

United Way of Lancaster County

Years Ended June 30, 2024 and 2023

United Way of Lancaster County

Financial Statements

Year Ended June 30, 2024 with Comparative Totals for 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
United Way of Lancaster County
Lancaster, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **United Way of Lancaster County** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **United Way of Lancaster County** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 and *Government 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 and *Government Auditing Standards*, we:

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

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

Report on Summarized Comparative Information

We have previously audited the **United Way of Lancaster County's** 2023 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated October 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024, on our consideration of **United Way of Lancaster County's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **United Way of Lancaster County's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **United Way of Lancaster County's** internal control over financial reporting and compliance.

Trout CPA

October 15, 2024
Lancaster, Pennsylvania

United Way of Lancaster County
STATEMENT of FINANCIAL POSITION
June 30, 2024 with Comparative Totals for 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents - Without Donor Restrictions	\$ 2,167,911	\$ 1,832,671
Cash and Cash Equivalents - With Donor Restrictions	211,723	238,331
Contributions Receivable, less Allowance for Uncollectible Contributions of \$493,582 and \$426,484 for June 30, 2024 and 2023, Respectively	375,630	422,639
Accounts Receivable	132,629	201,783
Employee Retention Credits Receivable	-0-	977,135
Grants Receivable	282,537	341,079
Investment Income Receivable	14,054	12,550
Prepaid Expenses/Other	12,249	48,006
Total Current Assets	3,196,733	4,074,194
OTHER ASSETS		
Security Deposits	13,667	13,667
Investments - Without Donor Restrictions	3,568,018	3,152,444
Investments - With Donor Restrictions	830,918	767,092
Property and Equipment, net	74,023	106,377
Intangible Asset, net	66,251	123,039
Right-of-Use Assets - Operating	452,488	614,074
Beneficial Interests in Perpetual Trusts	850,485	745,250
Total Other Assets	5,855,850	5,521,943
TOTAL ASSETS	9,052,583	9,596,137
LIABILITIES and NET ASSETS		
CURRENT LIABILITIES		
Partnership Allocations Payable/Grants Payable	553,488	250,000
Accounts Payable - Trade	36,894	306,427
Due to Designated Agencies	205,215	189,667
Due to Other Organizations and Grantors	626,730	731,965
Current Maturities of Long-Term Debt	59,277	56,673
Current Maturities of Operating Lease Obligations	228,864	221,653
Refundable Advance Liability - Employee Retention Credit	697,634	977,135
Accrued Expenses	82,771	77,465
Accrued Salaries and Wages	42,767	78,547
Total Current Liabilities	2,533,640	2,889,532
LONG-TERM LIABILITIES		
Note Payable	-0-	59,277
Operating Lease Obligations, net of Current Portion	236,545	411,405
Total Long-Term Liabilities	236,545	470,682
TOTAL LIABILITIES	2,770,185	3,360,214
NET ASSETS		
Without Donor Restrictions - Undesignated	2,890,929	2,772,749
Without Donor Restrictions - Board Designated	1,122,713	1,105,618
Total Without Donor Restrictions	4,013,642	3,878,367
With Donor Restrictions	2,268,756	2,357,556
TOTAL NET ASSETS	6,282,398	6,235,923
TOTAL LIABILITIES and NET ASSETS	\$ 9,052,583	\$ 9,596,137

See notes to financial statements.

United Way of Lancaster County

STATEMENT of ACTIVITIES and CHANGES in NET ASSETS
Year Ended June 30, 2024 with Comparative Totals for 2023

	Without Donor Restrictions	With Donor Restrictions	Year Ended June 30, 2024	Year Ended June 30, 2023
OPERATING ACTIVITIES				
PUBLIC SUPPORT				
Campaign Applicable to Current Period:				
Contributions, net of Uncollectable	\$ 1,886,447	\$ 496,698	\$ 2,383,145	\$ 2,366,016
Contributions Released from Restriction	<u>467,639</u>	<u>(467,639)</u>	<u>-0-</u>	<u>-0-</u>
Gross Campaign Results	2,354,086	29,059	2,383,145	2,366,016
Donor Designations	<u>(643,440)</u>	<u></u>	<u>(643,440)</u>	<u>(472,379)</u>
Total Campaign Applicable to Current Period	1,710,646	29,059	1,739,705	1,893,637
Corporate Sponsorships	18,942		18,942	111,670
Contributions - Nonfinancial Assets	16,434		16,434	45,665
Contributions - Other United Ways	93,151		93,151	85,734
Donations and Bequests	<u>520,560</u>	<u></u>	<u>520,560</u>	<u>514,872</u>
Total Public Support	2,359,733	29,059	2,388,792	2,651,578
REVENUES				
Interest and Dividend Income, net of Investment Expenses of \$20,532 and \$22,253 for the Years Ended June 30, 2024 and 2023, Respectively	244,501		244,501	108,840
Distributions Received from Perpetual Trust	39,871		39,871	35,048
Management Fees	723,829		723,829	606,199
Grants	2,375,251		2,375,251	2,625,820
Grants Released from Restriction	\$ 237,470	\$ (237,470)	\$ -0-	\$ -0-

See notes to financial statements.

United Way of Lancaster County

STATEMENT of ACTIVITIES and CHANGES in NET ASSETS

(Continued)

Year Ended June 30, 2024 with Comparative Totals for 2023

	Without Donor Restrictions	With Donor Restrictions	Year Ended June 30, 2024	Year Ended June 30, 2023
REVENUES (Continued)				
Administrative Fee - Donor Choice Program	\$ 24,555	\$	\$ 24,555	\$ 25,127
Miscellaneous and Rental Income	<u>212,068</u>	<u></u>	<u>212,068</u>	<u>170,558</u>
Total Revenues	<u>3,857,545</u>	<u>(237,470)</u>	<u>3,620,075</u>	<u>3,571,592</u>
TOTAL PUBLIC SUPPORT and REVENUES	6,217,278	(208,411)	6,008,867	6,223,170
EXPENSES				
Program Services:				
Gross Funds Awarded/Distributed	3,256,804		3,256,804	3,119,834
Donor Designations	<u>(643,440)</u>	<u></u>	<u>(643,440)</u>	<u>(472,379)</u>
Net Funds Awarded/Distributed	2,613,364	-0-	2,613,364	2,647,455
Other Allocations and Program Expenses	<u>5,619</u>	<u></u>	<u>5,619</u>	<u>28,438</u>
Total Program Funds Awarded	2,618,983	-0-	2,618,983	2,675,893
Marketing and Communications	237,831		237,831	333,970
211 Call Center	1,450,961		1,450,961	1,560,634
Volunteer Center	115,879		115,879	125,131
VITA	417,460		417,460	384,096
Community Impact	<u>369,497</u>	<u></u>	<u>369,497</u>	<u>526,416</u>
Total Program Services	\$ 5,210,611	\$ -0-	\$ 5,210,611	\$ 5,606,140

See notes to financial statements.

