



UNITED WAY OF DELAWARE, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2023

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
JUNE 30, 2023

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9
CONSOLIDATING FINANCIAL STATEMENTS:	
Consolidating Statement of Financial Position	19
Consolidating Statement of Activities	20
Consolidating Statement of Cash Flows	21



INDEPENDENT AUDITOR'S REPORT

August 29, 2024

To the Board of Directors
United Way of Delaware, Inc. and Subsidiary
Wilmington, Delaware

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of United Way of Delaware, Inc. and its Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of United Way of Delaware, Inc. and its Subsidiary as of June 30, 2023, and the change in their net assets and their 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 ("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 United Way of Delaware, Inc. and its Subsidiary, 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of

To the Board of Directors
United Way of Delaware, Inc. and Subsidiary

America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS we:

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

To the Board of Directors
United Way of Delaware, Inc. and Subsidiary

Supplementary Information

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

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023**

ASSETS

Cash and cash equivalents	\$ 516,721
Pledges receivable, net	4,544,345
Accounts receivable	1,620,395
Investments, at fair value	2,807,828
Building and equipment, net of accumulated depreciation	2,780,409
Other assets	61,408
	61,408
TOTAL ASSETS	\$ 12,331,106

LIABILITIES AND NET ASSETS

LIABILITIES:

Distributions payable to agencies	\$ 2,826,385
Accounts payable and accrued expenses	1,276,054
Total Liabilities	4,102,439

NET ASSETS:

Without donor restrictions:

Undesignated	(418,587)
Designated	4,620,392
Total Without Donor Restrictions	4,201,805
With donor restrictions	4,026,862
Total Net Assets	8,228,667

TOTAL LIABILITIES AND NET ASSETS	\$ 12,331,106
---	----------------------

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

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
CAMPAIGN RESULTS			
Annual Campaign	\$ 14,150,455	\$ 76,173	\$ 14,226,628
Less: Amounts raised on behalf of others	(4,235,705)	(76,173)	(4,311,878)
	<u>\$ 9,914,750</u>	<u>\$ -</u>	<u>\$ 9,914,750</u>
PUBLIC SUPPORT AND REVENUE			
Campaign Public Support:			
Annual campaign	\$ 9,914,750	\$ -	\$ 9,914,750
Contributions released from restrictions	5,392	(5,392)	-
Total Annual Campaign	9,920,142	(5,392)	9,914,750
Less: Provision for uncollectible pledges	(1,704,006)	-	(1,704,006)
Total Campaign Public Support	8,216,136	(5,392)	8,210,744
Grant revenue	901,175	5,024,407	5,925,582
In-kind contributions	802,000	-	802,000
Net assets released from restrictions	7,587,709	(7,587,709)	-
Total Public Support	<u>17,507,020</u>	<u>(2,568,694)</u>	<u>14,938,326</u>
Revenue:			
Administrative fees on amounts raised on behalf of others	291,269	-	291,269
TOTAL PUBLIC SUPPORT AND REVENUE	<u>17,798,289</u>	<u>(2,568,694)</u>	<u>15,229,595</u>
EXPENSES			
Campaign operating costs	3,156,009	-	3,156,009
Program costs	14,636,446	-	14,636,446
TOTAL EXPENSES	<u>17,792,455</u>	<u>-</u>	<u>17,792,455</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>5,834</u>	<u>(2,568,694)</u>	<u>(2,562,860)</u>
NONOPERATING ACTIVITIES			
Investment income	136,045	209,217	345,262
Total Nonoperating Activities	<u>136,045</u>	<u>209,217</u>	<u>345,262</u>
CHANGE IN NET ASSETS	141,879	(2,359,477)	(2,217,598)
NET ASSETS, BEGINNING OF YEAR	<u>4,059,926</u>	<u>6,386,339</u>	<u>10,446,265</u>
NET ASSETS, END OF YEAR	<u>\$ 4,201,805</u>	<u>\$ 4,026,862</u>	<u>\$ 8,228,667</u>

