributions made to the County United Way, Inc. are deductible by the donors in computing their taxable income to the extent provided by Section 170 of the 1954 Internal Revenue Code.

The Organization's tax filings are subject to audit by various authorities. The Organization's federal income tax returns for years before 2021 are no longer subject to examination by the Internal Revenue Service. The Organization believes it is not subject to any uncertain tax positions.

**Campaign support**

Annual campaigns are conducted in and around Allegany and Garrett Counties of Maryland and Mineral and Hampshire Counties of West Virginia each year to raise support for allocation to participating agencies in the subsequent year. The campaign year is considered to be from May 1 to April 30. Pledges by certain businesses or their employees, as a group, are individually material to the financial statements.

## COUNTY UNITED WAY, INC.

### NOTES TO FINANCIAL STATEMENTS

#### Note 1 – Summary of significant accounting principles (continued)

##### Basis of presentation

The financial statements of County United Way, Inc. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require County United Way, Inc. to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of County United Way, Inc.'s management and the board of directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

##### Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions support depending on the existence or nature of any donor restrictions.

If the Organization receives cash or other financial assets from a donor to be transferred to a specified beneficiary, then the Organization shall recognize its liability to the specified beneficiary concurrent with its recognition of the assets received from the donor.

COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of significant accounting principles (continued)

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Functional expenses

All functional expenses are recorded in the period incurred regardless of when paid.

Estimates

Preparation of financial statements in accordance with U.S. generally accepted accounting principles necessitates the use of estimates of certain amounts. County United Way, Inc. uses estimates to determine the uncollectible amounts of pledges receivable, the remaining estimated useful lives of furniture and equipment, and the fair market value of donated furniture and equipment and marketable equity securities. It is reasonably possible that these estimates may change in the near term.

Cash and cash equivalents

For purposes of the statements of cash flows, County United Way, Inc. considers all certificates of deposit and all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**COUNTY UNITED WAY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2 – Availability and Liquidity**

The following represents County United Way’s financial assets at June 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Financial assets at year-end:		
Cash and cash equivalents	\$ 485,687	\$ 412,698
Contributions receivable, net of allowance	49,429	38,882
Endowment fund	455,407	432,117
Total financial assets	\$ 990,523	\$ 883,697
Less amounts not available to be used within one year:		
Net assets with donor restrictions	\$ (473,218)	\$ (385,892)
Financial assets available to meet general expenditures over the next twelve months	\$ 517,305	\$ 497,805

County United Way’s goal is generally to maintain financial assets to meet 365 days of operating expenses based upon projected revenues.

**Note 3 – Pledges receivable**

“Pledges receivable” represents pledges made to finance the next year’s activity but not paid at June 30. Pledges not paid at June 30, 2024 and 2023, consisted of:

	<b>2024</b>	<b>2023</b>
Pledges receivable	\$ 87,882	\$ 95,448
Allowance for uncollectible pledges	(38,453)	(56,566)
Total	\$ 49,429	\$ 38,882

As of June 30, 2024, there was \$261 of receivables due from the 2025 campaign, \$82,948 of receivables due from the 2024 campaign and \$4,673 of receivables due from the 2023 campaign.

As of June 30, 2023, there was \$982 of receivables due from the 2024 campaign, \$84,149 of receivables due from the 2023 campaign and \$10,317 of receivables due from the 2022 campaign.

**COUNTY UNITED WAY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Furniture and equipment**

County United Way, Inc. capitalizes expenditures greater than \$100 for furniture and equipment. All purchased furniture and equipment are carried at original cost. Donated furniture and equipment are carried at their fair market value as of the date received. Depreciation is recorded using straight-line and accelerated depreciation methods over the useful life of 5 to 7 years. A summary of furniture and equipment is as follows:

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Cost	\$ 42,065	\$ 23,710
Accumulated depreciation	<u>(25,576)</u>	<u>(21,015)</u>
Net book value	<u>\$ 16,489</u>	<u>\$ 2,695</u>

Depreciation expense amounted to \$4,561 and \$1,032 for the years ended June 30, 2024 and 2023, respectively.