United Way of Lancaster County

STATEMENT of ACTIVITIES and CHANGES in NET ASSETS

(Continued)

Year Ended June 30, 2024 with Comparative Totals for 2023

	Without Donor Restrictions	With Donor Restrictions	Year Ended June 30, 2024	Year Ended June 30, 2023
EXPENSES (Continued)				
Supporting Services:				
Administrative and General	\$ 533,853	\$	\$ 533,853	\$ 607,498
Fund Raising	711,144		711,144	773,859
Total Supporting Services	1,244,997	-0-	1,244,997	1,381,357
TOTAL EXPENSES	6,455,608	-0-	6,455,608	6,987,497
CHANGES in NET ASSETS from OPERATIONS	(238,330)	(208,411)	(446,741)	(764,327)
NONOPERATING ACTIVITIES				
Change in Value of Beneficial Interest in Perpetual Trusts		105,235	105,235	65,625
Realized and Unrealized Gain on Investments	373,605	14,376	387,981	249,538
CHANGES in NET ASSETS from NONOPERATING ACTIVITIES	373,605	119,611	493,216	315,163
CHANGES in NET ASSETS	135,275	(88,800)	46,475	(449,164)
NET ASSETS				
Beginning of Year	3,878,367	2,357,556	6,235,923	6,685,087
End of Year	<u>\$ 4,013,642</u>	<u>\$ 2,268,756</u>	<u>\$ 6,282,398</u>	<u>\$ 6,235,923</u>

See notes to financial statements.

United Way of Lancaster County
STATEMENT of FUNCTIONAL EXPENSES
Year Ended June 30, 2024 with Comparative Totals for 2023

	PROGRAM EXPENSES						Year Ended June 30, 2024	Year Ended June 30, 2023
	Total Program Funds Awarded	Marketing and Communications	211 Call Center	Volunteer Center	VITA	Community Impact		
EXPENSES								
FUNDS AWARDED/DISTRIBUTED								
Gross Funds Awarded/Distributed	\$ 3,256,804	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 3,256,804	\$ 3,119,834
Donor Designations	(643,440)	-0-	-0-	-0-	-0-	-0-	(643,440)	(472,379)
Net Funds Awarded/Distributed	<u>2,613,364</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,613,364</u>	<u>2,647,455</u>
Other Allocations and Program Expenses	5,619	-0-	-0-	-0-	-0-	-0-	5,619	28,438
Total Program Funds Awarded	<u>2,618,983</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,618,983</u>	<u>2,675,893</u>
SALARIES and RELATED EXPENSES								
Salaries	-0-	91,981	971,232	67,810	154,594	194,714	1,480,331	1,494,225
Employee Benefits	-0-	15,046	120,762	8,779	23,398	40,123	208,108	182,112
Payroll Taxes	-0-	7,446	75,297	5,587	9,976	15,957	114,263	119,381
Total Salaries and Related Expenses	<u>-0-</u>	<u>114,473</u>	<u>1,167,291</u>	<u>82,176</u>	<u>187,968</u>	<u>250,794</u>	<u>1,802,702</u>	<u>1,795,718</u>
OTHER FUNCTIONAL EXPENSES								
Supplies	-0-	1,144	1,661	59	13,835	680	17,379	19,155
Telephone	-0-	1,126	22,101	980	6,444	3,211	33,862	21,300
Postage	-0-	255	1,442	212	345	636	2,890	1,596
Occupancy - Rent	-0-	9,994	79,272	9,387	40,522	34,888	174,063	176,834
Conferences, Events, and Training	-0-	35,953	6,800	2	5,473	16,870	65,098	123,851
Equipment and Building - Rentals and Maintenance	-0-	9,877	37,297	11,521	106,362	14,733	179,790	72,853
Printing/Promotion	-0-	44,841	5,341	80	37,162	835	88,259	89,283
Local Transportation	-0-	4,122	2,090	241	7,675	566	14,694	7,683
Professional Fees/Subcontract	-0-	8,712	69,656	5,751	6,820	21,876	112,815	178,704
Insurance	-0-	32	182	27	965	80	1,286	2,573
Dues - United Way of PA/America	-0-	3,078	30,891	2,889	-0-	10,771	47,629	40,495
Depreciation	-0-	1,755	17,750	1,316	2,357	3,775	26,953	31,108
Loss on Asset Impairment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	345,702
Miscellaneous	-0-	2,469	9,187	1,238	1,532	9,782	24,208	23,392
Total Other Functional Expenses	<u>-0-</u>	<u>123,358</u>	<u>283,670</u>	<u>33,703</u>	<u>229,492</u>	<u>118,703</u>	<u>788,926</u>	<u>1,134,529</u>
Total Program Expenses	<u>\$ 2,618,983</u>	<u>\$ 237,831</u>	<u>\$ 1,450,961</u>	<u>\$ 115,879</u>	<u>\$ 417,460</u>	<u>\$ 369,497</u>	<u>\$ 5,210,611</u>	<u>\$ 5,606,140</u>

See notes to financial statements.

United Way of Lancaster County

STATEMENT of FUNCTIONAL EXPENSES

(Continued)

Year Ended June 30, 2024 with Comparative Totals for 2023

	SUPPORTING SERVICES			
	Administrative and General	Fund Raising	Year Ended June 30, 2024	Year Ended June 30, 2023
SALARIES and RELATED EXPENSES				
Salaries	\$ 260,338	\$ 350,550	\$ 610,888	\$ 569,516
Employee Benefits	46,121	53,510	99,631	92,993
Payroll Taxes	20,827	28,757	49,584	45,029
Total Salaries and Related Expenses	327,286	432,817	760,103	707,538
OTHER FUNCTIONAL EXPENSES				
Supplies	3,325	1,003	4,328	4,552
Telephone	2,640	4,944	7,584	9,153
Postage	625	1,429	2,054	1,618
Occupancy - Rent	29,421	80,698	110,119	127,497
Conferences, Events, and Training	5,464	16,679	22,143	18,081
Equipment and Building - Rentals and Maintenance	12,880	76,014	88,894	95,393
Printing/Promotion	1,659	15,837	17,496	22,521
Local Transportation	1,304	1,601	2,905	4,660
Professional Fees	99,900	33,772	133,672	288,528
Advertising/Marketing	-0-	16,474	16,474	32,005
Insurance	64	123	187	(4,466)
Consulting Fees/Executive Search	14,983	-0-	14,983	-0-
Dues - United Way of PA/America	9,171	16,678	25,849	24,556
Depreciation	4,889	6,817	11,706	11,934
Loss on Disposal	-0-	-0-	-0-	2,596
Interest Expense	-0-	-0-	-0-	7,816
Miscellaneous	20,242	6,258	26,500	27,375
Total Other Functional Expenses	206,567	278,327	484,894	673,819
Total Supporting Services	\$ 533,853	\$ 711,144	\$ 1,244,997	\$ 1,381,357

See notes to financial statements.

