

# **United Way of Franklin County**

Financial Statements and Report

December 31, 2025

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## Independent Auditor's Report

Board of Directors  
United Way of Franklin County  
Chambersburg, Pennsylvania

### Opinion

We have audited the financial statements of United Way of Franklin County (the Organization), which comprise the statements of financial position as of December 31, 2025 and 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 accompanying financial statements present fairly, in all material respects, the financial position of United Way of Franklin County as of December 31, 2025 and 2024, and the results of its operations 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 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

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Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

Camp Hill, Pennsylvania  
Date of audit report

**United Way of Franklin County**  
**Statements of Financial Position**  
**As of December 31, 2025 and 2024**

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	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 165,760	\$ 141,795
Pledges receivable, net of allowance for uncollectible pledges 2025 \$27,768; 2024 \$26,752	58,895	44,801
Prepaid expenses	6,536	8,476
Other investments	1,418	1,247
Property, plant, and equipment - net	213,600	221,957
Cash surrender value of life insurance policy	5,814	5,587
Beneficial interest in perpetual trusts	629,376	608,140
Endowment fund	1,004,187	952,367
<b>Total assets</b>	<b>\$ 2,085,586</b>	<b>\$ 1,984,370</b>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Allocations payable	\$ 160,750	\$ 170,000
Designations payable	8,573	7,995
Accounts payable	-	4,820
Accrued payroll and withholdings	5,355	10,630
Compensated absences	5,146	5,220
<b>Total liabilities</b>	<b>179,824</b>	<b>198,665</b>
<b>Net assets</b>		
<b>Without donor restrictions</b>		
Undesignated	151,283	105,352
Board designated	430,612	403,662
With donor restrictions	1,323,867	1,276,691
<b>Total net assets</b>	<b>1,905,762</b>	<b>1,785,705</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,085,586</b>	<b>\$ 1,984,370</b>

See accompanying notes to the financial statements.

**United Way of Franklin County**  
**Statements of Activities**  
**For the year ended December 31, 2025**

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	Without Donor Restrictions		With Donor Restrictions	Total
	Undesignated	Board Designated		
<b>Public Support and Revenue</b>				
Campaign released from restriction	\$ 435,993	\$ -	\$ -	\$ 435,993
Gross campaign results for:				
2024/2025 and 2025/2026 campaigns	-	4,499	507,737	512,236
Designations Fees	-	-	2,220	2,220
Less: donor designations	-	-	(51,808)	(51,808)
Less: provision for uncollectibles	-	-	(9,346)	(9,346)
<b>Net campaign revenue</b>	<b>435,993</b>	<b>4,499</b>	<b>448,803</b>	<b>889,295</b>
Stepping Forward Works	9,953	-	20,000	29,953
EITC Income	-	-	16,000	16,000
Other program income	42,055	-	46,053	88,108
Non-Campaign Contributions In-kind contributions	279,640	-	-	279,640
Net investment return	2,710	85,545	24,870	113,125
Change in beneficial interest in trusts	-	-	21,236	21,236
Other revenue	36	-	-	36
<b>Net assets released from restriction</b>				
Expiration of time	-	-	(435,993)	(435,993)
Expiration of purpose restriction	156,887	(63,094)	(93,793)	-
<b>Total public support and revenue</b>	<b>927,274</b>	<b>26,950</b>	<b>47,176</b>	<b>1,001,400</b>

See accompanying notes to the financial statements.

**United Way of Franklin County**  
**Statements of Activities**  
**For the year ended December 31, 2025**

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	Without Donor Restrictions		With Donor Restrictions	Total
	Undesignated	Board Designated		
<b>Allocations and expenses</b>				
<b>Program services</b>				
Gross funds allocated/distributed	211,308	-	-	211,308
Less: donor designations	(51,808)	-	-	(51,808)
<b>Net funds allocated/distributed</b>	159,500	-	-	159,500
Allocation services other	13,104	-	-	13,104
Stepping Forward Works	74,856	-	-	74,856
Other program services	436,783	-	-	436,783
<b>Total program services</b>	684,243	-	-	684,243
<b>Supporting services</b>				
Organizational administration	85,512	-	-	85,512
Fundraising	102,220	-	-	102,220
United Way Worldwide dues	9,368	-	-	9,368
<b>Total supporting services</b>	197,100	-	-	197,100
<b>Total allocations and expenses</b>	881,343	-	-	881,343
Changes in net assets	45,931	26,950	47,176	120,057
<b>Net assets:</b>				
Beginning	105,352	403,662	1,276,691	1,785,705
Ending	\$ 151,283	\$ 430,612	\$ 1,323,867	\$ 1,905,762

See accompanying notes to the financial statements.