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

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	Campaign Operating Costs			Total Campaign Operating Costs	Program Costs		
	Fund Raising and Marketing	General and Administrative	Processing Costs		Community Services	Grade- Level Reading	College and Career Success
EXPENSES							
Salaries	\$ 541,728	\$ 724,524	\$ 146,819	\$ 1,413,071	\$ 674,511	\$ 806,804	\$ 493,755
Employee health and retirement benefits	53,724	68,881	14,734	137,339	64,045	73,800	45,164
Payroll taxes	38,731	51,801	10,497	101,029	48,224	57,683	35,301
Total Salaries and Related Expenses	634,183	845,206	172,050	1,651,439	786,780	938,287	574,220
Bank and credit card fees	-	24,676	23,320	47,996	-	-	-
Campaign expenses and publications	13,953	20,489	-	34,442	127,025	14,590	-
Depreciation	105,416	80,811	17,570	203,797	50,198	-	-
Distributions to agencies	-	-	-	-	2,157,989	938,869	1,930,009
Equipment rentals and repairs	-	39,552	8,435	47,987	-	-	-
Fundraising events	-	-	-	-	-	-	-
In-kind services	-	-	-	-	-	-	682,000
Membership and subscriptions	15,971	185,574	-	201,545	-	-	-
Miscellaneous	567	-	-	567	-	2,028	-
Occupancy	24,474	350,649	-	375,123	-	-	-
Postage and shipping	-	8,899	-	8,899	-	-	-
Printing	8,866	5,682	-	14,548	914	470	-
Professional service and contract payments	113,403	155,553	53,624	322,580	104,082	452,932	68,516
Supplies	2,533	33,806	12,667	49,006	697	591,937	6,049
Technology charge	75,587	27,391	25,178	128,156	3,127	-	-
Telecommunications	-	13,467	13,467	26,934	-	-	-
Travel, training, and meetings	2,691	40,274	25	42,990	40,470	93,199	14,444
TOTAL EXPENSES	\$ 997,644	\$ 1,832,029	\$ 326,336	\$ 3,156,009	\$ 3,271,282	\$ 3,032,312	\$ 3,275,238

(Continued on next page.)

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	Financial Stability and Empowerment	DRJC	Other Programs	Delaware 2-1-1 Program	Total Program Costs	Totals
EXPENSES						
Salaries	\$ 797,019	\$ 200,208	\$ 13,077	\$ 598,534	\$ 3,583,908	\$ 4,996,979
Employee health and retirement benefits	72,904	18,314	1,196	43,967	319,390	456,729
Payroll taxes	56,984	14,314	935	88,582	302,023	403,052
Total Salaries and Related Expenses	<u>926,907</u>	<u>232,836</u>	<u>15,208</u>	<u>731,083</u>	<u>4,205,321</u>	<u>5,856,760</u>
Bank and credit card fees	-	-	-	-	-	47,996
Campaign expenses and publications	654	-	-	28,818	171,087	205,529
Depreciation	-	-	-	2,116	52,314	256,111
Distributions to agencies	900,626	1,456,810	16,640	-	7,400,943	7,400,943
Equipment rentals and repairs	-	-	-	-	-	47,987
Fundraising events	-	-	48,357	-	48,357	48,357
In-kind services	-	-	-	120,000	802,000	802,000
Membership and subscriptions	-	-	-	-	-	201,545
Miscellaneous	-	-	-	-	2,028	2,595
Occupancy	-	-	-	-	-	375,123
Postage and shipping	-	-	-	-	-	8,899
Printing	-	-	-	-	1,384	15,932
Professional service and contract payments	305,447	-	7,762	175,121	1,113,860	1,436,440
Supplies	-	-	-	37,175	635,858	684,864
Technology charge	-	-	-	48,612	51,739	179,895
Telecommunications	-	-	-	-	-	26,934
Travel, training, and meetings	-	-	-	3,442	151,555	194,545
TOTAL EXPENSES	<u>\$ 2,133,634</u>	<u>\$ 1,689,646</u>	<u>\$ 87,967</u>	<u>\$ 1,146,367</u>	<u>\$ 14,636,446</u>	<u>\$ 17,792,455</u>