United Way of Lancaster County

STATEMENT of FUNCTIONAL EXPENSES

(Continued)

Year Ended June 30, 2024 with Comparative Totals for 2023

	PROGRAM EXPENSES		SUPPORTING SERVICES		TOTAL FUNCTIONAL EXPENSES	
	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2024	Year Ended June 30, 2023
EXPENSES						
FUNDS AWARDED/DISTRIBUTED						
Gross Funds Awarded/Distributed	\$ 3,256,804	\$ 3,119,834	\$ -0-	\$ -0-	\$ 3,256,804	\$ 3,119,834
Donor Designations	(643,440)	(472,379)	-0-	-0-	(643,440)	(472,379)
Net Funds Awarded/Distributed	<u>2,613,364</u>	<u>2,647,455</u>	<u>-0-</u>	<u>-0-</u>	<u>2,613,364</u>	<u>2,647,455</u>
Other Allocations and Program Expenses	5,619	28,438	-0-	-0-	5,619	28,438
Total Program Funds Awarded	<u>2,618,983</u>	<u>2,675,893</u>	<u>-0-</u>	<u>-0-</u>	<u>2,618,983</u>	<u>2,675,893</u>
SALARIES and RELATED EXPENSES						
Salaries	1,480,331	1,494,225	610,888	569,516	2,091,219	2,063,741
Employee Benefits	208,108	182,112	99,631	92,993	307,739	275,105
Payroll Taxes	114,263	119,381	49,584	45,029	163,847	164,410
Total Salaries and Related Expenses	<u>1,802,702</u>	<u>1,795,718</u>	<u>760,103</u>	<u>707,538</u>	<u>2,562,805</u>	<u>2,503,256</u>
OTHER FUNCTIONAL EXPENSES						
Supplies	17,379	19,155	4,328	4,552	21,707	23,707
Telephone	33,862	21,300	7,584	9,153	41,446	30,453
Postage	2,890	1,596	2,054	1,618	4,944	3,214
Occupancy - Rent	174,063	176,834	110,119	127,497	284,182	304,331
Conferences, Events, and Training	65,098	123,851	22,143	18,081	87,241	141,932
Equipment and Building - Rentals and Maintenance	179,790	72,853	88,894	95,393	268,684	168,246
Printing/Promotion	88,259	89,283	17,496	22,521	105,755	111,804
Local Transportation	14,694	7,683	2,905	4,660	17,599	12,343
Professional Fees/Subcontract	112,815	178,704	133,672	288,528	246,487	467,232
Advertising/Marketing	-0-	-0-	16,474	32,005	16,474	32,005
Insurance	1,286	2,573	187	(4,466)	1,473	(1,893)
Consulting Fees	-0-	-0-	14,983	-0-	14,983	-0-
Dues - United Way of PA/America	47,629	40,495	25,849	24,556	73,478	65,051
Depreciation	26,953	31,108	11,706	11,934	38,659	43,042
Loss on Asset Impairment	-0-	345,702	-0-	-0-	-0-	345,702
Loss on Disposal	-0-	-0-	-0-	2,596	-0-	2,596
Interest Expense	-0-	-0-	-0-	7,816	-0-	7,816
Miscellaneous	24,208	23,392	26,500	27,375	50,708	50,767
Total Other Functional Expenses	<u>788,926</u>	<u>1,134,529</u>	<u>484,894</u>	<u>673,819</u>	<u>1,273,820</u>	<u>1,808,348</u>
Total Expenses	<u>\$ 5,210,611</u>	<u>\$ 5,606,140</u>	<u>\$ 1,244,997</u>	<u>\$ 1,381,357</u>	<u>\$ 6,455,608</u>	<u>\$ 6,987,497</u>

See notes to financial statements.

United Way of Lancaster County
STATEMENT of CASH FLOWS
Year Ended June 30, 2024 with Comparative Totals for 2023

	2024	2023
CASH FLOWS from OPERATING ACTIVITIES		
Changes in Net Assets	\$ 46,475	\$ (449,164)
Adjustments to Reconcile Changes in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Increase (Decrease) in Provision for Uncollectible Contributions	67,098	(110,707)
Depreciation	38,659	43,042
Amortization	56,788	56,788
Realized and Unrealized Gain on Investments	(387,981)	(249,538)
Loss on Disposal and Impairment of Assets	-0-	348,298
Adjustment for ROU Asset and Liability	(6,063)	18,984
Change in Value of Beneficial Interest in Perpetual Trusts	(105,235)	(65,625)
(Increase) Decrease in:		
Contributions Receivable	(20,089)	409,196
Accounts and Investment Income Receivable	67,650	42,993
Employee Retention Credits Receivable	977,135	(977,135)
Grants Receivable	58,542	(170,423)
Security Deposits	-0-	1,506
Prepaid Expenses/Other	35,757	11,201
Increase (Decrease) in:		
Accounts Payable, Allocations, Agency, and Other Payables	(55,732)	423,974
Refundable Advance Liability - Employee Retention Credit	(279,501)	977,135
Accrued Expenses	5,306	10,017
Accrued Salaries and Wages	(35,780)	5,022
Net Cash Provided by Operating Activities	463,029	325,564
CASH FLOWS from INVESTING ACTIVITIES		
Capital Expenditures	(6,305)	(15,677)
Acquisition of Software	-0-	(109,000)
Purchase of Investments	(557,558)	(3,184,034)
Sale of Investments	466,139	3,273,569
Net Cash Used by Investing Activities	(97,724)	(35,142)
CASH FLOWS from FINANCING ACTIVITIES		
Payments on Long-Term Borrowings	(56,673)	(54,184)
INCREASE in CASH and CASH EQUIVALENTS	308,632	236,238
CASH and CASH EQUIVALENTS		
Beginning of Year	2,071,002	1,834,764
End of Year	<u>\$ 2,379,634</u>	<u>\$ 2,071,002</u>

See notes to financial statements.

United Way of Lancaster County

STATEMENT of CASH FLOWS

(Continued)

Year Ended June 30, 2024 with Comparative Totals for 2023

	2024	2023
CASH and CASH EQUIVALENTS on the STATEMENT of FINANCIAL POSITION is COMPRISED of the FOLLOWING:		
Cash and Cash Equivalents:		
Without Donor Restrictions	\$ 2,167,911	\$ 1,832,671
With Donor Restrictions	<u>211,723</u>	<u>238,331</u>
	<u>\$ 2,379,634</u>	<u>\$ 2,071,002</u>

SUPPLEMENTAL DISCLOSURES of NONCASH INVESTING and FINANCING ACTIVITIES

Donated Securities that were Immediately Sold	31,687	27,348
Unrealized Gains on Investments	354,442	135,532
Noncash Adjustment for ROU Asset and Liability	(6,063)	18,984

See notes to financial statements.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

NOTE 1 - NATURE of ACTIVITIES and SUMMARY of SIGNIFICANT ACCOUNTING POLICIES

United Way of Lancaster County (the United Way) is a not-for-profit voluntary health and welfare agency established to achieve impactful systematic social change within Lancaster County by mobilizing the caring power of our community. To accomplish its mission, the United Way identifies community needs, raises resources, and invests in solutions which effectively address human service needs throughout Lancaster County. The United Way's primary funding source is donor contributions from donors who live in Lancaster County and businesses located in Lancaster County. The United Way is governed by a volunteer Board of Directors and has membership with both United Way Worldwide and United Way of Pennsylvania.

Basis of Accounting

The accounting records of the **United Way of Lancaster County** are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Current US GAAP standards are contained in the Accounting Standards Codification (ASC), as set forth by the Financial Accounting Standards Board (FASB).

Basis of Presentation

The financial statements of **United Way of Lancaster County** have been presented in accordance with FASB Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which requires **United Way of Lancaster County** 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 United Way. These net assets may be used at the discretion of the United Way'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 may be temporary in nature; those restrictions will be met by actions of the United Way or by the passage of time. Other donor restrictions may be perpetual in nature, whereby 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 statement of activities and changes in net assets.