**United Way of Franklin County**  
Statement of Activities  
For the year ended December 31, 2024

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	Without Donor Restrictions		With Donor Restrictions	Total
	Undesignated	Board Designated		
<b>Public Support and Revenue</b>				
Campaign released from restriction	\$ 400,244	\$ -	\$ -	\$ 400,244
Gross campaign results for: 2023/2024 and 2024/2025 campaigns	-	-	434,722	434,722
Designations fees	-	-	2,209	2,209
Less: donor designations	-	-	(50,863)	(50,863)
Less: provision for uncollectibles	-	-	(1,474)	(1,474)
<b>Net campaign revenue</b>	<b>400,244</b>	<b>-</b>	<b>384,594</b>	<b>784,838</b>
Stepping Forward Works	12,150	-	78,053	90,203
EITC income	-	-	13,000	13,000
Other program income	46,255	-	16,975	63,230
Non-Campaign Contributions In-kind contributions	50,970	-	-	50,970
Net investment return	2,153	52,673	30,083	84,909
Change in beneficial interest in trusts	-	-	24,932	24,932
Other revenue	4	-	-	4
<b>Net assets released from restriction</b>				
Expiration of time	-	-	(400,244)	(400,244)
Expiration of purpose restriction	100,307	(50,000)	(50,307)	-
<b>Total public support and revenue</b>	<b>612,083</b>	<b>2,673</b>	<b>97,086</b>	<b>711,842</b>

See accompanying notes to the financial statements.

**United Way of Franklin County**  
Statement of Activities  
For the year ended December 31, 2024

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	Without Donor Restrictions		With Donor Restrictions	Total
	Undesignated	Board Designated		
<b>Allocations and expenses</b>				
<b>Program services</b>				
Gross funds allocated/distributed	220,863	-	-	220,863
Less: donor designations	(50,863)	-	-	(50,863)
<b>Net funds allocated/distributed</b>	170,000	-	-	170,000
Allocation services other	6,750	-	-	6,750
Stepping Forward Works	44,121	-	-	44,121
Other program services	212,373	-	-	212,373
<b>Total program services</b>	433,244	-	-	433,244
<b>Supporting services</b>				
Organizational administration	126,053	-	-	126,053
Fundraising	119,019	-	-	119,019
United Way Worldwide dues	7,106	-	-	7,106
<b>Total supporting services</b>	252,178	-	-	252,178
<b>Total allocations and expenses</b>	685,422	-	-	685,422
Changes in net assets	(73,339)	2,673	97,086	26,420
<b>Net assets:</b>				
Beginning	178,691	400,989	1,179,605	1,759,285
Ending	\$ 105,352	\$ 403,662	\$ 1,276,691	\$ 1,785,705

See accompanying notes to the financial statements.

**United Way of Franklin County**  
Statement of Functional Expenses  
For the year ended December 31, 2025

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	Program Services				Support Services				Total
	Allocation Services	Stepping Forward Works	Other Program Services	Total Organization: Program Administrati	Fundraising	UWW Dues	Total Support		
Gross funds allocated/distributed	\$ 211,308	\$ -	\$ -	\$ 211,308	\$ -	\$ -	\$ -	\$ -	\$ 211,308
Less:									
donor designations	(51,808)	-	-	(51,808)	-	-	-	-	(51,808)
<b>Net Funds Allocated/Distributed</b>	<b>159,500</b>	<b>-</b>	<b>-</b>	<b>159,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,500</b>
Salaries	7,752	27,132	75,581	110,465	29,070	54,263	-	83,333	193,798
Payroll taxes	639	2,240	6,240	9,119	2,400	4,480	-	6,880	15,999
Employee benefits	1,168	4,087	11,384	16,639	4,379	8,172	-	12,551	29,190
	9,559	33,459	93,205	136,223	35,849	66,915	-	102,764	238,987
Campaign supplies	-	-	-	-	-	10,347	-	10,347	10,347
Program supplies	-	-	16,562	16,562	-	-	-	-	16,562
Utilities	462	1,616	4,503	6,581	1,732	3,232	-	4,964	11,545
Office supplies	84	294	819	1,197	315	588	-	903	2,100
Equipment maintenance	194	680	1,894	2,768	728	1,360	-	2,088	4,856
Contracted services	-	28,984	-	28,984	-	-	-	-	28,984
Professional fees	-	-	-	-	35,328	-	-	35,328	35,328
Scholarships	-	-	12,800	12,800	-	-	-	-	12,800
Telephone/network	1,799	6,296	17,538	25,633	6,745	12,591	-	19,336	44,969
Website	1	5	13	19	5	9	-	14	33
Insurance	272	953	2,654	3,879	1,020	1,905	-	2,925	6,804

See accompanying notes to the financial statements.

