

United Way of Washington County, MD

CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Washington County, Maryland, Inc. and
United Way Foundation of Washington County, Maryland, Inc.
Hagerstown, Maryland

Opinion

We have audited the consolidated financial statements of **United Way of Washington County, Maryland, Inc. and Affiliated Organization, United Way Foundation of Washington County, Maryland, Inc.** (Not-for-Profit Organizations) which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of United Way of Washington County, Maryland, Inc. and Affiliated Organization (collectively, "the Organization") as of June 30, 2024 and 2023, and the change in their net assets and their 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 Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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

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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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, net assets, and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Albright Crumbacker Moul & Itell, LLC

Hagerstown, Maryland
November 21, 2024

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,	2024	2023
ASSETS		
Cash and cash equivalents	$ 426,386	$ 746,730
Campaign pledges receivable	120,334	137,646
Less allowance for uncollectible pledges	(43,085)	(48,772)
Other receivables	68,082	62,781
Prepaid expenses	-	3,035
Investments	971,106	697,490
Right of use operating lease asset	87,692	80,010
Property and equipment, net of accumulated depreciation of $56,535 and $53,619, respectively	7,693	10,609
	$ 1,638,208	**$ 1,689,529**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 8,935	$ 1,833
Accrued payroll	16,351	15,502
Designations payable	34,800	33,598
Deferred revenue	44,550	74,453
Operating lease liability	88,362	79,090
	192,998	204,476
NET ASSETS		
Without donor restrictions		
Undesignated	420,939	475,916
Board designated	960,226	936,610
	1,381,165	1,412,526
With donor restrictions	64,045	72,527
	1,445,210	1,485,053
	$ 1,638,208	**$ 1,689,529**

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

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended June 30,			2024	2023
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
CHANGES IN NET ASSETS				
CAMPAIGN REVENUE AND SUPPORT				
Gross campaign results	$ 389,928	$ -	$ 389,928	$ 377,058
Bad debt recovery	6,022	-	6,022	8,074
Less donor designations	(38,017)	-	(38,017)	(33,536)
Less provisions for uncollectible	(23,502)	-	(23,502)	(25,605)
NET CAMPAIGN REVENUE AND SUPPORT	334,431	-	334,431	325,991
OTHER REVENUE AND SUPPORT				
Contributions of nonfinancial assets	115,504	-	115,504	55,290
Contribution - Mathias Trust	48,890	-	48,890	52,984
Employee Retention Tax Credit	-	-	-	32,905
United Against Hunger	755	-	755	56,496
Contributions and grants - other	99,489	29,031	128,520	84,245
Designations from other United Ways	11,640	-	11,640	39,490
Net investment return	82,088	-	82,088	64,784
Event revenue, net	25,051	-	25,051	13,379
Miscellaneous income	5	-	5	683
OTHER REVENUE AND SUPPORT	383,422	29,031	412,453	400,256
NET ASSETS RELEASED FROM RESTRICTIONS	37,513	(37,513)	-	-
TOTAL REVENUE AND SUPPORT	755,366	(8,482)	746,884	726,247
EXPENSES				
Program services				
Gross funds awarded/distributed	290,779	-	290,779	359,268
Less donor designations	(38,017)	-	(38,017)	(33,536)
Urgent Needs awards	14,916	-	14,916	21,180
United Against Hunger awards	6,975		6,975	7,919
Net funds awarded/distributed	274,653	-	274,653	354,831
Other program services	367,836	-	367,836	309,066
TOTAL PROGRAM SERVICES	642,489	-	642,489	663,897
Supporting services				
Fundraising	9,700	-	9,700	14,628
Management and general	128,005	-	128,005	114,957
United Way Worldwide dues	6,533	-	6,533	7,249
TOTAL SUPPORTING SERVICES	144,238	-	144,238	136,834
TOTAL EXPENSES	786,727	-	786,727	800,731
CHANGES IN NET ASSETS	(31,361)	(8,482)	(39,843)	(74,484)
NET ASSETS BEGINNING OF PERIOD	1,412,526	72,527	1,485,053	1,559,537
NET ASSETS END OF PERIOD	**$ 1,381,165**	**$ 64,045**	**$ 1,445,210**	**$ 1,485,053**

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

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended June 30, **2023**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
CHANGES IN NET ASSETS			
CAMPAIGN REVENUE AND SUPPORT			
Gross campaign results	$ 377,058	$ -	$ 377,058
Bad debt recovery	8,074	-	8,074
Less donor designations	(33,536)	-	(33,536)
Less provisions for uncollectible	(25,605)	-	(25,605)
NET CAMPAIGN REVENUE AND SUPPORT	325,991	-	325,991
OTHER REVENUE AND SUPPORT			
Contributions of nonfinancial assets	55,290	-	55,290
Contribution - Mathias Trust	52,984	-	52,984
Employee Retention Tax Credit	32,905	-	32,905
United Against Hunger	7,919	48,577	56,496
Contributions and grants - other	77,190	7,055	84,245
Designations from other United Ways	39,490	-	39,490
Net investment return	64,784	-	64,784
Event revenue, net	13,379	-	13,379
Miscellaneous income	683	-	683
OTHER REVENUE AND SUPPORT	344,624	55,632	400,256
NET ASSETS RELEASED FROM RESTRICTIONS	31,785	(31,785)	-
TOTAL REVENUE AND SUPPORT	702,400	23,847	726,247
EXPENSES			
Program services			
Gross funds awarded/distributed	359,268	-	359,268
Less donor designations	(33,536)	-	(33,536)
Urgent Needs awards	21,180	-	21,180
United Against Hunger awards	7,919	-	7,919
Net funds awarded/distributed	354,831	-	354,831
Other program services	309,066	-	309,066
TOTAL PROGRAM SERVICES	663,897	-	663,897
Supporting services			
Fundraising	14,628	-	14,628
Management and general	114,957	-	114,957
United Way Worldwide dues	7,249	-	7,249
TOTAL SUPPORTING SERVICES	136,834	-	136,834
TOTAL EXPENSES	800,731	-	800,731
CHANGES IN NET ASSETS	(98,331)	23,847	(74,484)
NET ASSETS BEGINNING OF PERIOD	1,510,857	48,680	1,559,537
NET ASSETS END OF PERIOD	**$ 1,412,526**	**$ 72,527**	**$ 1,485,053**