**Note 5 – Other assets - endowment fund**

County United Way, Inc. has established an endowment fund which when completely funded is planned to fund the functional expenses of the Organization with the interest and dividends from the assets contained in the fund. The endowment fund is being funded by pledges from donors which are permanently restricted by the donors.

Interest and dividends earned, until the endowment fund is completely funded are also restricted. The Organization will consider the fund "fully funded" when the balance achieves \$5,200,000.

The Mission of the Endowment is: To build a substantial, permanent endowment fund, created through the gifts of many individual and corporate donors over time, invested for long-term growth, which will guarantee forever an independent annual base of financial stability for the County United Way.

The principal shall be maintained in perpetuity, unless recommended by the Endowment Committee to the Board of Directors of County United Way to do otherwise. Income, in the form of interest, dividends or realized capital gains, may be used for program support that is not dependent upon fluctuations in annual contributions, but only at the direction of the Board of Directors, following a request from a county's Executive Committee.

All investment increases (decreases) will continue to roll over into the endowment. Use of all interest income or any part of the principal will be at the sole discretion of the trustees of the County United Way.

**COUNTY UNITED WAY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5 – Other assets - endowment fund (continued)**

The Endowment Committee pursuant to the Bylaws of County United Way provides guidance to managing the endowment funds. The committee is composed of at least 1 representative from each geographical area that has a vested interest in the endowment. The committee shall also include the Treasurer of the Organization and include individuals with experience or training in investing funds, financial or business management.

In April 2009, the State of Maryland enacted a version of Uniform Prudent Management of Institutional Funds Act. The new law, eliminates the historical-dollar-threshold and establishes prudent spending guidelines that consider both the duration and preservation of the fund. As a result of this enactment, subject to the donor's intent as expressed in a gift agreement or similar document, a Maryland charitable organization may now spend the amount of the principal and income of an endowment fund, even from an underwater fund, after considering the factors listed in the Act.

All assets of the endowment are donor and permanently restricted.

A summary of the investments is as follows:

<u>2024</u>	<u>Market Value</u>	<u>Cost Basis</u>	<u>Unrealized Gain/(Loss)</u>
Allegheny County	\$ 363,610	\$ 297,742	\$ 65,868
Hampshire County	40,311	33,008	7,303
Mineral County	20,224	16,561	3,663
Garrett County	14,430	11,816	2,614
Total	<u>\$ 438,575</u>	<u>\$ 359,127</u>	<u>\$ 79,448</u>

<u>2023</u>	<u>Market Value</u>	<u>Cost Basis</u>	<u>Unrealized Gain/(Loss)</u>
Allegheny County	\$ 352,095	\$ 324,349	\$ 27,746
Hampshire County	39,034	35,958	3,076
Mineral County	19,304	17,783	1,521
Garrett County	13,973	12,872	1,101
Total	<u>\$ 424,406</u>	<u>\$ 390,962</u>	<u>\$ 33,444</u>

All marketable securities are available-for-sale and can be liquidated at any time.

**COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 5 – Other assets - endowment fund (continued)**

The endowment fund cash and cash equivalents are allocated as follows:

	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
Allegany County	\$ 13,955	\$ 6,397
Hampshire County	1,547	709
Mineral County	776	351
Garrett County	554	254
Total	\$ 16,832	\$ 7,711

The composition of endowment net assets for this fund and the changes in endowment net assets as of June 30, 2024 and 2023 are as follows:

	<b><u>Net Assets with Donor Restrictions</u></b>
Endowment net assets, July 1, 2022	\$ 443,268
Contributions	300
Investment return (net)	33,454
Amounts appropriated for expenditure	(44,905)
Endowment net assets, June 30, 2023	\$ 432,117
Contributions	300
Investment return (net)	50,261
Amounts appropriated for expenditure	(27,271)
Endowment net assets, June 30, 2024	\$ 455,407