**United Way of Franklin County**  
Statement of Functional Expenses  
For the year ended December 31, 2025

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	Program Services			Support Services				Total	Total
	Allocation Services	Stepping Forward Works	Other Program Services	Total Organization: Program Administrati	Fundraising	UWW Dues	Support		
Postage	93	325	905	1,323	348	650	-	998	2,321
Dues	139	488	1,359	1,986	523	976	-	1,499	3,485
Meetings	87	305	850	1,242	327	610	-	937	2,179
Advertising	-	-	4,605	4,605	-	-	-	-	4,605
Special events supplies	-	-	-	-	-	136	-	136	136
Donated material and supplies	-	-	275,035	275,035	-	-	-	-	275,035
Miscellaneous	80	281	782	1,143	300	561	-	861	2,004
Interest	-	-	-	-	1,038	-	-	1,038	1,038
Depreciation	334	1,170	3,259	4,763	1,254	2,340	-	3,594	8,357
	3,545	41,397	343,578	388,520	49,663	35,305	-	84,968	473,488
United Way Worldwide dues	-	-	-	-	-	-	9,368	9,368	9,368
<b>Total functional expenses</b>	<b>\$ 172,604</b>	<b>\$ 74,856</b>	<b>\$ 436,783</b>	<b>\$ 684,243</b>	<b>\$ 85,512</b>	<b>\$ 102,220</b>	<b>\$ 9,368</b>	<b>\$ 197,100</b>	<b>\$ 881,343</b>

See accompanying notes to the financial statements.

**United Way of Franklin County**  
Statement of Functional Expenses  
For the year ended December 31, 2024

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	Program Services					Support Services			Total
	Allocation Services	Stepping Forward Works	Other Program Services	Total Organizational Program Administration	Fundraising	UWW Dues	Total Support		
Gross funds allocated/distributed	\$ 220,863	\$ -	\$ -	\$ 220,863	\$ -	\$ -	\$ -	\$ 220,863	
Less:									
donor designations	(50,863)	-	-	(50,863)	-	-	-	(50,863)	
<b>Net funds allocated/distributed</b>	<b>170,000</b>	<b>-</b>	<b>-</b>	<b>170,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170,000</b>	
Salaries	3,695	11,084	73,896	88,675	38,795	57,269	96,064	184,739	
Payroll taxes	304	911	6,073	7,288	3,188	4,707	7,895	15,183	
Employee benefits	649	1,946	12,973	15,568	6,811	10,055	16,866	32,434	
	4,648	13,941	92,942	111,531	48,794	72,031	120,825	232,356	
Campaign supplies	-	-	-	-	-	14,289	14,289	14,289	
Program supplies	-	-	16,459	16,459	-	-	-	16,459	
Utilities	169	506	3,372	4,047	1,771	2,614	4,385	8,432	
Office supplies	121	364	2,430	2,915	1,275	1,883	3,158	6,073	
Equipment maintenance	207	621	4,140	4,968	2,174	3,209	5,383	10,351	
Contracted services	-	23,873	-	23,873	-	-	-	23,873	
Professional fees	-	-	-	-	54,679	-	54,679	54,679	
Scholarships	-	-	9,950	9,950	-	-	-	9,950	

See accompanying notes to the financial statements.

**United Way of Franklin County**  
Statement of Functional Expenses  
For the year ended December 31, 2024

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	Program Services					Support Services		Total	
	Allocation Services	Stepping Forward Works	Other Program Services	Total Organizational Program Administration Fundraising		UWW Dues	Total Support		
Telephone/network	1,089	3,266	21,776	26,131	11,432	16,876 -	28,308	54,439	
Website	4	12	83	99	43	64 -	107	206	
Insurance	93	278	1,856	2,227	974	1,438 -	2,412	4,639	
Postage	47	141	939	1,127	493	728 -	1,221	2,348	
Dues	76	228	1,520	1,824	798	1,178 -	1,976	3,800	
Meetings and travel	20	61	403	484	212	313 -	525	1,009	
Advertising	-	-	4,605	4,605	-	- -	-	4,605	
Special events supplies	-	-	-	-	-	109 -	109	109	
Donated material and supplies	-	-	46,365	46,365	-	- -	-	46,365	
Miscellaneous	93	280	1,868	2,241	980	1,447 -	2,427	4,668	
Interest	-	-	-	-	504	- -	504	504	
Depreciation	183	550	3,665	4,398	1,924	2,840 -	4,764	9,162	
	2,102	30,180	119,431	151,713	77,259	46,988 -	124,247	275,960	
United Way Worldwide dues	-	-	-	-	-	- 7,106	7,106	7,106	
<b>Total functional expenses</b>	<b>\$ 176,750</b>	<b>\$ 44,121</b>	<b>\$ 212,373</b>	<b>\$ 433,244</b>	<b>\$ 126,053</b>	<b>\$ 119,019</b>	<b>\$ 7,106</b>	<b>\$ 252,178</b>	<b>\$ 685,422</b>

See accompanying notes to the financial statements.