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

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years ended June 30,					2024	2023
	PROGRAM SERVICES	FUNDRAISING	MANAGEMENT AND GENERAL	UWW DUES	TOTAL	TOTAL
Gross funds awarded/distributed	$ 290,779	$ -	$ -	$ -	$ 290,779	$ 359,268
Less donor designations	(38,017)	-	-	-	(38,017)	(33,536)
Urgent Needs awards	14,916	-	-	-	14,916	21,180
United Against Hunger awards	6,975				6,975	7,919
SUB-TOTAL	274,653	-	-	-	274,653	354,831
Salaries	135,687	6,020	74,046	-	215,753	214,708
Payroll taxes	10,485	465	5,722	-	16,672	16,830
Health insurance	11,991	532	6,544	-	19,067	15,654
Retirement	2,751	122	1,501	-	4,374	4,762
SUB-TOTAL	160,914	7,139	87,813	-	255,866	251,954
Advertising	1,036	4,183	449	-	5,668	3,905
Bank charges	3,196	272	1,744	-	5,212	5,607
Computer	8,201	364	4,476	-	13,041	21,830
Depreciation	1,834	81	1,001	-	2,916	2,914
Dues and subscriptions	3,135	144	1,711	-	4,990	6,412
Insurance	3,843	2,672	2,097	-	8,612	6,223
Office expense	3,654	187	1,994	-	5,835	6,796
Printing and postage	4,724	173	2,123	-	7,020	5,985
Professional development	1,148	51	626	-	1,825	132
Professional fees	-	-	16,199	-	16,199	16,678
Rent	12,252	5,563	6,685	-	24,500	18,119
Repairs	-	-	-	-	-	1,245
Supplies	163,899	8,673	1,087	-	173,659	109,268
SUB-TOTAL	206,922	22,363	40,192	-	269,477	205,114
United Way Worldwide dues	-	-	-	6,533	6,533	7,249
TOTAL EXPENSES	642,489	29,502	128,005	6,533	806,529	819,148
Less: event expenses included with revenue in the consolidated statement of activities	-	(19,802)	-	-	(19,802)	(18,417)
	$ 642,489	**$ 9,700**	**$ 128,005**	**$ 6,533**	**$ 786,727**	**$ 800,731**

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

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year ended June 30, **2023**

	PROGRAM SERVICES	FUNDRAISING	MANAGEMENT AND GENERAL	UWW DUES	TOTAL
Gross funds awarded/distributed	$ 359,268	$ -	$ -	$ -	$ 359,268
Less donor designations	(33,536)	-	-	-	(33,536)
Urgent Needs awards	21,180	-	-	-	21,180
United Against Hunger awards	7,919	-	-	-	7,919
SUB-TOTAL	354,831	-	-	-	354,831
Salaries	140,848	7,729	66,131	-	214,708
Payroll taxes	11,040	606	5,184	-	16,830
Health insurance	10,269	564	4,821	-	15,654
Retirement	3,124	171	1,467	-	4,762
SUB-TOTAL	165,281	9,070	77,603	-	251,954
Advertising	660	3,035	210	-	3,905
Bank charges	3,851	184	1,572	-	5,607
Computer	16,728	534	4,568	-	21,830
Depreciation	1,912	105	897	-	2,914
Dues and subscriptions	3,800	829	1,783	-	6,412
Insurance	4,082	224	1,917	-	6,223
Office expense	4,701	219	1,876	-	6,796
Printing and postage	3,775	438	1,772	-	5,985
Professional development	87	5	40	-	132
Professional fees	1,135	57	15,486	-	16,678
Rent	10,882	2,128	5,109	-	18,119
Repairs	817	45	383	-	1,245
Supplies	91,355	16,172	1,741	-	109,268
SUB-TOTAL	143,785	23,975	37,354	-	205,114
United Way Worldwide dues	-	-	-	7,249	7,249
TOTAL EXPENSES	663,897	33,045	114,957	7,249	819,148
Less: event expenses included with revenue in the consolidated statement of activities	-	(18,417)	-	-	(18,417)
	$ 663,897	**$ 14,628**	**$ 114,957**	**$ 7,249**	**$ 800,731**

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (39,843)	$ (74,484)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	2,916	2,914
Bad debt expense, net of recoveries	17,480	17,531
Capitalized contributions of nonfinancial assets	-	(1,178)
Gain on sale of investments	(9,915)	(1,116)
Interest and dividends reinvested	(17,121)	(20,704)
Unrealized (gain) loss on investments	(48,809)	(46,467)
Investment fees	8,754	8,862
Amortization of right of use asset included in lease cost	1,590	(920)
(Increase) decrease in operating assets		
Campaign pledges receivable	(5,855)	45,348
Other receivables	(5,301)	(23,855)
Prepaid expenses	3,035	(1,705)
Increase (decrease) in operating liabilities		
Accounts payable	7,102	1,581
Accrued payroll	849	622
Designations payable	1,202	1,347
Deferred income	(29,903)	60,150
NET CASH USED IN OPERATING ACTIVITIES	(113,819)	(32,074)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(1,622)
Purchase of investments	(250,000)	-
Distributions from investments	43,475	45,950
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(206,525)	44,328
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(320,344)	12,254
Cash and cash equivalents, beginning	746,730	734,476
Cash and cash equivalents, ending	**$ 426,386**	**$ 746,730**
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Financed purchase of right of use operating lease asset	**$ 26,920**	**$ 98,173**

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

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of **United Way of Washington County, Maryland, Inc. and Affiliated Organization** ("the Organization") is presented to assist in understanding the Organization's consolidated financial statements. The consolidated financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity.

Nature of activity: United Way of Washington County, Maryland, Inc. ("UWWC") was incorporated in March of 1957 as a nonprofit organization that was formed to support community, charitable, benevolent, and educational undertakings that give aid, relief, and comfort primarily to the people of Washington County, Maryland, by increasing general knowledge and promoting public interest in such undertakings, and by collecting and donating money and services for these purposes. UWWC is governed by a volunteer board of directors.

United Way Foundation of Washington County, Maryland, Inc. ("the Foundation") was incorporated in March of 1968 as a nonprofit organization that was formed to support the mission of UWWC.