Measure of Operations - The statement of activities and changes in net assets reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the United Way's ongoing programs and supporting services. Nonoperating activities are limited to other activities considered to be of a more unusual or nonrecurring nature or income derived from investments or similar assets.

Comparative Financial Statement Presentation

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the United Way's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - NATURE of ACTIVITIES and SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. The estimates relate primarily to the valuation of receivables and revenue recognition. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the United Way considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Cash and cash equivalents - with donor restrictions, that is shown separately on the statement of financial position, consists of funds on hand committed for donor restricted purposes.

Contributions and Grants Receivable and Allowance for Uncollectible Contributions

Contributions and grants receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions and grants receivable are not discounted since collection is expected within one year. Conditional promises to give are not included as support until such time as the conditions are substantially met or explicitly waived by the donor. The United Way maintains a reserve for potential uncollectible contributions. The allowance for uncollectible contributions and grants receivable is based on historical averages.

Accounts Receivables

Accounts receivables principally represent amounts due from other non-profit agencies for services provided. Receivables are recognized as revenue and assets in the period earned. The United Way determines its allowance for credit losses based on an estimate of expected credit losses for financial instruments, primarily accounts receivable from other non-profit agencies. An allowance for credit losses is established based upon historical collection rates and adjusted for reasonable expectations of future collection performance, net of estimated recoveries. The United Way has determined that it has one pool for the purpose of calculating its historical credit loss experience. At times, additional allowance for credit losses is established for financial assets with specific non-profit agencies where collectability has been determined to be improbable based on non-profit agency specific facts and circumstances. There was no allowance at June 30, 2024 or 2023.

The United Way periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment.

The United Way writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery or if any invoice has aged greater than one year. If any recoveries are made from any accounts previously written off, they will be recognized in revenue or an offset to credit loss expense in the year of recovery, in accordance with the United Way's accounting policy election. There were no write-offs for the years ended June 30, 2024 and 2023.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - NATURE of ACTIVITIES and SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are carried at fair value. Unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation, by law, or by the passage of time. Realized gains and losses, if any, on the sale or disposal of investments are computed on a specific identification basis and are also included as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Donated securities received by the United Way are recorded at their fair value at the time of receipt. Donated securities received are typically sold immediately upon receipt.

Fair Value Measurements

The United Way adopted FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*. This standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

Property and Equipment

Property and equipment is stated at cost or at fair value at the date of donation. Depreciation is calculated on an annual straight-line basis over the estimated useful lives ranging from 5 to 10 years. The United Way does not imply time restrictions on gifts of long-lived assets.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is expensed as incurred; expenditures for renewals and betterments exceeding \$2,500 are capitalized.

Intangibles

The United Way capitalizes certain costs incurred for internal use software. Capitalized costs include costs paid to a third-party vendor for licensing subscriptions. Capitalized software costs are included in intangible assets on the statement of financial position and are amortized on a straight-line basis when placed into service over the estimated useful lives of the software or the term of the hosting arrangement (5 years). The net book value of software costs was \$66,251 and \$123,039 at June 30, 2024 and 2023, respectively, with amortization expense of \$56,788 for each of the years then ended.

Future amortization of software costs is as follows:

2025	56,788
2026	<u>9,463</u>
	66,251

Additionally, the United Way capitalized costs paid to a third-party vendor of \$345,702 associated with development of internal use software related to its 211 program. At June 30, 2023, the United Way determined this software was impaired and abandoned further development. Accordingly, the United Way recognized an impairment loss of \$345,702 during the year ended June 30, 2023.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - NATURE of ACTIVITIES and SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases - as Lessee

The United Way recognizes and measures its operating leases in accordance with FASB ASC Topic 842, *Leases*. The United Way determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The United Way recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate, if readily determinable, or the United Way's incremental borrowing rate. The implicit rates of the United Way's operating leases are not readily determinable and accordingly, the United Way uses its incremental borrowing rate based on the information available at the commencement date for each lease. The United Way's incremental borrowing rate for a lease is the rate of interest it would pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The United Way has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices.

The United Way has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for leases with terms of 12 months or less at lease commencement, which do not include an option to purchase the underlying asset that the United Way is reasonably certain to exercise. Lease cost associated with short-term leases is recognized on a straight-line basis over the lease term.

Leases - as Lessor

The United Way subleases a portion of the building it is using, and recognizes and measures its lease in accordance with FASB ASC Topic 842, *Leases*. The United Way determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. Leases are classified as sales-type, direct financing, or operating leases at the commencement of each lease, pursuant to the criteria contained in Topic 842. The United Way's lease is classified as an operating lease.

Initial recognition of the lease contract depends on its classification. For operating leases, the United Way records a deposit liability for advance payments. Revenues are recognized on a straight-line basis. Variable lease payments are recorded in income.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - NATURE of ACTIVITIES and SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

In accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), the United Way recognizes revenue when control of the promised services is transferred to the United Way's outside parties in an amount that reflects the consideration the United Way expects to be entitled to in exchange for those services. The standard outlines a five-step model whereby revenue is recognized as performance obligations are satisfied.

The United Way receives management fees for the administration of certain programs and which are primarily from their 211 program. These fees are billed and collected monthly. Contract assets at June 30, were: \$132,629 - 2024, \$201,783 - 2023 and \$252,273 - 2022. There are no significant contract liabilities on the statement of financial position at June 30, 2024, 2023, or 2022.

The United Way's revenue from administrative fees and miscellaneous and rental income is minimal.

The United Way receives corporate sponsorships in support of the United Way's activities and are primarily to cover costs related to the annual campaign and a golf fundraiser. These sponsorships are considered nonreciprocal transactions and are reported following the guidance for contributions.

The majority of the United Way's revenue is from contribution revenue.

Contributions

The United Way recognizes revenue from contributions in accordance with ASU 2018-08 *Not-For-Profit Entities* (Topic 958); *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the United Way evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the United Way applies guidance under FASB ASC Topic 606. If the transfer of assets is determined to be a contribution, the United Way evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the organization is entitled to the assets transferred and promised, and (2) a right of return of assets transferred or a right or release of a promisor's obligation to transfer assets.

Contributions are recorded when the United Way is notified of the promise to give. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increase net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Restricted donations whose restrictions are met in the same reporting period are accounted for as support with donor restrictions and as net assets released from restrictions. In certain situations, the United Way functions as custodian for funds, the expenditures of which are directed by other parties. Custodial funds remaining at year end are not included in the United Way's net assets and are accounted for as part of a liability on the statement of financial position.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - NATURE of ACTIVITIES and SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual Campaign Revenue and Allocation Expense

Annual campaigns are conducted to raise support for allocations to fund community impact partnerships. Contributions are recognized as income in the period that an unconditional promise was deemed made.

The United Way approves allocations and funding to community impact partnerships throughout the year based on the merits of the programs funded.

At both June 30, 2024 and 2023, the United Way has committed to \$250,000 of unconditional funding for grants to several organizations. This \$250,000 commitment has been recognized as a grant payable at June 30, 2024; however at June 30, 2023, the commitment was paid by year-end. The United Way will grant an additional \$250,000 to these organizations upon their receipt of matching contributions. The \$250,000 of grants associated with the matching criteria are conditional for which the conditions have not been substantially met by June 30, 2024 and 2023. Therefore, the commitment associated with the conditional grant has not been recognized at June 30, 2024 and 2023. The United Way anticipates the conditions for which these matching contributions will be met in the subsequent fiscal year.