**United Way of Franklin County**  
**Statements of Cash Flows**  
For the years Ended December 31, 2025 and 2024

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	2025	2024
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 120,057	\$ 26,420
<b>Adjustments to reconcile changes in net assets to net cash used in operating activities:</b>		
Depreciation	8,357	9,162
Net realized and unrealized gains on other investments	(171)	(66)
Change in cash surrender value of life insurance policy	(227)	(191)
Net realized and unrealized gains on endowment fund assets	(89,340)	(59,918)
Net change in value of perpetual trust assets	(49,385)	(50,091)
<b>Changes in assets and liabilities:</b>		
(Increase) decrease in:		
Pledge receivable	(14,094)	19,906
Prepaid expenses	1,940	(1,407)
(Decrease) increase in:		
Allocations and designations payable	(8,672)	7,153
Accounts payable	(4,820)	(8,178)
Accrued payroll and withholdings	(5,275)	544
Compensated absences	(74)	3,922
<b>Net cash provided by used in operating activities</b>	<b>(41,704)</b>	<b>(52,744)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of endowment fund investment	322,745	83,073
Purchase of endowment fund investment	(348,319)	(105,911)
Distributions from endowments	63,094	50,000
Purchase of property and equipment	-	(1,982)
Distributions from perpetual trusts	28,149	25,159
<b>Net cash provided by investing activities</b>	<b>65,669</b>	<b>50,339</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>23,965</b>	<b>(2,405)</b>
Cash and cash equivalents at beginning of year	141,795	144,200
<b>Cash and cash equivalents at end of year</b>	<b>\$ 165,760</b>	<b>\$ 141,795</b>
<b>Supplemental disclosure of cash flow information</b>		
<b>cash paid during the year for</b>		
Interest paid	\$ 1,038	\$ 504

See accompanying notes to the financial statements.

## **1. Nature of Activities and Significant Accounting Policies**

### **Nature of Activities**

The United Way of Franklin County (Organization) was formed to effectuate and consolidate fundraising for those health, welfare, character-building, and recreational agencies of Franklin County and which are institutional members of this Organization; to secure and provide funds to assist in the maintenance and operation of such agencies; to assist in the coordination of the work of the various social agencies; and to aid in the development of social welfare and recreational programs which shall be commensurate with the needs of the area. The Organization is governed by a volunteer Board of Directors consisting of individuals from the local community.

### **Basis of Presentation**

The United Way of Franklin County's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as promulgated for not-for-profit organizations. Those standards require the Organization to report information regarding its financial position and activities according to the following classes of net assets:

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 the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are 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.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

### **Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, accounts receivable, and investments. The Organization maintains its cash deposits with high credit quality financial institutions that provide Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) coverage up to \$250,000 per institution. At December 31, 2025 and 2024, there were no bank balances which exceeded federally insured limits, or which are not federally insured.

The Organization's pledges and program receivables consist of unsecured amounts due from donors. The Organization records an allowance, when necessary, for potential losses.

### **Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, the Organization considers all short-term debt securities purchased with maturities of three months or less to be cash equivalents.

## **1. Nature of Activities and Significant Accounting Policies (Continued)**

### **Investments**

Investments in marketable securities are measured at fair value using quoted prices from national security exchanges. Investment income and losses (including gains and losses on investments, interest, and dividends) are included in the Statements of Activities as increases or decreases in net assets without donor restrictions unless the income or losses are restricted by donor or law.

### **Promises-to-Give**

Unconditional promises-to-give are expected to be collected within one year and are recorded at net realizable value. An allowance for uncollectible pledges, when deemed necessary, is based on past collection experience and on current economic conditions.

### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Property and equipment costing over \$1,500 are capitalized. Depreciation is computed using the straight-line method over the assets' estimated useful lives. Upon retirement or sale, the cost and accumulated depreciation of such assets are removed from the accounts, and any resulting gain or loss is included in the determination of changes in net assets. Expenditures for maintenance and repairs, which neither materially add to the value of property and equipment nor appreciably prolong their useful lives, are charged to expense as incurred.

### **Split-Interest Agreements**

Gifts received under the terms of trust or other arrangements in which the Organization has a beneficial interest, but is not the sole beneficiary, are accounted for as split-interest agreements. Such agreements include perpetual trusts held by third parties, charitable-remainder trusts and charitable-gift annuities. The time periods covered by these agreements are expressed either as a specific number of years (or in perpetuity), or as an individual's remaining life or lives of individuals designated by the donor.

Under such arrangements, assets are invested and administered by the Organization, a trustee, or a fiscal agent, and distributions are made to beneficiaries during the term of the agreement. At the end of the agreement's term, remaining assets are distributed to or retained by either the Organization or another beneficiary.

Absent donor-imposed conditions, the Organization recognizes contribution revenue and related assets and liabilities when irrevocable split-interest agreements naming the Organization as trustee or fiscal agent are executed, or when the Organization is notified of agreements' existence as in cases where an unrelated third party (such as a bank) acts as Trustee.

Contribution revenues recognized under split-interest agreements are classified as increases in net assets without donor restrictions or net assets with donor restrictions based on donors' instructions in underlying agreements. During term of the agreement, changes in the value of split-interest agreements are recognized in the Statements of Activities as "change in the value of split-interest agreements" and classified as without donor restriction or with donor restriction based upon the classification when the contribution was initially recognized. Upon termination of the agreement, asset and liability accounts related to the split-interest agreement are closed and any remaining amounts are recognized as changes in the value of split-interest agreements and classified in the appropriate net asset categories.