**COUNTY UNITED WAY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6 – Fair value measurements**

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, “Fair Value Measurements and Disclosures,” provides the framework for measuring fair value. That framework 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 ASC 820 are described below:

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

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Organization’s investments at fair value as of June 30, 2024:

	<b><u>Investments at Fair Value as of June 30, 2024</u></b>			
	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Mutual funds and stocks				
Equity funds and stocks	\$ 252,021	\$ -	\$ -	\$ 252,021
Fixed income funds	186,554	-	-	186,554
Total investments at fair value	<u>\$ 438,575</u>	<u>-</u>	<u>-</u>	<u>438,575</u>



**COUNTY UNITED WAY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6 – Fair value measurements (continued)**

The following table sets forth by level, within the fair value hierarchy, the Organization’s investments at fair value as of June 30, 2023:

	<u>Investments at Fair Value as of June 30, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and stocks				
Equity funds and stocks	\$ 221,839	\$ -	\$ -	\$ 221,839
Fixed income funds	<u>202,567</u>	<u>-</u>	<u>-</u>	<u>202,567</u>
 Total investments at fair value	 <u>\$ 424,406</u>	 <u>-</u>	 <u>-</u>	 <u>424,406</u>

**Note 7 – Subsequent year’s appropriations**

The nonaffiliated agency appropriations can be payable more than one year from the date of receiving the pledge.

The 2025 Campaign Appropriations have been recorded as a payable as of June 30, 2024. These amounts will be paid monthly from July 1, 2024 through June 30, 2025. The appropriations are determined by the Board of Directors.

**Note 8 – Net assets**

The net assets of the Organization as of June 30, 2024 and 2023, were \$860,043 and \$687,708, respectively, which consisted of \$386,825 and \$301,816 without donor restrictions and \$473,218 and \$385,892 with donor restrictions, respectively.

As discussed in Note 5, County United Way, Inc. has established an endowment fund. The fund consists of cash and cash equivalents, investments, and pledges receivable that have been permanently restricted by the donors. The net assets of the endowment totaled \$455,407 and \$432,117 as of June 30, 2024 and 2023, respectively.

**COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 9 – Allowance for uncollectible pledges**

The Organization historically has not collected 2%-10% of the pledges received from the annual campaign. Based on the results of the most recently completed campaign, the Organization has determined that an allowance of 3% is appropriate in the current year's campaign and retroactively for the 2024 campaign. The Organization calculated and estimated the uncollectible portion of pledges receivable as of June 30, 2024 and 2023, to be \$38,453 and \$56,566, respectively. For the year ended June 30, 2024, \$25,072 was from the 2023 campaign, \$13,013 was from the 2024 campaign, and \$368 from the 2023 campaign. Any variance in the actual uncollectible pledges and the allowance account for a campaign is adjusted in the following year.

**Note 10 – Pension plan**

The Organization provides eligible employees with a Simplified Employee Pension plan with Mutual of America. To be eligible, an employee must be at least 21 years old and have completed one year of service. Contributions are made solely by County United Way, Inc. at ten percent of each eligible employee's salary. An employee's eligible salary does not include performance bonuses. All retirement benefits are fully and immediately vested.

County United Way, Inc. made contributions to the plan, net of dividends, in 2024 and 2023, of \$11,089 and \$11,693 respectively.

The plan also provides for disability income, as well as protection of the employee's retirement plan in the event of disability, with contributions funded by the County United Way, Inc.

**Note 11 – Credit risk**

As of June 30, 2024 and 2023, the Organization has recorded pledges receivable from various corporate and individual donors. These pledges receivable are not collateralized.

At times throughout each year, the Organization may maintain cash balances in certain bank accounts in excess of the FDIC limits. At June 30, 2024 and 2023, the Organization's balances exceeded Federally insured limits by \$231,909 and \$168,854, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk in these accounts.