Additionally, as of June 30, 2024 and 2023, the United Way has committed to \$303,488 and \$250,000, respectively, of unconditional funding to several organizations under annual programs which support various non-profit initiatives. This funding will be paid subsequent to the respective fiscal year-ends.

Grants payable at June 30, 2024 and 2023 totaled \$553,488 and \$250,000, respectively.

Functional Allocation of Expenses

The United Way allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on management estimates of time spent amongst functions.

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets include donated services, materials, and equipment that are recognized as contributions when received if there is an objective basis for valuation.

The United Way receives donated materials through its gifts in-kind program. These materials are then distributed to participating agencies or used in its programs. The value of these materials are estimated by management based on comparable prices for similar materials.

The United Way also receives donated services from various volunteers and organizations. These services are donated to the United Way to aid the annual campaign and various special events held by the United Way throughout the year and for professional services during the period. Additionally, the United Way records the value of its share of the advertising managed by United Way Worldwide which promotes the United Way network's shared mission on nationally broadcast television as donated services. The value of the professional services is based on estimated discounted time at actual rates. The value of contributed airtime is based on records provided by media partners on the number and types of ads which appeared.

The United Way reports donor-restricted contributions of property, plant, and equipment whose restrictions are met in the same reporting period as support with donor restrictions and as assets released from restrictions.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - NATURE of ACTIVITIES and SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions of Nonfinancial Assets (Continued)

The value of the nonfinancial assets received amounted to \$16,434 and \$45,665 for the years ended June 30, 2024 and 2023, respectively, summarized as follows:

	2024	2023
Donated Services	10,715	9,500
Donated Technology and Other	-0-	13,677
Donated Advertising	<u>5,719</u>	<u>22,488</u>
	16,434	45,665

The United Way does not sell donated gifts in kind and only uses donated goods for its own program or supporting activities or contributes donated items to other nonprofit organizations.

Tax Status and Uncertain Tax Positions

The United Way is exempt from taxation as provided by Code Section 501(c)(3) of the Internal Revenue Code (the Code). Section 501(c)(3) defines the exempt organization as being “organized and operated for religious, charitable, scientific, testing for public safety, literacy or educational purposes, or the prevention of cruelty to children or animals.” In addition, the United Way has been determined by the Internal Revenue Service not to be a private foundation, within the meaning of Section 509(a) of the Code.

The United Way is not aware of any unrelated business income that would be subject to taxation. Accordingly, the Internal Revenue Service Form 990-T will not be filed. The United Way follows the provisions of ASC Topic 740, *Income Taxes*, and is not aware of any uncertain tax positions, and accordingly, no corresponding liability, including penalties and interest, has been recorded in the accompanying financial statements.

Advertising

The United Way expenses advertising costs as they are incurred.

Interest Expense

The United Way expenses all interest costs as they are incurred.

Employee Retention Credits (Refundable Advance)

The United Way received employee retention credits (ERC) available under the CARES Act, which was enacted March 27, 2020. Laws and regulations concerning government programs, including the Employee Retention Credit, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. Due to the complexity and uncertainty surrounding eligibility for these credits, the United Way recorded a \$977,135 receivable for these ERC claims at June 30, 2023, which is supported by amended tax filings, as well as a refundable advance of \$977,135 at June 30, 2023.

On March 8, 2024, the United Way submitted an application for the Department of Treasury’s Employee Retention Credit Voluntary Disclosure Program after consulting with an independent third-party and a closer scrutiny of the ERC eligibility requirements. This program provides for repayment of 80% of the ERC claim received by the United Way. Additionally, interest paid by the IRS on the claim received by the IRS is not required to be repaid.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - NATURE of ACTIVITIES and SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Retention Credits (Refundable Advance) (Continued)

At June 30, 2024, the United Way has a liability recorded of \$697,634, which represents the initial \$977,135 refundable advance, less \$279,501 of monies already returned. The United Way received notification, from the Internal Revenue Service, of settlement under the voluntary disclosure program, discussed previously, and a final closing agreement was received subsequent to year-end (Note 20). The remaining liability will be derecognized during the fiscal year ended June 30, 2025, which is the year the United Way was released from its obligation under this program.

Change in Accounting Principle

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)*. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. The United Way adopted this standard and all related amendments using the modified retrospective method with an adoption date of July 1, 2023. The Company has assessed the impact of the adoption of the new standard on its financial position, results of operations, cash flows, and financial statement disclosures and concluded that there was not a significant impact on its financial statements.

NOTE 2 - CONCENTRATION of CREDIT RISK

Certain financial instruments potentially subject the United Way to concentrations of credit risk. These financial instruments consist primarily of contributions receivable, cash, and investments. The United Way maintains its cash and investments with various financial institutions where the account balances may at times exceed FDIC and SIPC insured limits.

The United Way invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. 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 those changes could materially affect the amounts reported in the statement of financial position.

Allowances are provided for contributions estimated to be uncollectible. The allowance is based on prior years' experience (historical averages) and management's analysis of specific promises made.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 3 - PROGRAM EXPENSES/FUNCTIONAL EXPENSES CLASSIFICATIONS

The following summarizes the United Way programs provided to the community and general public:

Marketing and Communications - Educates the community about the United Way mission, goals, programs, and activities to increase involvement and support through giving, advocating, and volunteering.

211 Call Center - Provides comprehensive health and human services information and referral assistance to connect people with appropriate resources that include food, housing, healthcare, employment assistance, and other areas of need.

Volunteer Center - Mobilizes volunteer resources from companies and the community-at-large, connecting them with health and human service agencies and other organizations seeking donated talent. Provides consultative and technical assistance to organizations for volunteer programs.

Community Impact - Provide and amplify essential funding, expertise support, and qualitative/quantitative monitoring to the organizations and programs delivering vital services and resources across Lancaster County in the areas of education, economic mobility, and health and wellbeing.

Volunteer Income Tax Assistance program (VITA) - Provides free tax preparation services to low-to-moderate income individuals and families in Lancaster County. VITA has a team of roughly 200 volunteers who complete a rigorous training and certification process to become qualified to prepare tax returns through the VITA program. VITA does not charge anything for the service and usually a tax refund is issued, based on the current situation of each client. The money being saved by VITA clients would otherwise be paid to a for-profit tax preparer. The VITA program ensures that clients claim all of the credits available to them, such as the Earned Income Tax Credit (EITC) which is an economic stimulus to low-income wage earners. Volunteer tax preparers have the highest accuracy rate in the country. By providing free tax preparation, VITA helps to increase the financial stability of lower-income taxpayers in Lancaster County. VITA is implemented locally by **United Way of Lancaster County**.

The following summarizes the United Way supporting services:

Resource Development/Fund Raising - Generates the financial support required to improve lives in Lancaster County through annual and supplemental campaigns.