## **1. Nature of Activities and Significant Accounting Policies (Continued)**

### **Endowment Funds**

The Organization has established the United Way Endowment Fund, which is maintained with a local financial services company, via an irrevocable trust agreement. The endowment consists of individual funds established to provide investment income for the Organization's operations. The endowment includes donor restricted contributions, the income from which is used to support the Organization's operations. Net assets are classified and reported based on the existence or absence of donor-imposed restrictions.

The Commonwealth of Pennsylvania has not enacted a version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). Relevant law for reporting of endowment funds is provided in Pa. C.S. Section 5548, *Investment of Trust Funds*. The Board of the United Way of Franklin County has interpreted the Commonwealth of Pennsylvania state law as requiring the preservation of the fair value of the original gift as of the gift of the donor restricted endowment fund absent explicit donor stipulations to the contrary.

The Organization classifies as net assets with donor restrictions the original value of gifts donated to the donor restricted endowment fund. Investment income from the donor restricted endowment fund is supported without donor restriction and available to support the operations of the Organization. Net appreciation on the donor restricted endowment fund is reported as a change in net assets without donor restriction.

The Organization considers several factors when making determinations to appropriate or accumulate donor restricted endowment funds. These factors include the duration and preservation of the fund, the mission of the Organization, the purpose of any donor restrictions, general economic conditions, the possible effects of inflation and deflation, the expected total returns from income, and the appreciation of investments and other resources.

Endowment assets are invested consistent with an investment-policy statement monitored by the Board of Directors. To satisfy long-term rate-of-return objectives, the Organization relies on a long-term strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Endowment investments consist primarily of mutual funds with an allocation target of sixty/forty between equities and debt securities, respectively.

### **Designations Payable**

The Organization receives pledges that are donor designated for member and non-member agencies, for which the Organization does not have variance power. These contributions are distributed after they have been collected. In these instances, the United Way of Franklin County acts as an agent. The designations payable at December 31, 2025 and 2024, are presented in the Statements of Financial Position.

### **Compensated Absences**

At year-end, the Organization accrued a liability for employees' unused vacation which was used within the first 30 days of the subsequent year. Employees may carry over unused paid time off (PTO) but must use the carryover within 30 days of the subsequent year. Unused PTO will be paid upon termination provided an employee has completed more than one year of employment and provides proper notification of resignation.

## **1. Nature of Activities and Significant Accounting Policies (Continued)**

### **Revenue and Revenue Recognition**

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets without donor restriction. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as increases in net assets without donor restriction.

The Organization reports gifts of materials and equipment as support without donor restrictions unless explicit, donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

### **Allocations of Functional Expense**

The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, the Organization's expenses have been allocated among the programs and supporting services benefited. Such allocations are determined equitably by management.

### **Donated Materials and Services**

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values upon receipt.

Contributed services are reported as contributions at fair value if such services create or enhance non-financial assets, would have been purchased if not provided by donation, require specialized skills and are provided by individuals possessing such specialized skills.

### **Advertising Expense**

The Organization expenses advertising costs as incurred.

### **Income Taxes**

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Consequently, the Organization will not incur any liability for Federal income tax, except for that arising from unrelated-business activities.

Management has assessed the Organization's exposure to income taxes at the entity level due to uncertain tax positions taken in current and previously filed tax returns. Examples of uncertain tax positions taken at the entity level include the continuing validity of the Organization's exempt status and the prospect of being subject to the Federal filing requirement arising from unrelated business activities. Presently, management believes that it is more likely than not that the Organization's tax positions will be sustained upon examination, including any appeals and litigation, and consequently, the Organization has no exposure to income tax liabilities arising from uncertain tax positions.

## 1. Nature of Activities and Significant Accounting Policies (Continued)

### Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through **DATE**, the date the financial statements were available to be issued.

## 2. Liquidity

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use; within one year of the Statements of Financial Position, comprise the following:

	<u>2025</u>	<u>2024</u>
<b>Financial assets at end of year:</b>		
Cash and cash equivalents	\$ 165,760	\$ 141,795
Pledges receivable	58,895	44,801
Other investments	1,418	1,247
Cash surrender value of life insurance policy	5,814	5,587
Beneficial interest in perpetual trusts	629,376	608,140
Endowment funds	1,004,187	952,367
<b>Total financial assets:</b>	<u>1,865,450</u>	<u>1,753,937</u>
<b>Less amounts not available to be used within one year:</b>		
Net assets with donor restrictions:		
Endowment fund	573,575	548,705
Beneficial interest in perpetual trusts	629,376	608,140
Board designated portion of endowment fund	430,612	403,662
<b>Total amounts not available to be used within one year:</b>	<u>1,633,563</u>	<u>1,560,507</u>
<b>Financial assets available to meet general expenditures within one year</b>	<u>\$ 231,887</u>	<u>\$ 193,430</u>

United Way of Franklin County is funded in part by contributions from donors that contain restrictions. Those restrictions require that resources be used for certain purposes or in future periods. Therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors, and as a result, certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations become due. The Organization invests its cash in excess of its daily needs in interest-bearing accounts and marketable securities. The Organization can also draw upon a \$100,000 line-of-credit (as discussed in Note 9).