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

Basis of consolidation and presentation: UWWC and the Foundation have common Boards of Directors. Accordingly, management has determined that consolidated financial statements represent the most informative presentation in conformity with FASB Accounting Standards Codification (ASC) 958-810-55. Therefore, the accompanying consolidated financial statements include the accounts of UWWC and the Foundation. Intercompany transactions have been eliminated in the consolidation.

The Organization reports information regarding its consolidated financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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 management. In addition, the Organization's Board of Directors may designate resources for specific purposes, for example, a particular program activity or capital addition. Such amounts are reported as board designated without donor restrictions and have been designated for investment.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature and limit the use of funds to a specific time period and/or purpose. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Estimates: The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the collectability of receivables, fair value of contributions of nonfinancial assets, and the value of lease assets acquired under lease obligations.

Cash and cash equivalents: The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Pledges receivable: Promises to give are recognized as revenues when the donor makes an unconditional promise to give to the Organization. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. The Organization believes that all pledges will be collected within one year. Contributions are considered to be available for the general programs of the Organization, unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Conditional promises to give received prior to the satisfaction of the barriers to entitlement are accounted for as deferred revenue. Donor-restricted contributions are reported as increases in net assets with donor restrictions unless the restriction is satisfied in the same fiscal year as the contribution, in which case the contribution is reported as without donor restrictions. When a donor restriction expires via the passage of time or fulfillment of the intended purpose, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization utilizes the allowance method to determine the estimated uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises to give.

Exchange revenue recognition: The Organization recognizes revenue from exchange transactions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2019-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. Under FASB ASU 2014-09, revenue from exchange transactions is allocated and recognized for each performance obligation included in the customer contract or similar arrangement. The Organization's exchange transaction revenue streams are as follows:

> **Special events:** The Organization conducts special fundraising events whose gross proceeds include both a contribution and an exchange transaction component. The exchange transaction component is the fair value of the benefit received by the participant, typically the meals and entertainment provided at the event. Unless another objective means is available to provide evidence of the fair value of the donor benefit, the fair value is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the donor benefit. See Note 9 for the allocation of special event revenue between exchange and contribution components. Event fees received in advance of the event are initially recorded as a deferred revenue liability and recognized as revenue at the time of the event. For event fees received before fiscal year-end for an event to occur after fiscal year-end, the Organization follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

FASB ASU 2014-09 allows for certain practical expedients which the Organization has elected to apply as follows:

> **Portfolio approach:** The Organization has applied the portfolio approach to those contracts within a revenue stream that have similar characteristics, as management has determined that this would produce the same results if each contract within a portfolio was analyzed individually.
>
> **Contract costs:** The Organization has elected to expense all incremental contract acquisition costs as they are incurred, as the amortization period of the asset that the Organization would have recognized is one year or less.
>
> **Financing component:** The Organization does not adjust the promised amount of consideration from customers for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a customer and the time the customer pays for the service will be one year or less.

Fair value measurements: The Organization conforms with FASB ASC 820, *Fair Value Measurements and Disclosures*, which 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 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 are accessible at the measurement date.

Level 2: Inputs to the valuation methodology include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in inactive markets; (c) inputs other than quoted prices that are observable for the asset or liability; and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (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 are used to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization reports certain investments using the net asset value per share as determined by investment managers under the so called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. These investment funds are held as units or interest in institutional funds or limited partnerships, which are stated at net asset value (NAV) or its equivalent. The Organization uses the NAV as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. Pursuant to FASB ASU 2015-07, the Organization has not categorized these investments in levels within the fair value hierarchy table (Note 4).

Investments: The Organization's investments are stated at fair value. For the investment in units of the Community Foundation of Washington County, Inc. (CFWC), fair value is determined to be the Organization's proportionate share of the fair value of the CFWC fund units; the fair values of other marketable equity and debt securities are based on quoted prices in active markets. Shares of mutual funds are valued at the net asset value of shares held at year end. Changes in unrealized gains and losses are included in net investment income and recognized in the statements of activities. Realized gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by the donor or by law and are included in net investment return. Also included in net investment return is other investment income, such as dividends and interest, which is recognized in the period earned as increases in net assets without donor restrictions unless the use is limited by donor restrictions. Return on investments is shown net of related investment fees.

Property and equipment: Property and equipment are recorded at cost, if purchased, or fair market value, if donated. Maintenance and repairs are charged to expense as incurred. Major improvements that increase the useful lives of the assets are capitalized, subject to a property and equipment capitalization threshold of $2,500. Upon sale or retirement of a capitalized asset, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in current income. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets ranging from three to ten years.

Lease assets and liabilities: Effective July 1, 2022, the Organization records its leases in accordance with *Leases (Topic 842).* The Organization determines if an arrangement contains a lease at inception.

Under Topic 842, leases result in a right of use (ROU) asset which represents the Organization's right to use an underlying asset for the lease term and a lease liability. Leases are classified as finance or operating depending on established criteria such as the existence of ownership transfers or purchase options or the lease length compared to the economic life of the underlying asset or the fair value of the underlying asset compared with the present value of the total lease payments. As part of the adoption of Topic 842, the Organization has exercised a practical expedient which allows leases existing as of July 1, 2022 to retain their classification as either finance (previously "capital") or operating. Assets under finance leases are recorded in property, plant and equipment and amortized on a straight line basis over their estimated useful life. Assets under operating leases are recorded as an other asset and amortized using the effective interest method over the term of the lease.

ROU assets are measured based on the assessed lease liability adjusted to include initial direct costs and prepaid lease payments and to exclude lease incentives received. The lease liability is measured at the present value of the lease payments over the lease term, including any guaranteed residual values or purchase options the Organization is reasonably certain to exercise. For purposes of calculating ROU assets and lease liabilities, lease terms may be deemed to include options to extend or terminate the lease when it is reasonably certain that option will be exercised. Macroeconomic conditions are the primary factor used to estimate whether an option to extend a lease term or purchase an asset will be exercised or not. When readily determinable, the implicit rate is used in determining the present value of lease payments. Alternatively, as most leases do not provide an implicit rate of return, the Organization uses the risk-free rate of return based on information available at the lease commencement date. Lease payments may include consideration for nonlease components such as property taxes, maintenance, insurance, etc. The Organization has elected to treat lease and nonlease components as a single lease cost; consequently, all components of the lease payment except for any variable portions that do not depend on an index or rate are included to determine the present value of the lease payments. Variable payments excluded from the present value are recognized as expense in the period they are incurred. Finance lease costs are recognized in depreciation and interest expense. Operating leases are expensed on a straight line basis over the term of the lease.