Administrative and General - Supports the day-to-day administrative operations of the **United Way of Lancaster County**, serves as a key partner in community change and provides leadership and support to the local nonprofit community.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 4 - CONTRIBUTIONS and GRANTS RECEIVABLE

Contributions and grants receivable at June 30, 2024 and 2023, are as follows:

	2024		2023	
	Grants	Contributions	Grants	Contributions
Receivable in Less Than One Year	282,537	869,212	341,079	849,123
Receivable in One to Five Years	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	282,537	869,212	341,079	849,123
Allowance for Uncollectible Contributions	<u>-0-</u>	<u>(493,582)</u>	<u>-0-</u>	<u>(426,484)</u>
	282,537	375,630	341,079	422,639
Receivable Due In:				
Less Than One Year	282,537	375,630	341,079	422,639

NOTE 5 - INVESTMENTS

Details of investments held at June 30, 2024 and 2023, are as follows:

2024	Cost	Fair Value	Unrealized Gain (Loss)
Money Market Funds, Other	429,888	429,888	-0-
Certificates of Deposit	75,043	73,801	(1,242)
Common Stocks	433,337	545,806	112,469
Registered Investment Companies	2,589,024	2,893,701	304,677
Exchange-Traded Funds	<u>399,418</u>	<u>455,740</u>	<u>56,322</u>
	3,926,710	4,398,936	472,226
2023	Cost	Fair Value	Unrealized Gain (Loss)
Money Market Funds, Other	323,235	323,235	-0-
Certificates of Deposit	75,043	72,059	(2,984)
Common Stocks	471,059	571,090	100,031
Registered Investment Companies	2,603,231	2,612,159	8,928
Exchange-Traded Funds	<u>329,184</u>	<u>340,993</u>	<u>11,809</u>
	3,801,752	3,919,536	117,784

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 6 - FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, *Fair Value Measurements*, establishes a 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies at June 30, 2024 and 2023.

Certificates of Deposit

Valued at its principal amount invested plus accrued interest.

Common Stock and Preferred Stock

Corporate stocks which are traded in active markets for identical assets are valued based on quoted prices.

Corporate stocks which are not exchange traded are valued by a recognized pricing service based on observable inputs for the asset, either directly or indirectly.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

Registered Investment Companies/Money Market Funds and Exchange - Traded Funds

Valued at the daily closing price as reported by the fund. Mutual funds held by the United Way are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the United Way are deemed to be actively traded. Exchange traded funds are a certain type of mutual fund that invests in securities that track to an underlying index.

Beneficial Interest in Perpetual Trust

Valued based on value of the underlying assets which is deemed to approximate the present value of estimated future cash flows (Note 7).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the United Way believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the United Way's investment assets that are measured at fair value on a recurring basis as of June 30, 2024 and 2023:

2024	Level 1	Level 2	Level 3	Total Fair Value
Beneficial Interests in Perpetual Trusts	-0-	-0-	850,485	850,485
Money Market Funds	429,888	-0-	-0-	429,888
Registered Investment Companies				
Mutual Funds - Fixed Income	832,700	-0-	-0-	832,700
Mutual Funds - Equities	2,061,001	-0-	-0-	2,061,001
Exchange-Traded Funds	455,740	-0-	-0-	455,740
Equities - Common Stock				
Basic Materials	19,828	-0-	-0-	19,828
Consumer Goods	66,942	-0-	-0-	66,942
Consumer Staples	29,465	-0-	-0-	29,465
Energy	24,353	-0-	-0-	24,353
Financial	80,962	-0-	-0-	80,962
Health Care	78,980	-0-	-0-	78,980
Industrial Goods	131,850	-0-	-0-	131,850
Technology	80,299	-0-	-0-	80,299
Real Estate	11,210	-0-	-0-	11,210
Telecommunication Services	5,269	-0-	-0-	5,269
Utilities	13,295	-0-	-0-	13,295
Unclassified Stock	3,353	-0-	-0-	3,353
Certificates of Deposit	-0-	73,801	-0-	73,801
	4,325,135	73,801	850,485	5,249,421

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

2023	Level 1	Level 2	Level 3	Total Fair Value
Beneficial Interests in Perpetual Trusts	-0-	-0-	745,250	745,250
Money Market Funds	323,235	-0-	-0-	323,235
Registered Investment Companies				
Mutual Funds - Fixed Income	846,579	-0-	-0-	846,579
Mutual Funds - Equities	1,765,580	-0-	-0-	1,765,580
Exchange-Traded Funds	340,993	-0-	-0-	340,993
Equities - Common Stock				
Basic Materials	20,214	-0-	-0-	20,214
Consumer Goods	61,729	-0-	-0-	61,729
Consumer Staples	37,147	-0-	-0-	37,147
Energy	21,624	-0-	-0-	21,624
Financial	72,353	-0-	-0-	72,353
Health Care	92,265	-0-	-0-	92,265
Industrial Goods	150,918	-0-	-0-	150,918
Technology	81,204	-0-	-0-	81,204
Real Estate	10,786	-0-	-0-	10,786
Telecommunication Services	7,075	-0-	-0-	7,075
Utilities	11,019	-0-	-0-	11,019
Unclassified Stock	4,756	-0-	-0-	4,756
Certificates of Deposit	<u>-0-</u>	<u>72,059</u>	<u>-0-</u>	<u>72,059</u>
	3,847,477	72,059	745,250	4,664,786

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair values of the United Way's level 3 assets for the years ended June 30, 2024 and 2023:

	Beneficial Interest in Perpetual Trusts
Balance - June 30, 2022	679,625
Distributions	(35,048)
Investment Income, net Fees	<u>100,673</u>
Balance - June 30, 2023	745,250
Distributions	(39,871)
Investment Income, net Fees	<u>145,106</u>
Balance - June 30, 2024	850,485

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 7 - BENEFICIAL INTEREST in PERPETUAL TRUST

The United Way is a 50% income beneficiary of a perpetual trust. The principal amount is restricted to investments held in perpetuity. The United Way's portion of the value of the trust at inception was \$561,476 and was shown as a donor restricted contribution on the statement of activities and changes in net assets for the year in which the United Way became an income beneficiary.

The detail of the values of the perpetual trust is as follows:

	2024	2023
Fair Value as of June 30	850,485	745,250

In accordance with accounting principles generally accepted in the United States of America, the United Way recognizes its beneficial interests in these perpetual trusts as net assets with donor restrictions and any change in market value of trust assets from year to year on the statement of activities and changes in net assets. The assets held in trust are recorded at their fair value which is deemed to approximate the present value of estimated future cash receipts. The change in value of beneficial interest in perpetual trusts for the years ended June 30, 2024 and 2023, was \$105,235 and \$65,625, respectively.

NOTE 8 - PROPERTY and EQUIPMENT

Property and equipment consists of the following at June 30, 2024 and 2023:

	2024	2023
Leasehold Improvements	144,465	144,465
Office Equipment and Fixtures	<u>219,118</u>	<u>212,813</u>
	363,583	357,278
Accumulated Depreciation	<u>(289,560)</u>	<u>(250,901)</u>
	74,023	106,377

NOTE 9 - LINE of CREDIT

The United Way has available a \$750,000 line of credit with a bank, which is due on demand. The credit line is unsecured with interest at prime minus .60%. There were no amounts outstanding under this line of credit at June 30, 2024 and 2023. The line of credit expires July 2025.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 10 - LONG-TERM DEBT

A summary of the underlying obligations included in long-term debt is included below.