Board designated net assets represent cash reserves established by the Organization's Board of Directors for future use. However, these reserves may be available currently if necessary.

### 3. Promises-to-Give

Included in pledges receivable are the following, unconditional promises-to-give:

	2025		2024
Pledges receivable within one year	\$ 86,663	\$	71,553
Less: allowance for uncollectible pledges	(27,768)		(26,752)
<b>Pledges receivable, net of allowance for uncollectible pledges</b>	<b>\$ 58,895</b>	<b>\$</b>	<b>44,801</b>

### 4. Property and Equipment

Property and equipment at December 31, 2025 and 2024, consist of the following:

	2025		2024
Land	\$ 43,000	\$	43,000
Land improvements	5,048		5,048
Building and improvements	300,562		300,562
Equipment	47,157		47,157
	395,767		395,767
Less: accumulated depreciation	(182,167)		(173,810)
Property and equipment - net	<b>\$ 213,600</b>	<b>\$</b>	<b>221,957</b>

Depreciation expense was \$8,357 and \$9,162 in 2025 and 2024, respectively.

### 5. Life Insurance Policy

The Organization was the recipient of a restricted contribution from a former board member to purchase a life insurance policy on the lives of the donor and his wife. A one-time premium of \$7,055 was paid on the survivorship whole-life policy. The Organization is the owner of the policy but is only entitled to 20.00% of the death proceeds as the remainder is designated for other beneficiaries. Total cash value of the policy at December 31, 2025 and 2024, was \$29,071 and \$27,935, respectively, of which 20.00%, or \$5,814 and \$5,587, respectively, was recorded as an asset on the Statements of Financial Position.

## 6. Beneficial Interest in Perpetual Trust

The Organization is the beneficiary of several perpetual trusts which are administered by third-party trustees. Under the terms of these arrangements, the Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity, but the Organization will never receive the assets held in trust. None of the underlying trust agreements place any restrictions on the use of the income. The Organization has recorded its beneficial interest in these trusts at the fair values of the trusts' assets on the dates that the Organization was notified of the trusts' existence. The contributions have been recognized as support with donor restrictions. Distributions from the trusts are reported as contributions without donor restrictions. Increases and decreases in the fair values of the trusts' assets are recognized as gains or losses with donor restrictions. The Organization's proportionate share of the fair value of the trusts' assets totaled \$629,376 and \$608,140 at December 31, 2025 and 2024, respectively. Income from the perpetual trusts for the years ended December 31, 2025 and 2024, consists of the following:

	2025		2024	
Gross unrealized (losses) gains	\$	49,385	\$	50,091
Less distributions		(28,149)		(25,159)
<b>Net change in value</b>	<b>\$</b>	<b>21,236</b>	<b>\$</b>	<b>24,932</b>

## 7. Endowment Fund

Endowment fund investments at December 31, 2025 and 2024, consist of the following:

	2025		2024	
Money market account	\$	9,563	\$	10,949
Mutual funds and ETFs - fixed income		393,415		372,036
Mutual funds and ETFs - equities		601,209		569,382
	\$	1,004,187	\$	952,367

Endowment funds by net asset classification are as follows at December 31, 2025 and 2024:

	2025		2024	
Without donor restrictions - Board designated	\$	430,612	\$	403,662
With donor restrictions		573,575		548,705
	\$	1,004,187	\$	952,367

## 7. Endowment Fund (Continued)

Changes in endowment net assets for the year ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 403,662	\$ 548,705	\$ 952,367
<b>Investment returns:</b>			
Investment income	29,845	-	29,845
Realized gain	46,174	-	46,174
Unrealized gain	18,296	24,870	43,166
Trustee commission	(8,770)	-	(8,770)
<b>Net investment income</b>	<b>85,545</b>	<b>24,870</b>	<b>110,415</b>
Contributions	4,499	-	4,499
Distributions for operations	(63,094)	-	(63,094)
<b>Endowment net assets, end of year</b>	<b>\$ 430,612</b>	<b>\$ 573,575</b>	<b>\$ 1,004,187</b>

Changes in endowment net assets for the year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 400,989	\$ 518,622	\$ 919,611
<b>Investment returns:</b>			
Investment income	32,279	-	32,279
Realized gain	6,579	-	6,579
Unrealized gain	23,256	30,083	53,339
Trustee commission	(9,441)	-	(9,441)
<b>Net investment income</b>	<b>52,673</b>	<b>30,083</b>	<b>82,756</b>
Distributions for operations	(50,000)	-	(50,000)
<b>Endowment net assets, end of year</b>	<b>\$ 403,662</b>	<b>\$ 548,705</b>	<b>\$ 952,367</b>

## 8. Fair Value Measurements

The Organization follows the provisions of FASB's Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and liabilities. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Organization's financial assets that are recorded at fair value consist of investments in marketable securities, cash value of a life insurance policy, endowment fund investments and beneficial interests in perpetual trusts. The Organization's financial liabilities consist of obligations under trust and annuity agreements which approximate the liabilities' fair values. The Organization has no non-financial assets or liabilities that are recognized and disclosed at their fair values.