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

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (2,217,598)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	256,111
Provision for uncollectible pledges	1,704,006
Net unrealized and realized (gains) losses on investments	(261,189)
(Increase) Decrease in accounts receivable	2,323,912
Increase (Decrease) in pledges receivable	(2,261,176)
(Increase) Decrease in other assets	369,830
Increase (Decrease) in allocations payable to agencies	(1,378,295)
Increase (Decrease) in accounts payable and accrued expenses	615,317
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(849,082)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of equipment	(2,120,491)
Purchase of investments	(71,603)
Proceeds from sales of investments	1,306,961
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(885,133)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,734,215)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,250,936</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 516,721</u>
SUPPLEMENTAL INFORMATION:	
Interest paid	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>

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

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 NATURE OF THE ORGANIZATION

United Way of Delaware, Inc. and Subsidiary (“the Organization”) is dedicated to improving the quality of life in the State of Delaware by mobilizing society’s capacity to care. A not-for-profit organization, the Organization is a unique partnership that involves donors ranging from staff, volunteers, social service agencies, businesses, government, other nonprofits, and concerned individuals to achieve results that matter and to make a lasting impact on the quality of life in its community.

The Organization is responsible to its member and affiliate agencies and, as such, engages in a fall fund raising campaign to raise funds for member agencies, as well as other 501(c)(3) health and human service agencies. The Organization focuses community attention on the most critical human needs in Delaware, as well as addressing both the symptoms and the root causes of Delaware’s most plaguing issues.

The Organization is dependent upon contributions from corporate and individual donors to support its program services. The level of such contributions can be affected by economic and other conditions. In addition, the choice on the part of donors to designate their gifts to specific agencies can result in reduced funding available to fund programs. A decrease in undesignated contributions could adversely affect the Organization’s ability to provide services and to allocate funds to its member agencies.

In addition to its fund-raising efforts, the Organization coordinates and administers the public sector campaign for state government (SECC) and provides direct services to the community through the efforts of organized labor, including services and fund raising coordinated by the labor locals. The Organization also administers an unemployment insurance fund on behalf of several member agencies.

Delaware Helpline, Inc.’s by-laws and certificate of incorporation document that United Way of Delaware, Inc. is its sole corporate member with a majority voting interest, thereby giving United Way of Delaware, Inc. a controlling financial interest. In accordance with the section of the Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) related to consolidations of not-for-profit organizations, the financial statements of Delaware Helpline, Inc. have been consolidated with the financial statements of United Way of Delaware, Inc.

Delaware Helpline, Inc. is a not-for-profit agency which provides a statewide, toll-free comprehensive information and referral service. It is dedicated to assisting people in need of human services by informing them of available public, private, and voluntary programs and providing assistance services to resolve those problems. It maintains a database on current health service information in Delaware.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The financial statements of Delaware Helpline, Inc. are consolidated with the financial statements of United Way of Delaware, Inc. Interorganizational transactions and balances have been eliminated in consolidation.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Financial Statement Presentation

The Organization prepares its financial statements in accordance with the section of the FASB ASC related to financial statements of not-for-profit organizations. Under the FASB ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

Revenue Recognition

The Organization's primary source of income is grants and contributions from the general public. These revenues are accounted for under ASC Subtopic 958-605 (ASC 958-605), *Not-for-Profit Entities: Revenue Recognition*, recognizing revenue at the time of the gift if no donor restriction or barriers to the conditional receipt of the grant have been established in their underlying agreements, or over the course of time as barriers are overcome or donor restrictions have been satisfied if those conditions have been established. If applicable, grant funds received in advance of the barrier to the conditional receipt of the grant having been satisfied are reported as deferred revenue in the financial statements.

Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any 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 as net assets released from restrictions.

Amounts Raised on Behalf of Others

Donor organizations and individuals participating in such entities' United Way Campaigns may choose to designate all or part of their contributions to specific charitable organizations. These transactions are reported in the statement of activities as part of the

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

total campaign effort and are then deducted as amounts raised on behalf of others to arrive at the public support revenue available to the Organization for use in supporting its programs. Amounts deducted are carried as liabilities until paid to the designated charitable organizations. Fund raising and processing (administrative) fees of up to 12½ percent of amounts designated are recorded as revenue upon collection and prior to remittance to the designated charities. The Organization honors all donor designations to 501(c)(3) and qualified 501(c)(4) agencies in the United States of America in good standing with the IRS. Amounts raised on behalf of others for each of the annual campaigns for the year ended June 30, 2023 were \$4,159,532.