**COUNTY UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 12 – Contributed facilities and services**

The Organization received in-kind revenue contributions of \$205,591 and \$254,702 for the years ended June 30, 2024 and 2023, respectively. The in-kind revenue consists of office space rental, office equipment support, professional fees, advertising, Labor, Day of Caring and Sharing and Stuff the Bus expenses, food, memberships and office supplies. The contributions are summarized as follows:

	June 30,	
	2024	2023
Office space/Storage	\$ 9,540	\$ 9,540
Office equipment support	1,329	1,653
Professional fees	4,750	4,700
Advertising	33,610	36,631
Labor	97,491	155,881
Day of Caring and Sharing, Stuff the Bus Expenses and Little Pantries	58,708	40,934
Memberships	50	50
Office Supplies	113	5,313
Total	\$ 205,591	\$ 254,702

Since August 1, 2018 the Organization has been at 113A S. Centre Street. They do not pay any rent but do pay for electricity. Rent expense has been included in the Statements of Functional Expenses as "Rent and Equipment Maintenance." Rent expense for the years ended June 30, 2024 and 2023, amounted to \$9,540 and \$9,540 respectively.

**COUNTY UNITED WAY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 13 – Current year's pledge revenue**

2024

The current year's pledge revenue represents 2023, 2024, and 2025 campaign pledges received after June 30, 2023 and 2025 campaign pledges received by June 30, 2024, net of allowance for uncollectible pledges. A summary of current year's pledge revenue is as follows:

Pledges received	\$ 429,245
Returned funds from prior year	5,443
Estimated uncollectible pledges	(12,877)
2022 campaign collections in excess of allowance	<u>25,467</u>
Total	<u>\$ 447,278</u>

Pledge revenue consists of \$0 from the 2023 campaign, \$416,947 from the 2024 campaign and \$12,298 from the 2025 campaign.

The remainder of the 2025 campaign pledge revenue will be recognized in the June 30, 2025 financial statements since the campaign concludes on April 30, 2025.

2023

The current year's pledge revenue represents 2022, 2023, and 2024 campaign pledges received after June 30, 2022 and 2024 campaign pledges received by June 30, 2023, net of allowance for uncollectible pledges. A summary of current year's pledge revenue is as follows:

Pledges received	\$ 421,905
Estimated uncollectible pledges	(25,613)
2021 campaign collections in excess of allowance	<u>7,054</u>
Total	<u>\$ 403,346</u>

Pledge revenue consists of \$0 from the 2022 campaign, \$413,505 from the 2023 campaign and \$8,400 from the 2024 campaign.

The remainder of the 2024 campaign pledge revenue was recognized in the June 30, 2024 financial statements since the campaign concluded on April 30, 2024.

**COUNTY UNITED WAY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 14 – Disclosure of certain risks and uncertainties**

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

**Note 15 – Special Programs**

Special Programs on the Statements of Activities consists of revenues and expenses for the Dolly Parton Imagination Library, Steps to Better Health, and the Allegany County Local Development Grant. The Dolly Parton Imagination Library provides free books to children from birth to age 5.

**Note 16 - Operating Lease**

In February 2021 the Organization entered into a Real Estate lease agreement with monthly payments of \$176 starting April 2021. In August 2024, the Organization moved and entered into a new lease agreement with monthly payments of \$550 starting September 2024. This lease is on a year-to-year basis. Total payments under these agreements for the years ended June 30, 2024 and June 30, 2023 were \$2,112 and \$2,112, respectively.

The schedule of future lease commitments under the lease obligation is as follows:

Years ending June 30,

2025	\$ 5,852
2026	<u>1,100</u>
Total	<u>\$ 6,952</u>

**Note 17 - Subsequent events**

The Organization has evaluated subsequent events through October 11, 2024 which is the date that the financial statements were available to be released.