ASC 820 establishes a three-level, fair value hierarchy that describes the inputs that are used to measure the fair values of respective assets and liabilities:

## **8. Fair Value Measurements (Continued)**

Level 1 Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2 Fair values are based on other significant, observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable, market data for substantially the assets' full terms.

Level 3 Fair values are calculated by using price models and/or discounted, cash flow methodologies, and may require significant, management judgment or estimation. These methodologies may result in significant portions of the fair values being derived from unobservable data.

The following are descriptions of the valuation methodology used for assets measured at fair value. There have been no changes in the valuation methods.

- Common stock and mutual funds are principally valued at the regular trading-session-closing price on the exchange or market in which such funds are traded.
- Equity (stock) funds listed or traded on any national market or exchange are valued at the last sales price as of the close of the securities exchange on which such securities are traded.
- Fixed income (bond) funds, other than money market instruments, are generally valued at the most recent bid price of the equivalent quoted yield for such securities (or those of comparable maturity, quality and type).
- Cash surrender value of life insurance policy is based on contract value per the insurance contract.
- Endowment funds are valued based on the aggregate value of individual marketable securities held by the fund.
- Perpetual trusts are valued based on the percentage of beneficial interest of the respective assets held by the trust as provided by the Trustees.

**8. Fair Value Measurements (Continued)**

The following tables set forth by level within the fair value hierarchy, the Organization's financial assets as of December 31, 2025 and 2024:

**Financial Assets at Fair Value as of December 31, 2025**

	Level 1		Level 2		Level 3		Total
Investments							
Equity funds	\$	752	\$		\$		\$ 752
Bond funds		666					666
Endowment funds							
Money market account		9,563					9,563
Mutual funds - fixed income		393,415					393,415
Mutual funds - equities		587,179		14,030			601,209
Cash surrender value of life insurance policy				5,814			5,814
Perpetual trusts						629,376	629,376
	\$	991,575	\$	19,844	\$	629,376	\$ 1,640,795

**Financial Assets at Fair Value as of December 31, 2024**

	Level 1		Level 2		Level 3		Total
Investments							
Equity funds	\$	625	\$		\$		\$ 625
Bond funds		622					622
Endowment funds							
Money market account		10,949					10,949
Mutual funds - fixed income		372,036					372,036
Mutual funds - equities		554,171		15,211			569,382
Cash surrender value of life insurance policy				5,587			5,587
Perpetual trusts						608,140	608,140
	\$	938,403	\$	20,798	\$	608,140	\$ 1,567,341

## 8. Fair Value Measurements (Continued)

The following table sets forth a summary of changes in fair value of the Organization's perpetual trusts (Level 3 financial assets) as of December 31, 2025 and 2024:

	2025	2024
Balance - beginning	\$ 608,140	\$ 583,208
Realized and unrealized gains (losses)	21,236	24,932
Investment income	28,149	25,159
Distribution of investment income	(28,149)	(25,159)
<b>Balance - ending</b>	<b>\$ 629,376</b>	<b>\$ 608,140</b>

The following table shows the gross unrealized losses and fair value of the Organization's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

	Less than Twelve Months		Twelve Months or Greater		Totals	
	Unrealized		Unrealized		Unrealized	
	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses
<b>2025</b>						
Bond funds	\$ -	\$ -	\$ 666	\$ (31)	\$ 666	\$ (31)
Mutual funds - fixed income	-	-	393,415	(45,648)	393,415	(45,648)
	\$ -	\$ -	\$ 394,081	\$ (45,679)	\$ 394,081	\$ (45,679)

	Less than Twelve Months		Twelve Months or Greater		Totals	
	Unrealized		Unrealized		Unrealized	
	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses
<b>2024</b>						
Bond funds	\$ -	\$ -	\$ 622	\$ (48)	\$ 622	\$ (48)
Mutual funds - fixed income	-	-	288,191	(40,862)	288,191	(40,862)
	\$ -	\$ -	\$ 288,813	\$ (40,910)	\$ 288,813	\$ (40,910)

The unrealized losses on the Organization's investments in Bond funds and Mutual Funds-fixed income were caused by interest rate changes. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost basis of the investments. The Organization does not intend to sell the investments, and it is more likely than not that the Organization will be required to sell the investments before recovery of their amortized cost basis.