Leases with a term of twelve months or less with no renewal or purchase options are excluded from recognition as an ROU asset and liability. Lease payments for these contracts are recognized as expense on a straight line basis over the lease term.

Significant judgments and assumptions used in measuring the Organization's lease assets and liabilities are discussed in Note 6.

Compensated absences: Employees are permitted to carry over a predetermined maximum number of unused vacation hours from one employment contract year to the next. Employees receive payment for any earned vacation hours, up to a separate predetermined maximum, at termination. Accordingly, the Organization has established a liability for unused vacation hours. As of June 30, 2024 and 2023, the liability for unused vacation hours approximated $6,000 and $5,700, respectively. These amounts are included in accrued payroll on the consolidated statements of financial position.

Agency grants: The Organization raises funds primarily through its annual campaign. Based on the annual campaign, pledges receivable and corresponding contributions revenue are recognized, net of (a) designations to agencies, (b) designations to other United Way organizations, and (c) an allowance for uncollectible pledges receivable. After consideration of its projected operating expenses, capital expenditures, and cash flows from pledges, management develops an estimate of the Organization's projected grants to its member agencies. The grants are paid in twelve equal monthly payments.

Designations payable: Some pledges are designated by donors to be distributed to either member agencies or other United Way organizations. Accordingly, such amounts are reported as campaign pledges receivable with a corresponding liability to the designated agencies and deducted from gross campaign support on the consolidated statements of activities.

Contributions of nonfinancial assets: Donated assets are recorded as support at their estimated fair values on the dates of the gift and are depreciated, if appropriate, over their estimated useful lives. Such donations are reported as support without donor restrictions unless the donor placed specific restrictions on the donated asset. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service and reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Contributions of donated services that create or enhance non-financial assets, which would typically need to be purchased from individuals with specialized skills if not provided by donation, are recorded at their fair value in the period received. No amounts have been reflected in the financial statements for donated services by volunteers who donated their time to the Organization's service or fundraising campaigns since there is no objective basis available to measure the value of services received, and the conditions for recognition have not been met. See Note 8 for additional information on contributions of nonfinancial assets.

Functional allocation of expenses: Certain costs have been allocated among the programs and supporting services benefitted. Where possible, allocations of costs by function are based on specific identification of costs to program, management and general, or fundraising. Non-specifically identified costs are determined by management on an equitable basis. All expenses except funds awarded / distributed and bad debt expense are in part or in whole allocated to their applicable functional categories. Salaries and wages are allocated based on analysis of time and effort by function; other expenses are allocated to each function as a percentage of total salaries and wages.

Advertising and marketing costs: Advertising and marketing costs are expensed as incurred. Advertising costs, including special event expenses, approximated $5,700 and $3,900, respectively, for the years ended June 30, 2024 and 2023.

Employee Retention Credit: The Organization has determined that it qualifies for a tax credit from the Employee Retention Credit (ERC) program introduced as part of the Coronavirus Aid, Relieve, and Economic Security ("CARES") Act. ERC provides for a refundable tax credit on payroll taxes for certain qualifying wages. The refundable credit falls under the guidance of FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*, whereby a conditional contribution is recognized when the conditions upon which it depends are substantially met. Application for the credit was submitted during the fiscal year ended June 30, 2023. Consequently, management has concluded that the conditions were met as of June 30, 2023 and therefore has recognized revenue for ERC for the year ended June 30, 2023. The credit is included in other receivables for the years ended June 30, 2024 and 2023.

Income tax status: Both UWWC and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The entities comply with ASC 740-10, *Income Taxes*, which established a threshold for determining when an income tax benefit of a tax position can be recognized. Under ASC 740-10, a tax position includes, among other things, (a) a decision not to file a tax return, (b) an allocation or a shift of income between jurisdictions, (c) the characterization of income or a decision to exclude reporting taxable income in a tax return, (d) a decision to classify a transaction, entity, or other position in a tax return as tax exempt, and (e) an entity's status, including its status as a tax-exempt not-for-profit entity. Based on its interpretation of the requirements of ASC 740-10, management believes that the entities have no uncertain tax positions that qualify for either recognition or disclosure. The entities are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. UWWC and the Foundation believe they are no longer subject to income tax examinations for years prior to 2020.

2. RISKS AND UNCERTAINTIES

The Organization has a cash sweep account agreement with a local bank whereby balances are transferred daily to mutual funds that invest in securities issued or guaranteed as to principal and interest by the U.S. Government or its

agencies. These money market funds are not FDIC insured. However, the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash.

The Organization invests in a portfolio that contains a variety of investment types. Such investments are exposed to various risks, such as market, credit and interest rate risk. Due to the level of risk associated with such investments, it is at least reasonably possible that such risk may change in the near term and that such changes could materially affect the fair values of those investments as reported in the Organization's financial statements. In addition, recent economic uncertainty and market events have led to unprecedented volatility in the currency, commodity, debt and equity markets that have resulted in the bankruptcy and/or failure of some financial institutions. Such events have highlighted the level of risk inherent in any investment portfolio. Management believes that there has been no significant reduction of fair value since June 30, 2024.

3. AVAILABILITY AND LIQUIDITY

As of June 30, 2024 and 2023, the Organization has working capital of approximately $1,440,000 and $1,470,000, respectively, and average days (based on normal expenditures) cash on hand of approximately 194 and 334 days, respectively. As part of the Organization's liquidity management plan, cash is evaluated on a regular basis and invested in short-term investments and money market funds.

The following represents the Organization's financial assets available within one year as of June 30:

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	$ 426,386	$ 746,730
Campaign pledges receivable, net	77,249	88,874
Other receivables	68,082	62,781
Investments	971,106	697,490
Total financial assets available at year end	1,542,823	1,595,875
Less amounts not available to be used within one year:		
Net assets with donor restrictions	64,045	72,527
Less net assets with restrictions to be met in less than a year	(46,000)	(49,000)
Board designated fund	960,226	936,610
	978,271	960,137
Financial assets available to meet general expenditures over the next twelve months	**$ 564,552**	**$ 635,738**

The Board designated fund may be drawn upon, if necessary, with Board approval.