The Organization reports campaign results which are transferred to a not-for-profit organization specified by the donor in accordance with the FASB ASC section regarding transfers of assets to a not-for-profit organization or charitable trust that raises or holds contributions for others.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income.

Accounting principles generally accepted in the United States of America prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions or associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

Cash and Cash Equivalents

The Organization considers all short-term highly liquid investments with an original maturity of three months or less to be cash equivalents.

Pledges Receivable

Allowances for uncollectible pledges are reviewed and estimated by management annually. As of June 30 of each fiscal year, a final accounting is made of the prior year's campaign. Pledges receivable related to the prior campaign that have not been realized are determined to be uncollectible and are written off.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Accounts Receivable

Accounts receivable are stated at unpaid balances net of an allowance for uncollectible accounts. Receivables are considered impaired if full principal payments are not received in accordance with the payment terms. At June 30, 2023, all accounts receivable were determined to be collectible and no allowance for uncollectible accounts was determined to be necessary.

Building and Equipment

Building and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the respective assets. The Organization uses a capitalization threshold of \$1,000. Expenditures for maintenance, repairs, minor renewals, and betterments which do not improve or extend the useful life of the respective asset are expensed. The following is a schedule of the estimated useful lives:

Equipment, furniture, and fixtures	3 - 7 years
Building	40 years
Improvements	4 - 20 years

Investments

Investments are reported at fair value.

Allocation of Functional Expenses

The costs of providing the programs and other activities have been summarized on a functional basis in the statement of activities. Whenever possible, costs are directly assigned to the campaign operating costs and program functions using the direct identification method based on the nature of the expense. Accordingly, certain costs such as salaries and wages, payroll taxes, and employee benefits have been allocated among the functions utilizing the time study methodology. Depreciation expense has been allocated based on the historical usage pattern of the underlying assets.

Use of Estimates in the Preparation of Financial Statements

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable consist of the following as of June 30, 2023:

Pledges receivable related to current campaign	\$ 5,751,440
Pledges receivable related to prior campaign	22,850
Pledges receivable - State Employee Combined Campaign	90,055
Allowance for uncollectible pledges	<u>(1,320,000)</u>
Total Pledges Receivable, Net	<u>\$ 4,544,345</u>

NOTE 4 INVESTMENTS

Investment portfolios consist of the following as of June 30, 2023:

Delaware Community Foundation Investment Pool	\$ 1,170,304
U.S. Treasuries	316,371
Equities	1,006,261
Exchange traded funds	47,568
Money market funds	19,303
Fixed income	<u>248,021</u>
	<u>\$ 2,807,828</u>

Investment income consists of the following for the year ended June 30, 2023:

Dividends and interest, net of fees	\$ 84,073
Net unrealized and realized gains (losses)	<u>261,189</u>
	<u>\$ 345,262</u>

NOTE 5 BUILDING AND EQUIPMENT

Building and equipment consisted of the following as of June 30, 2023:

Building and improvements	\$ 5,355,027
Equipment, furniture, and fixtures	<u>1,536,654</u>
	6,891,681
Less: Accumulated depreciation	<u>(4,111,272)</u>
	<u>\$ 2,780,409</u>

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 RETIREMENT PLAN

Effective July 1, 2010, the Organization instituted a 403(b) defined contribution pension plan available to all employees. The plan provides for voluntary contributions by employees that are matched by the Organization at fifty cents on the dollar up to six percent of base salary. In addition, the plan allows the Organization to make a discretionary contribution annually at the end of the plan year. Such contribution is calculated as a percent of the employee's annual base salary earned during the plan period July 1 - June 30. The Organization made contributions to the plan of \$33,742 for the year ended June 30, 2023. Employee contributions to the plan immediately vest to the employee. Employer contributions to the plan vest to the employee over a six-year period.

NOTE 7 DONATED SERVICES

Contributed services are not recognized as revenue unless the services received create or enhance the value of a nonfinancial asset, or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased and not donated.