	2024	2023
Installment financing agreements on financed software maintenance and subscription agreements, secured by an interest in the licensed software. The annual payment on the agreement totals \$62,000 and provides for interest at 4.50%. The installment agreement ends August 2025.	<u>59,277</u> 59,277	<u>115,950</u> 115,950
Current Maturities	59,277	56,673
Long-Term Portion	-0-	59,277

Annual maturities of long-term debt are as follows:

2025	59,277
------	--------

NOTE 11 - NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

The Board designated net assets for training and operating reserves. Net assets without donor restrictions which are designated by the Board for training totaled \$122,713 and \$105,618 at June 30, 2024 and 2023, respectively. Net assets without donor restrictions which are designated by the Board for operating reserves totaled \$1,000,000 at June 30, 2024 and 2023.

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2024 and 2023:

	2024	2023
Time Restrictions:		
Net Campaign Contributions Receivable	375,630	422,639
Purpose Restrictions:		
Support Leadership Development of the Human Service Community	131,918	117,543
Support Women's Leadership Council	461,374	440,806
211	-0-	184,244
Support Emergency Shelter	5,113	5,113
Support Education	45,028	62,753
Support Youth Venture	14,815	14,815
Support Bank On	42,328	42,328
COVID 19	30,227	30,227
SOS	61,007	41,007
Other	5,583	5,583

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

	2024	2023
Perpetual:		
Beneficial Interest in Perpetual Trust	850,485	745,250
Endowment Funds to be Held in Perpetuity	<u>245,248</u>	<u>245,248</u>
	2,268,756	2,357,556

Net assets with donor restrictions are classified on the statement of financial position at June 30, 2024 and 2023, as follows:

	2024	2023
Cash and Cash Equivalents	211,723	238,331
Contributions and Grants Receivable	375,630	606,883
Beneficial Interest in Perpetual Trust	850,485	745,250
Investments	<u>830,918</u>	<u>767,092</u>
	2,268,756	2,357,556

NOTE 13 - ENDOWMENT FUNDS

FASB ASC Topic 958, *Not-for-Profit Entities*, requires enhanced disclosures for all endowment funds. The United Way has interpreted laws related to the management of endowment funds, specifically Pennsylvania Act 141, to intend for the United Way to select a principal and income or a total return investment policy in the absence of specific donor stipulations. Act 141 seeks to preserve the value of the original gift as of the gift date of the donor restricted endowment funds and provides a framework for the prudent use of endowment earnings to support the United Way's operations or specified purpose. In accordance with Act 141, the United Way elects the total return investment policy in the absence of specific donor stipulations. The return objective is to earn an average annual total rate of return of six to eight percent, as measured over a three-year to eight-year market period. As a result of this interpretation, the United Way classifies the original value of the gift and all subsequent gifts as net assets with donor restrictions (perpetual). Income derived from the endowments is classified as without donor restrictions, which can be used at United Way's discretion. Income is classified as with donor restrictions when it is restricted by time or purpose and until the monies are released from restrictions.

The Board has approved an investment policy for the United Way's endowments that assigns responsibilities to an investment manager and establishes investment principles to achieve prudent investment strategies. The policy underlines the need for diversification, preservation of capital, and risk awareness with the goal of providing endowment growth and income in perpetuity.

The United Way's endowment assets consist of funds, the earnings of which are without donor restriction except for the funds that are restricted by time or purpose. These endowment funds are composed of assets permanently restricted by donor designations.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 13 - ENDOWMENT FUNDS (Continued)

The following summarizes the changes in endowment net assets for the years ended June 30, 2024 and 2023, and presents the endowment net assets as of June 30, 2024 and 2023:

	With Donor Restrictions (Perpetual)	
	2024	2023
Endowment Net Assets, Beginning of Year	245,248	245,248
Investment Return:		
Investment Gain (Loss)	27,400	9,421
Income Released from Restrictions	(27,400)	(9,421)
Transfer to Restore Value of Endowment Fund	<u>-0-</u>	<u>-0-</u>
Endowment Net Assets, End of Year	245,248	245,248

NOTE 14 - 401(k) SAVING PLANS

On January 1, 2007, the United Way established a 401(k) Retirement Plan covering substantially all of its employees. The plan is a "Safe Harbor Plan" whereby the United Way shall make a contribution equal to 3% of employee's compensation. In addition, the United Way will match 100% of an employee's deferral up to a maximum of 2%. The United Way's contribution to the plan was \$73,497 and \$76,798 for the years ended June 30, 2024 and 2023, respectively, and includes a 3% safe harbor contribution and a 2% deferral match.

NOTE 15 - OPERATING LEASES - as LESSEE

The United Way has obligations as a lessee for office and program facilities with initial noncancelable terms in excess of one year. The United Way classified these leases as operating leases. Several leases contain renewal options. Renewal options that the United Way is reasonably certain to exercise are included in determining the lease term, and associated payments under these renewal options are included with lease payments. The United Way does not anticipate extending leases under the renewal options. The United Way leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments with periodic increases. These variable lease payments are included in lease payments used to determine lease liability.

Lease-related assets and liabilities are as follows at June 30, 2024 and 2023:

		2024	2023
Assets			
Operating	Right-of-Use Assets - Operating	452,488	614,074
Liabilities			
<u>Current</u>			
Operating	Current Maturities of Operating Lease Obligations	228,864	221,653

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 15 - OPERATING LEASES - as LESSEE (Continued)

<u>Noncurrent</u>		2024	2023
Operating	Operating Lease Obligations, net of Current Portion	236,545	411,405

The components of lease cost for the years ended June 30, 2024 and 2023, are as follows:

Lease Cost	Classification	2024	2023
Operating Lease Costs	Occupancy - Rent	216,203	175,664
Short-Term Lease Costs	Occupancy - Rent	26,360	26,361
Variable Lease Costs	Occupancy - Rent	3,384	65,223

Supplemental cash flow information related to leases is as follows:

	2024	2023
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flow from Operating Leases	222,185	172,373
ROU Assets Obtained in Exchange for Lease Obligations:		
Operating Leases	13,368	204,126
Reductions to ROU Assets Resulting from Reductions to Lease Obligations:		
Operating Leases	174,954	68,561

Amounts disclosed for ROU assets obtained in exchange for lease obligations and reductions to ROU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of ROU assets resulting from new leases, lease modifications or reassessments.

Other information related to leases as of and for the years ended June 30, 2024 and 2023, is as follows:

	2024	2023
Weighted Average Remaining Terms of Operating Leases	2.0 Years	3.0 Years
Weighted Average Discount Rate for Operating Leases	7.5%	7.5%

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 15 - OPERATING LEASES - as LESSEE (Continued)

Future maturities of lease liabilities under noncancelable operating leases as of June 30, 2024, are as follows:

2025	228,864
2026	172,334
2027	54,247
2028	55,779
2029	<u>2,662</u>
	513,886
Less: Imputed Interest	<u>(48,477)</u>
	465,409

NOTE 16 - OPERATING LEASES - as LESSOR

The United Way subleases part of its leased office facility to a tenant. The sublease agreement is through February 2026, which corresponds to the United Way's lease of the facility. The lease does not transfer ownership of the leased asset and does not provide an option for the lessee to purchase the asset.