4. INVESTMENTS

The following table presents investments carried at fair value by the fair valuation hierarchy defined in Note 1 as of June 30:

	2024	2023
	LEVEL 1	LEVEL 1
Cash	$ 4,144	$ -
Mutual funds	245,106	-
	$ 249,250	**$ -**

The Organization has an agreement with CFWC whereby the Organization invests in units of CFWC investment portfolio. These units are valued using the net asset value as the practical expedient and are therefore excluded from the preceding presentation of investments by fair value hierarchy. Total investments carried at fair value are as follows as of June 30:

	2024	2023
Level 1 investments	$ 249,250	$ -
NAV investments	721,856	697,490
	$ 971,106	**$ 697,490**

Net investment return consisted of the following for the years ended June 30:

	2024	2023
Dividend and interest income	$ 32,118	$ 26,063
Realized gain on sale of investments	9,915	1,116
Unrealized gain (loss) on investments	48,809	46,467
	90,842	73,646
Less: investment expense	(8,754)	(8,862)
	$ 82,088	**$ 64,784**

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2024	2023
Furniture and fixtures	$ 41,624	$ 41,624
Leasehold improvements	19,804	19,804
Vehicles	2,800	2,800
	64,228	64,228
Less accumulated depreciation	(56,535)	(53,619)
	$ 7,693	**$ 10,609**

Depreciation expense totaled $2,916 and $2,914 for the years ended June 30, 2024 and 2023, respectively.

6. LEASE ASSETS AND LIABILITIES

The Organization leases facilities and equipment. The facilities lease has an initial term of ten years with two renewal options of five years each. Equipment lease terms range from two and a half to five years and do not include an option to purchase the equipment. For the purpose of calculating ROU assets and lease liabilities, lease terms may be deemed to include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Macroeconomic conditions are the primary factor used to estimate whether an option to extend a lease term will be exercised or not. None of the Organization's leasing arrangements contain restrictive financial covenants.

The following significant assumptions are included in the ROU assets and lease liabilities at June 30, 2024:

- Available optional lease extensions will not be exercised.
- The discount rate used is the risk-free rate of return which was estimated using the Treasury yield rate closest to the lease term, which was the 5-year and 2-year rates.

Supplemental statement of financial position information related to the leases at June 30 was as follows:

		2024	2023
Present value of right of use asset included with			
Right of use operating lease asset	Current portion	$ 22,540	$ 18,540
	Long-term portion	65,152	61,470
		$ 87,692	**$ 80,010**
Lease liabilities	Current portion	$ 25,317	$ 18,435
	Long-term portion	63,045	60,655
		$ 88,362	**$ 79,090**

Other information related to the leases was as follows as of June 30:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows	$ 21,183	$ 20,298
Right of use assets obtained in exchange for new lease liabilities	$ 26,920	$ 98,173
Weighted-average remaining lease term	3.33 years	4.25 years
Weighted-average discount rate	4.50%	2.88%

The components of lease cost were as follows for the years ended June 30:

	2024	2023
Operating lease cost		
Lease expense	$ 23,628	$ 20,735
Short-term rental expense	5,019	1,531
	$ 28,647	**$ 22,266**

Operating lease costs are included in the consolidated statements of functional expenses as follows:

	2024	2023
Printing and postage	$ 4,147	$ 4,147
Rent	24,500	18,119
	$ 28,647	**$ 22,266**

Maturities of lease liabilities for the years ending June 30 are as follows:

2025	$ 28,667
2026	28,244
2027	27,355
2028	10,784
	95,050
Less: present value discount	(6,688)
	$ 88,362

7. FUNDS HELD BY OTHERS

The Organization entered into an agreement with CFWC whereby the Organization collects third-party contributions and remits such donations to CFWC. These third party donations, together with matching contributions by the Waltersdorf/Henson Endowment Challenge Campaign (to a maximum of $100,000, which has been achieved), become the sole property of CFWC to be held and invested by CFWC in the Waltersdorf/Henson United Way Foundation Endowment Fund (the CFWC "Sub-fund"). Accordingly, the aforementioned Sub-fund is not recognized as an asset of the Organization. Under the terms of the agreement, the Organization is entitled to receive on an annual

basis (at the discretion of CFWC's Board of Trustees) the lesser of 5% of a rolling quarterly average value of the Sub-fund or the excess of the fair value of the Sub-fund over its historic dollar value, as defined in the agreement. Such amounts, which are included in other revenue and support, approximated $13,600 and $13,700 in 2024 and 2023, respectively.

UWWC is a beneficiary of a permanent endowment fund held by CFWC. The UWWC is entitled to the earnings of the fund on an annual basis, as long as the fair market value of the fund, as of June 30 of each year, does not drop below its original historical cost. Because UWWC has granted variance power and the fund is the sole property of CFWC, the aforementioned fund is not recognized as an asset of UWWC. In 2024 and 2023, UWWC received income, which is included in other revenue and support, approximating $950 each year.

UWWC is an irrevocable beneficiary of a split-interest agreement relating to the Mathias Washington County Charitable Trust (the Trust). Under the terms of the agreement, UWWC is entitled to an annual distribution of 12% of the net income of the Trust as long as the trust continues to exist. The timing of the distribution is at the discretion of the Trustees of the Trust and is to be used for the general welfare of UWWC. Management believes that the Trustee has the power to terminate the trust at any time and distribute the principal to organizations of the trustee's choosing. Because the Trustee has variance power over the Trust, it does not meet the criteria to be recognized as an asset of UWWC as defined by ASC 958-30. The annual distribution of UWWC's 12% distributive share of the Trust is recognized as contribution income without donor restrictions in the accompanying consolidated statements of activities.

8. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets consisted of the following as of June 30:

	2024	2023	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Supplies	$ 115,504	$ 45,412	Programmatic	None	The estimated fair value was based on current rates for similar products.
Event supplies	2,905	8,373	Special Events	None	The estimated fair value was based on the estimated retail values that would be received for selling similar products.
Event supplies	2,675	-	Special Events	None	The estimated fair value was based on current rates for similar products.
Office equipment	-	5,707	Programmatic	None	The estimated fair value was based on current rates for similar products.
and furniture	-	2,680	General and Administrative		
	-	313	Fundraising		
Vehicle	-	1,178	Fixed asset (operations)	None	The estimated fair value was based on current rates for similar products.
	121,084	63,663			
Less: amount reported as special event revenue	(5,580)	(8,373)			
	$ 115,504	**$ 55,290**			

9. EVENT REVENUE

Gross receipts from special fundraising events consist of exchange transaction revenue and contribution revenue. As a result of adopting FASB ASU 2014-09, the Organization is required to separately present the components of this revenue. For the years ended June 30, 2024 and 2023, the components of event revenue were as follows:

	2024	2023
Contributions	$ 30,631	$ 21,752
Event revenue	14,222	10,044
	44,853	31,796
Less: event expenses	(19,802)	(18,417)
	$ 25,051	**$ 13,379**

10. RETIREMENT PLAN

The Organization sponsors a contributory defined contribution pension plan under section 403(b) of the Internal Revenue Service code covering all employees meeting certain eligibility requirements. Contributions by the Organization are 5% of the participating employee's salary. Such contributions were $4,374 and $4,762 for 2024 and 2023, respectively.

11. NET ASSETS

Net assets with donor restrictions as of June 30, consisted of the following:

	2024			
	BALANCE AT 6/30/23	CONTRIBUTIONS	SATISFACTION OF RESTRICTIONS	BALANCE AT 6/30/24
Subject to purpose restrictions:				
CEO Breakfast	$ 1,846	$ -	$ -	$ 1,846
Day of Caring	724	16,322	724	16,322
Born Learning	2,716	-	-	2,716
United Against Hunger	48,577	-	31,095	17,482
Kid's Outreach	-	2,009	-	2,009
Hygiene Pantry	7,055	10,700	5,694	12,061
Miscellaneous	729	-	-	729
Not subject to appropriations or expenditure:				
Howard S Kaylor Fund	10,880	-	-	10,880
	$ 72,527	**$ 29,031**	**$ 37,513**	**$ 64,045**

	2023			
	BALANCE AT 6/30/22	CONTRIBUTIONS	SATISFACTION OF RESTRICTIONS	BALANCE AT 6/30/23
Subject to purpose restrictions:				
CEO Breakfast	$ 2,661	$ -	$ 815	$ 1,846
Day of Caring	23,714	-	22,990	724
Born Learning	2,716	-	-	2,716
United Against Hunger	-	48,577	-	48,577
Hygiene Pantry	-	7,055	-	7,055
Literacy	5,000	-	5,000	-
Miscellaneous	3,709	-	2,980	729
Not subject to appropriations or expenditure:				
Howard S Kaylor Fund	10,880	-	-	10,880
	$ 48,680	**$ 55,632**	**$ 31,785**	**$ 72,527**

12. ENDOWMENT

The Board of Directors (BOD) of the Organization has interpreted the Maryland Uniform Prudent Management of Institutional Funds Act (MUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets not subject to appropriations or expenditure: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gifts instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets not subject to appropriations or expenditure is classified as net assets without donor restrictions. In accordance with MUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds: (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The endowment fund consists of the Howard S. Kaylor Endowment Fund. Earnings on the endowment are not donor-restricted and are included in net investment income without donor restrictions. As of June 30, 2024 and 2023, no additional contributions were made in regards to the endowment fund and the balance remained $10,880 for each year.

The Organization has adopted an investment and spending policy approved and monitored by the trustees of CFWC. The policy attempts to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix.

The Organization expects its endowment assets, over time, to produce an average rate of return of 7% to 8%, with the assumption of an annual inflation rate of 3% and to outperform the Standard & Poor's 500 Index and the Barclays Capital U.S. Government/Credit Index. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

13. CONDITIONAL PROMISES TO GIVE

The Organization allocates funding to agencies based on a primarily one year grant model. The funding is contingent on the grantee organizations completing required reports and obtaining certain performance measures prior to the grants becoming earned by the grantee. Therefore, the grants are not reported as a liability on the consolidated statements of financial position at June 30, 2024 and 2023. As of June 30, 2024, the Organization has conditionally promised grant funding to support various agencies during the fiscal year ended June 30, 2025 as follows:

Community resiliency	$	27,504
Financial security		100,000
Healthy community		60,000
Youth opportunity		60,000
	$	**247,504**

14. COST DEDUCTION STANDARD

The expenses associated with processing donor designated pledges are recovered by an assessment for both fundraising and management and general expenses based on actual historical costs in accordance with the United Way Worldwide Membership Standards as outlined in their publication titled United Way Worldwide Cost Deduction Requirements for Membership Standard M.

15. RECLASSIFICATIONS

Certain accounts in the prior year consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the current year consolidated financial statements.

16. SUBSEQUENT EVENTS

The Organization has evaluated events and transactions subsequent to June 30, 2024 through November 21, 2024, the date these consolidated financial statements were available to be issued. Based on the definitions and requirements of generally accepted accounting principles in the United States of America, management has not identified any events that have occurred subsequent to June 30, 2024 through November 21, 2024, that require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2024	UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC.	UNITED WAY FOUNDATION OF WASHINGTON COUNTY, MARYLAND, INC.	CONSOLIDATING ELIMINATIONS	CONSOLIDATED TOTALS
ASSETS				
Cash and cash equivalents	$ 426,386	$ -	$ -	$ 426,386
Campaign pledges receivable	120,334	-	-	120,334
Less allowance for uncollectible pledges	(43,085)	-	-	(43,085)
Other receivables	68,082	-	-	68,082
Investments	-	971,106	-	971,106
Right of use operating lease asset	87,692	-	-	87,692
Net property and equipment	7,693	-	-	7,693
	$ 667,102	**$ 971,106**	**$ -**	**$ 1,638,208**
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	$ 8,935	$ -	$ -	$ 8,935
Accrued payroll	16,351	-	-	16,351
Designations payable	34,800	-	-	34,800
Deferred revenue	44,550	-	-	44,550
Operating lease liability	88,362	-	-	88,362
	192,998	-	-	192,998
NET ASSETS				
Without donor restrictions				
Undesignated	420,939	-	-	420,939
Board designated	-	960,226	-	960,226
	420,939	960,226	-	1,381,165
With donor restrictions	53,165	10,880		64,045
	474,104	971,106	-	1,445,210
	$ 667,102	**$ 971,106**	**$ -**	**$ 1,638,208**

See independent auditor's report.