The State of Delaware paid agencies, coaches, and consultants on behalf of the Organization to support the Stand by Me program. In addition, the State provided three individuals to support the Organization's Delaware 2-1-1 program. Total in-kind contributions were valued and reflected in the financial statements at \$802,000 for the year ended June 30, 2023.

In-kind support is recognized in the accompanying financial statements as in-kind contributions revenue and is offset by an expense in an equal amount. The donated services are based on current rates paid by the State. All donated services received by the Organization were not monetized.

NOTE 8 BOARD-DESIGNATED NET ASSETS

As of June 30, 2023, a portion of net assets without donor restrictions has been designated by the Board of Directors for the following purposes:

Building and equipment, net (see Note 5)	\$ 2,780,409
Endowment (see Note 9)	1,170,304
Other Board-designated	<u>669,679</u>
	<u>\$ 4,620,392</u>

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 BOARD-DESIGNATED ENDOWMENT FUND

The Board of Directors established a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

The administration of the endowment fund is overseen by the Delaware Community Foundation as approved by the Finance Committee.

Spending Policy

In order to meet the intended purpose of the endowment fund to fund community needs over time, an amount equal to five percent of the average balance of the last four quarters of the endowment fund shall be withdrawn in the first quarter of each calendar year. For this calculation, the endowment fund balance will be measured at the end of March, June, September, and December.

Strategy Employed for Achieving Objectives

Per the Organization's investment policy, the assets of the endowment fund shall be invested in a manner intended to maximize the total return of the fund over the long term. The assets shall be broadly diversified, with the assets divided among asset classes within the following ranges:

Equities	40% - 75%
Fixed income	20% - 50%
Cash equivalents	0% - 20%

Non-U.S. investments can comprise up to 25 percent of the total assets of the endowment fund.

The Investment Committee is charged with the responsibility of reviewing the endowment fund on an annual basis. This includes asset allocation, fund selection, investment performance, and adherence to policy limits.

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

Endowment net assets, beginning of year	\$ 1,739,690
Investment income, net of fees	24,319
Net appreciation (depreciation)	99,256
Distributions	<u>(692,961)</u>
Endowment net assets, end of year	<u>\$ 1,170,304</u>

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2023:

Time restrictions	\$ 319,823
Purpose restrictions	<u>3,707,039</u>
	<u>\$ 4,026,862</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors for the year ended June 30, 2023:

Passage of time restrictions	<u>\$ 5,392</u>
Program restrictions	<u>\$ 7,587,709</u>

NOTE 11 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in two commercial banks located in Wilmington, Delaware which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. In addition, the Organization invests in repurchase agreements which are collateralized by investments in securities which are direct obligations of, or fully guaranteed as to principal and interest by, the U.S. government or an agency thereof. The Organization has not experienced any losses in such accounts.

NOTE 12 FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying statement of financial position.

In accordance with the FASB ASC section regarding fair value measurements, a fair value hierarchy is established that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 is based on observable market factors not included in Level 1; and Level 3 is based on unobservable inputs such as those that are internally developed. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 FAIR VALUE MEASUREMENTS (cont'd)

Fair values of assets measured on a recurring basis at June 30, 2023 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Fixed income	\$ 248,021	\$ 248,021	\$ -
Equities	1,006,261	1,006,261	-
Money market funds	19,303	19,303	-
U.S. Treasuries	316,371	316,371	-
Exchange traded funds	47,568	47,568	-
Delaware Community Foundation Investment Pool	<u>1,170,304</u>	<u>-</u>	<u>1,170,304</u>
Total	<u>\$ 2,807,828</u>	<u>\$ 1,637,524</u>	<u>\$ 1,170,304</u>

Level 2 Fair Value Measurements

The fair value of the investments with the Delaware Community Foundation are determined based on observable market factors not included in Level 1, such as quoted market prices for similar assets or liabilities in an active or non-active market. The Organization's portion of the investment pool is valued by the Delaware Community Foundation on a monthly basis. The investments in the pool are actively traded and valued using quoted market prices. However, since the investments are pooled funds, they are designated as Level 2 investments.

NOTE 13 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets consist of cash and cash equivalents, pledge receivables, accounts receivable and investments.