**9. Line-of-Credit**

The Organization has a \$100,000 unsecured line-of-credit agreement with M&T Bank. Advances on the line are payable on demand and require monthly interest payments. At December 31, 2025, the interest rate is 8.50%. At December 31, 2025 and 2024, the Organization had no outstanding balances on the line-of-credit. There was no Interest expense related to this line-of-credit for the years ended December 31, 2025 and 2024.

**10. Net Assets with Donor Restrictions**

Net assets with donor restrictions as of December 31, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
<b>Subject to expenditure for specified purpose:</b>		
EITC funding	\$ 4,683	\$ 4,683
Sponsorships for specific future programs/events	6,500	9,175
COVID-19 relief campaign	615	615
Roof campaign	532	532
Whole home repairs grant	-	2,141
Stepping Forward Works - Costa	56,569	72,769
Stepping Forward Works - VITA	15,710	-
United We Read	-	6,432
<b>Subject to the passage of time:</b>		
Promises to give that are unavailable until due	36,307	23,499
<b>Not subject to spending policy or appropriation:</b>		
Beneficial interests in perpetual trusts	629,376	608,140
<b>Endowments:</b>		
Permanently restricted to endowment by donors	573,575	548,705
<b>Total net assets with donor restrictions</b>	<u>\$ 1,323,867</u>	<u>\$ 1,276,691</u>

### 10. Net Assets with Donor Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2025 and 2024:

	2025	2024
<b>Satisfaction of purpose restrictions:</b>		
EITC	\$ 16,000	\$ 12,438
Sponsorships for specific programs/events	9,175	5,165
Whole home repairs grant	22,141	26,051
Stepping Forward Works - Costa	16,200	5,285
Stepping Forward Works - VITA	18,843	-
United We Read	11,434	1,368
<b>Total satisfaction of purpose restrictions</b>	<b>93,793</b>	<b>50,307</b>
<b>Satisfaction of time restrictions:</b>		
Promises to give that were unavailable until due	435,993	400,244
<b>Total satisfaction of restrictions</b>	<b>\$ 529,786</b>	<b>\$ 450,551</b>

### 11. In-Kind Contributions

The Organization receives various non-cash donations for use at fundraising events, or for distribution to those in need. These donations are recorded at fair market value at the date they are received. In-kind contributions for the years ended December 31, 2025 and 2024, consist of the following:

	2025	2024
<b>Contributions</b>		
Materials	\$ 275,035	\$ 46,365
Advertising	4,605	4,605
	<b>\$ 279,640</b>	<b>\$ 50,970</b>
<b>Expenses</b>		
Donated materials and supplies	\$ 275,035	\$ 46,365
Advertising	4,605	4,605
	<b>\$ 279,640</b>	<b>\$ 50,970</b>

### **11. In-Kind Contributions (Continued)**

For the years ended December 31, 2025 and 2024, donated materials and supplies include 2,937 and 828 pounds of goods, respectively, donated during the Organization's annual food drive. The donated food were valued at \$1.93 and \$1.73 per pound, respectively, as provided by Feeding America, and the donated personal care items were valued based on the Goodwill Donation Value Guide.

Numerous volunteers have donated service hours to the Organization; however, these service hours are not reported in the financial statements as they do not require specialized skills.

The Organization is in a unique position to connect agencies with people and organizations that have items to donate. In these circumstances the Organization serves as an intermediary. The values of in-kind donations where the organization services as intermediary are not recognized as contributions by the Organization.

All donated services and assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets.

### **12. Pension Plan**

The Organization sponsors a SIMPLE IRA Plan for employees who receive at least \$5,000 of calendar year compensation. Under the Plan, the Organization makes matching contributions up to 3.00% of eligible employees' compensation. Matching contributions to the Plan were \$5,100 and \$5,138, for 2025 and 2024, respectively.

### **13. Dues to United Way Worldwide and United Way of Pennsylvania**

For the right to use the logo and related United Way services, the Organization paid dues of one cent per each campaign dollar raised to the United Way Worldwide (UWWW). UWWW provides access to training, national radio and television advertisements and the NFL partnership and promotion. The Organization paid \$9,368 and \$7,106 in dues to the UWWW for the years ended December 31, 2025 and 2024, respectively.

Voluntary dues are paid to United Way of Pennsylvania for representation before the state legislature in Harrisburg. United Way of Pennsylvania has taken the lead in several state-wide initiatives of great local importance such as the "2-1-1" line for information/referral. The Organization paid \$2,810 and \$3,150 in dues to the United Way of Pennsylvania for the years ended December 31, 2025 and 2024, respectively.

### **14. Commitments and Contingencies**

The Organization strives to distribute the maximum amount of gross campaign pledges to member agencies. Factors impacting that amount are uncollected pledges, donor designations and costs of administration and fundraising. Annually, management determines the allocation to member agencies and makes written commitments establishing the support they will receive for the following calendar year. Allocations payable at December 31, 2025 and 2024, are \$160,750 and \$170,000, respectively.

The Organization relies on community donations; consequently, the Organization may experience substantial support reductions if severe local economic conditions arise.