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2023	UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC.	UNITED WAY FOUNDATION OF WASHINGTON COUNTY, MARYLAND, INC.	CONSOLIDATING ELIMINATIONS	CONSOLIDATED TOTALS
ASSETS				
Cash and cash equivalents	$ 746,730	$ -	$ -	$ 746,730
Campaign pledges receivable	137,646	-	-	137,646
Less allowance for uncollectible pledges	(48,772)	-	-	(48,772)
Other receivables	62,781	-	-	62,781
Intercompany balances	(242,000)	242,000	-	-
Prepaid expenses	3,035	-	-	3,035
Investments	-	697,490	-	697,490
Right of use operating lease asset	80,010	-	-	80,010
Net property and equipment	10,609	-	-	10,609
	$ 750,039	**$ 939,490**	**$ -**	**$ 1,689,529**
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	$ 1,833	$ -	$ -	$ 1,833
Accrued payroll	15,502	-	-	15,502
Designations payable	33,598	-	-	33,598
Deferred revenue	74,453	-	-	74,453
Operating lease liability	79,090	-	-	79,090
	204,476	-	-	204,476
NET ASSETS				
Without donor restrictions				
Undesignated	233,916	242,000	-	475,916
Board designated	250,000	686,610	-	936,610
	483,916	928,610	-	1,412,526
With donor restrictions	61,647	10,880		72,527
	545,563	939,490	-	1,485,053
	$ 750,039	**$ 939,490**	**$ -**	**$ 1,689,529**

See independent auditor's report.

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATING SCHEDULE OF ACTIVITIES

Year ended June 30, 2024	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	UNITED WAY FOUNDATION OF WASHINGTON COUNTY, MARYLAND, INC. TOTAL	CONSOLIDATING ELIMINATIONS	CONSOLIDATED TOTALS
CHANGES IN NET ASSETS								
CAMPAIGN REVENUE AND SUPPORT								
Gross campaign results	$ 389,928	$ -	$ 389,928	$ -	$ -	$ -	$ -	$ 389,928
Bad debt recovery	6,022	-	6,022	-	-	-	-	6,022
Less donor designations	(38,017)	-	(38,017)	-	-	-	-	(38,017)
Less provisions for uncollectible	(23,502)	-	(23,502)	-	-	-	-	(23,502)
NET CAMPAIGN REVENUE AND SUPPORT	334,431	-	334,431	-	-	-	-	334,431
OTHER REVENUE AND SUPPORT								
Contributions of nonfinancial assets	115,504	-	115,504	-	-	-	-	115,504
Contributions - Mathias Trust	48,890	-	48,890	-	-	-	-	48,890
United Against Hunger	755	-	755	-	-	-	-	755
Contributions and grants - other	134,964	29,031	163,995	-	-	-	(35,475)	128,520
Designations from other United Ways	11,640	-	11,640	-	-	-	-	11,640
Net investment return	14,997	-	14,997	67,091	-	67,091	-	82,088
Event revenue, net	25,051	-	25,051	-	-	-	-	25,051
Miscellaneous income	5	-	5	-	-	-	-	5
OTHER REVENUE AND SUPPORT	351,806	29,031	380,837	67,091	-	67,091	(35,475)	412,453
NET ASSETS RELEASED FROM RESTRICTIONS	37,513	(37,513)	-	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	723,750	(8,482)	715,268	67,091	-	67,091	(35,475)	746,884
EXPENSES								
Program services								
Gross funds awarded/distributed	290,779	-	290,779	-	-	-	-	290,779
Less donor designations	(38,017)	-	(38,017)	-	-	-	-	(38,017)
Urgent Needs awards	14,916	-	14,916	-	-	-	-	14,916
United Against Hunger awards	6,975	-	6,975	-	-	-	-	6,975
Net funds awarded/distributed	274,653	-	274,653	-	-	-	-	274,653
Other program services	367,836	-	367,836	35,475	-	35,475	(35,475)	367,836
TOTAL PROGRAM SERVICES	642,489	-	642,489	35,475	-	35,475	(35,475)	642,489
Supporting services								
Fundraising	9,700	-	9,700	-	-	-	-	9,700
Management and general	128,005	-	128,005	-	-	-	-	128,005
United Way Worldwide dues	6,533	-	6,533	-	-	-	-	6,533
TOTAL SUPPORTING SERVICES	144,238	-	144,238	-	-	-	-	144,238
TOTAL EXPENSES	786,727	-	786,727	35,475	-	35,475	(35,475)	786,727
CHANGES IN NET ASSETS	(62,977)	(8,482)	(71,459)	31,616	-	31,616	-	(39,843)
NET ASSETS BEGINNING OF PERIOD	483,916	61,647	545,563	928,610	10,880	939,490	-	1,485,053
NET ASSETS END OF PERIOD	**$ 420,939**	**$ 53,165**	**$ 474,104**	**$ 960,226**	**$ 10,880**	**$ 971,106**	**$ -**	**$ 1,445,210**

See independent auditor's report.

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATING SCHEDULE OF ACTIVITIES