Income related to leasing activities for the years ended June 30, 2024 and 2023 is as follows:

	2024	2023
Fixed and Variable Operating Lease Income	120,608	118,465

The maturity of undiscounted minimum operating lease receivables as of June 30, 2024, is as follows:

2025	80,531
2026	<u>54,416</u>
	134,947

NOTE 17 - DONOR CHOICE PROGRAM

The United Way offers a Donor Choice Program as an option for contributors. This program allows donors to designate their contributions to specific qualifying organizations. The organizations specified can be both member and non-member agencies of the United Way, and to qualify must meet certain requirements detailed by the program (e.g. must be a 501(c)(3) organization and must show proof of tax-exempt status). Funds received on contributions designated under the donor choice payments are disbursed to designated agencies on a quarterly basis. Donor choice payments totaled \$643,440 and \$472,379 for the years ended June 30, 2024 and 2023, respectively, and are not included in allocation expense on the statement of activities and changes in net assets.

As part of the Donor Choice Program, the United Way receives a fee for administering the donations generated through the program. The fee represents reimbursement of fund raising and administrative costs and is calculated at 15.8% of donor designated contributions paid directly to the United Way. A fee is not charged on donor designated contributions, solicited by the United Way and paid directly to the qualifying organization.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 18 - GOVERNMENT CONTRACTS

The United Way receives certain revenues from contracts with various governmental agencies. The disbursement of funds received under these contracts generally requires compliance with terms and conditions specified in the contracts, and is subject to audit by the contracting agencies. The amount of charges to these contracts that may be disallowed, if any, by such audits cannot presently be determined and no provision for any liability that may result has been made in the financial statements. However, management believes the United Way is in compliance with its grant requirements, and no liability has arisen in the past or is currently expected.

NOTE 19 - LIQUIDITY and AVAILABILITY of RESOURCES

The United Way maintains a policy to ensure its financial assets are available to meet its expenditures and other obligations with a goal to maintain balances to meet three to six months of ordinary business expenses. Excess operating cash not needed for operations will be invested in the United Way's operating reserve fund to be invested more conservatively than the traditional endowment fund. Assets from the operating reserve account can be converted to cash as necessary, per policy. The United Way's endowment investments consist of donor-restricted and a quasi-endowment. Income for donor-restricted endowments is restricted and not available for general expenditures. **United Way of Lancaster County** does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process; however, if deemed necessary by the Finance Committee and approved by the Board of Directors, amounts from its quasi-endowment could be made available. Additionally, the **United Way of Lancaster County** has a \$750,000 line of credit which is available as needed. The United Way currently does not have any borrowings from the line of credit.

United Way of Lancaster County

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 19 - LIQUIDITY and AVAILABILITY of RESOURCES (Continued)

The United Way's financial assets available within one year of the statement of financial position date for general expenditures are as follows at June 30, 2024 and 2023:

	2024	2023
Financial Assets:		
Cash and Cash Equivalents	2,379,634	2,071,002
Contributions Receivable, net	375,630	422,639
ERC Receivable	-0-	977,135
Other Accounts Receivable	429,220	555,412
Long-Term Investments and Beneficial Interests in Perpetual Trusts	<u>5,249,421</u>	<u>4,664,786</u>
Total Financial Assets	8,433,905	8,690,974
Less Amounts Unavailable for General Expenditures, Due to:		
Contractual or Donor-Imposed Restrictions:		
Refundable Advance Liability	(697,634)	(977,135)
Restricted by Donors with Time Restrictions - Representing Donor Designations	(205,215)	(189,167)
Restricted by Donors with Purpose Restrictions	(797,393)	(944,419)
Restricted by Donors in Perpetuity	(1,095,733)	(990,498)
Board Designations:		
Designated for Training and Operating Reserve	<u>(1,122,713)</u>	<u>(1,105,618)</u>
	<u>(3,918,688)</u>	<u>(4,207,337)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	4,515,217	4,483,637

NOTE 20 - SUBSEQUENT EVENTS

On August 22, 2024, the United Way received notification, from the Internal Revenue Service (IRS), of settlement under the voluntary disclosure program, discussed in Note 1, and a final closing agreement was received. The \$697,634 liability will be derecognized during the fiscal year ended June 30, 2025, which is the year the United Way was released from its obligation under this program. Upon derecognition, the United Way will recognize a gain of \$139,527 which represents 20% of the ERC claim the United Way is eligible to retain as part of their voluntary compliance with this program. The remaining \$558,107 will be returned to the IRS under the closing agreement.

On September 26, 2024, the United Way received notification of approval for reallocation of an award of \$670,000 which was originally granted in September 2023. This grant is accounted for as a cost-reimbursement grant and income is recognized as the qualifying costs are incurred. Accordingly, the United Way recognized \$110,091 as a grant receivable and corresponding grant revenue at and for the year ended June 30, 2024, respectively.

For the year ended June 30, 2024, subsequent events have been evaluated through October 15, 2024, which represents the date the financial statements were available to be issued.



**INDEPENDENT AUDITORS' REPORT on INTERNAL CONTROL over FINANCIAL REPORTING and on COMPLIANCE
and OTHER MATTERS BASED on an AUDIT of FINANCIAL STATEMENTS PERFORMED
in ACCORDANCE with GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
United Way of Lancaster County
Lancaster, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **United Way of Lancaster County** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **United Way of Lancaster County's** (the United Way) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **United Way of Lancaster County's** internal control. Accordingly, we do not express an opinion on the effectiveness of **United Way of Lancaster County's** internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control that we consider to be a significant deficiency as identified as item #2024-001.

Significant Deficiency

#2024-001 - Year-End Close Process

Criteria: The financial closing process includes preparation of reconciliations, supporting schedules, year-end accruals and adjusting and reclassification journal entries. A well designed financial close process ensures that the accounting books and records are accurate and that they provide the basis for preparation of financial statements.

Statement of Condition: During our audit we identified and proposed journal entries to record the current year amortization for the capitalized software, to reverse the duplicate posting of an accounts receivable balance, to record the revenue on the Casey grant, and to reverse prior year gifts in kind revenue. Additionally, various entries were identified and provided to us during the audit by the United Way so that the financial statements were not materially misstated.

Cause and Effect: When the financial closing process does not properly include all year-end accrual and adjusting entries, the accounting records do not provide the proper basis for preparation of financial statements.

Identification of Repeat Finding: Yes

Recommendations: The United Way should review and revise, where necessary, its year-end closing procedures related to the accounts noted above to proactively identify and address adjustments in the future. Any necessary reconciliations should include a second level review, and be maintained as a part of the United Way's accounting records. All closing adjustments should be posted to the United Way's accounts prior to the start of audit fieldwork.

United Way Response: Management acknowledges the extended year-end close process and various proposed and recorded audit adjustments. To facilitate the year-end close process and ensure accurate interim reporting, management has begun entering standardized journal entries to facilitate the month-end close process. Additionally, with the recent hire of an experienced full-time controller, the United Way finance department is actively working on implementing procedures for the end-of-month closing. These procedures include, but are not limited to, monthly checklists, procedures for review of bank reconciliations and journal entries, and budget to actual reporting and monitoring. The United Way is committed to enhancing the accuracy and reliability of the financial statements and maintaining the trust of all stakeholders and users of the financial statements.

Management plans to implement these corrective actions by October 31, 2024.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the **United Way of Lancaster County's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **United Way of Lancaster County's** internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the **United Way of Lancaster County's** internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 Trout CPA

October 15, 2024

Trout CPA