Year ended June 30, 2023	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	UNITED WAY FOUNDATION OF WASHINGTON COUNTY, MARYLAND, INC. TOTAL	CONSOLIDATING ELIMINATIONS	CONSOLIDATED TOTALS
CHANGES IN NET ASSETS								
CAMPAIGN REVENUE AND SUPPORT								
Gross campaign results	$ 377,058	$ -	$ 377,058	$ -	$ -	$ -	$ -	$ 377,058
Bad debt recovery	8,074	-	8,074	-	-	-	-	8,074
Less donor designations	(33,536)	-	(33,536)	-	-	-	-	(33,536)
Less provisions for uncollectible	(25,605)	-	(25,605)	-	-	-	-	(25,605)
NET CAMPAIGN REVENUE AND SUPPORT	325,991	-	325,991	-	-	-	-	325,991
OTHER REVENUE AND SUPPORT								
Contributions of nonfinancial assets	55,290	-	55,290	-	-	-	-	55,290
Contributions - Mathias Trust	52,984	-	52,984	-	-	-	-	52,984
Employee Retention Tax Credit	32,905	-	32,905	-	-	-	-	32,905
United Against Hunger	7,919	48,577	56,496	-	-	-	-	56,496
Contributions and grants - other	123,140	7,055	130,195	-	-	-	(45,950)	84,245
Designations from other United Ways	39,490	-	39,490	-	-	-	-	39,490
Net investment return	5,359	-	5,359	59,425	-	59,425	-	64,784
Event revenue, net	13,379	-	13,379	-	-	-	-	13,379
Miscellaneous income	683	-	683	-	-	-	-	683
OTHER REVENUE AND SUPPORT	331,149	55,632	386,781	59,425	-	59,425	(45,950)	400,256
NET ASSETS RELEASED FROM RESTRICTIONS	31,785	(31,785)	-	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	688,925	23,847	712,772	59,425	-	59,425	(45,950)	726,247
EXPENSES								
Program services								
Gross funds awarded/distributed	359,268	-	359,268	-	-	-	-	359,268
Less donor designations	(33,536)	-	(33,536)	-	-	-	-	(33,536)
Urgent Needs awards	21,180	-	21,180	-	-	-	-	21,180
United Against Hunger awards	7,919	-	7,919	-	-	-	-	7,919
Net funds awarded/distributed	354,831	-	354,831	-	-	-	-	354,831
Other program services	309,066	-	309,066	45,950	-	45,950	(45,950)	309,066
TOTAL PROGRAM SERVICES	663,897	-	663,897	45,950	-	45,950	(45,950)	663,897
Supporting services								
Fundraising	14,628	-	14,628	-	-	-	-	14,628
Management and general	110,957	-	110,957	4,000	-	4,000	-	114,957
United Way Worldwide dues	7,249	-	7,249	-	-	-	-	7,249
TOTAL SUPPORTING SERVICES	132,834	-	132,834	4,000	-	4,000	-	136,834
TOTAL EXPENSES	796,731	-	796,731	49,950	-	49,950	(45,950)	800,731
CHANGES IN NET ASSETS	(107,806)	23,847	(83,959)	9,475	-	9,475	-	(74,484)
NET ASSETS BEGINNING OF PERIOD	591,722	37,800	629,522	919,135	10,880	930,015	-	1,559,537
NET ASSETS END OF PERIOD	**$ 483,916**	**$ 61,647**	**$ 545,563**	**$ 928,610**	**$ 10,880**	**$ 939,490**	**$ -**	**$ 1,485,053**

See independent auditor's report.

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATING SCHEDULE OF CASH FLOWS

Year ended June 30, 2024	UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC.	UNITED WAY FOUNDATION OF WASHINGTON COUNTY, MARYLAND, INC.	CONSOLIDATING ELIMINATIONS	CONSOLIDATED TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Changes in net assets	$ (71,459)	$ 31,616	$ -	$ (39,843)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities				
Depreciation	2,916	-	-	2,916
Bad debt expense, net of recoveries	17,480	-	-	17,480
Gain on sale of investments	-	(9,915)		(9,915)
Interest and dividends reinvested	-	(17,121)	-	(17,121)
Unrealized gain on investments	-	(48,809)	-	(48,809)
Investment fees	-	8,754	-	8,754
Amortization of right of use asset included in lease cost	1,590	-	-	1,590
(Increase) decrease in operating assets				
Campaign pledges receivable	(5,855)	-	-	(5,855)
Other receivables	(5,301)	-	-	(5,301)
Intercompany balances	(242,000)	242,000	-	-
Prepaid expenses	3,035	-	-	3,035
Increase (decrease) in operating liabilities				
Accounts payable	7,102	-	-	7,102
Accrued payroll	849	-	-	849
Designations payable	1,202	-	-	1,202
Deferred income	(29,903)	-	-	(29,903)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(320,344)	206,525	-	(113,819)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	(250,000)	-	(250,000)
Distributions from investments	-	43,475	-	43,475
NET CASH USED IN INVESTING ACTIVITIES	-	(206,525)	-	(206,525)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(320,344)	-	-	(320,344)
Cash and cash equivalents, beginning	746,730	-	-	746,730
Cash and cash equivalents, ending	**$ 426,386**	**$ -**	**$ -**	**$ 426,386**
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES				
Financed purchase of right of use operating lease asset	**$ 26,920**	**$ -**	**$ -**	**$ 26,920**

See independent auditor's report.

UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC. AND AFFILIATED ORGANIZATION

CONSOLIDATING SCHEDULE OF CASH FLOWS

Year ended June 30, 2023	UNITED WAY OF WASHINGTON COUNTY, MARYLAND, INC.	UNITED WAY FOUNDATION OF WASHINGTON COUNTY, MARYLAND, INC.	CONSOLIDATING ELIMINATIONS	CONSOLIDATED TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Changes in net assets	$ (83,959)	$ 9,475	$ -	$ (74,484)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities				
Depreciation	2,914	-	-	2,914
Bad debt expense	17,531	-	-	17,531
Capitalized contributions of nonfinancial assets	(1,178)	-	-	(1,178)
Gain on sale of investments	-	(1,116)	-	(1,116)
Interest and dividends reinvested	-	(20,704)	-	(20,704)
Unrealized (gain) loss on investments	-	(46,467)	-	(46,467)
Investment fees	-	8,862	-	8,862
Amortization of right of use asset included in lease cost	(920)	-	-	(920)
(Increase) decrease in operating assets				
Campaign pledges receivable	45,348	-	-	45,348
Other receivables	(23,855)	-	-	(23,855)
Intercompany balances	(4,000)	4,000	-	-
Prepaid expenses	(1,705)	-	-	(1,705)
Increase (decrease) in operating liabilities				
Accounts payable	1,581	-	-	1,581
Accrued payroll	622	-	-	622
Designations payable	1,347	-	-	1,347
Deferred income	60,150	-	-	60,150
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	13,876	(45,950)	-	(32,074)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(1,622)	-	-	(1,622)
Distributions from investments	-	45,950	-	45,950
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(1,622)	45,950	-	44,328
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,254	-	-	12,254
Cash and cash equivalents, beginning	734,476	-	-	734,476
Cash and cash equivalents, ending	**$ 746,730**	**$ -**	**$ -**	**$ 746,730**
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES				
Financed purchase of right of use operating lease asset	**$ 98,173**	**$ -**	**$ -**	**$ 98,173**

See independent auditor's report.

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