The following reflects the Organization's financial assets as of June 30, 2023 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside by the Board that could be drawn upon if the governing board decides to approve such action.

Financial assets, at year end	\$ 9,489,289
Less unavailable for general expenses within one year due to:	
Purpose restrictions	3,707,039
Time restrictions	319,823
Board designations	<u>1,839,983</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 3,622,444</u>

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 14 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through August 29, 2024, the date the financial statements were available to be issued.

CONSOLIDATING FINANCIAL STATEMENTS

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023**

	United Way of Delaware, Inc.	Delaware Helpline, Inc.	Eliminations	Totals
ASSETS				
Cash and cash equivalents	\$ 511,300	\$ 5,421	\$ -	\$ 516,721
Pledges receivable, net	4,544,345	-	-	4,544,345
Accounts receivable	1,409,957	578,646	(368,208)	1,620,395
Investments, at fair value	2,807,828	-	-	2,807,828
Building and equipment, net of accumulated depreciation	2,778,535	1,874	-	2,780,409
Other assets	61,004	404	-	61,408
TOTAL ASSETS	\$ 12,112,969	\$ 586,345	\$ (368,208)	\$ 12,331,106
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Distributions payable to agencies	\$ 2,826,385	\$ -	\$ -	\$ 2,826,385
Accounts payable and accrued expenses	1,430,118	214,144	(368,208)	1,276,054
Total Liabilities	4,256,503	214,144	(368,208)	4,102,439
NET ASSETS:				
Without donor restrictions:				
Undesignated (deficit)	(788,914)	370,327	-	(418,587)
Designated	4,618,518	1,874	-	4,620,392
Total Without Donor Restrictions	3,829,604	372,201	-	4,201,805
With donor restrictions	4,026,862	-	-	4,026,862
Total Net Assets	7,856,466	372,201	-	8,228,667
TOTAL LIABILITIES AND NET ASSETS	\$ 12,112,969	\$ 586,345	\$ (368,208)	\$ 12,331,106

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	United Way of Delaware, Inc.		Delaware Helpline, Inc.		Eliminations	Totals
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	-		
CAMPAIGN RESULTS						
Annual Campaign	\$ 14,150,455	\$ 76,173	\$ -	\$ -		\$ 14,226,628
Less: Amounts raised on behalf of others	(4,235,705)	(76,173)	-	-		(4,311,878)
	<u>\$ 9,914,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 9,914,750</u>
PUBLIC SUPPORT AND REVENUE						
Campaign Public Support:						
Annual campaign	\$ 9,914,750	\$ -	\$ -	\$ -		\$ 9,914,750
Contributions released from restrictions	5,392	(5,392)	-	-		-
Total Annual Campaign	9,920,142	(5,392)	-	-		9,914,750
Less: Provision for uncollectible pledges	(1,704,006)	-	-	-		(1,704,006)
Total Campaign Public Support	8,216,136	(5,392)	-	-		8,210,744
Grant revenue	-	5,024,407	901,923	(748)		5,925,582
In-kind contributions	682,000	-	120,000	-		802,000
Net assets released from restrictions	7,587,709	(7,587,709)	-	-		-
Total Public Support	16,485,845	(2,568,694)	1,021,923	(748)		14,938,326
Revenue:						
Administrative fees on amounts raised on behalf of others	291,269	-	-	-		291,269
TOTAL PUBLIC SUPPORT AND REVENUE	<u>16,777,114</u>	<u>(2,568,694)</u>	<u>1,021,923</u>	<u>(748)</u>		<u>15,229,595</u>
EXPENSES						
Campaign operating costs	3,156,009	-	-	-		3,156,009
Program costs	13,490,827	-	1,146,367	(748)		14,636,446
TOTAL EXPENSES	<u>16,646,836</u>	<u>-</u>	<u>1,146,367</u>	<u>(748)</u>		<u>17,792,455</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>130,278</u>	<u>(2,568,694)</u>	<u>(124,444)</u>	<u>-</u>		<u>(2,562,860)</u>
NONOPERATING ACTIVITIES						
Investment income	136,045	209,217	-	-		345,262
Total Nonoperating Activities	<u>136,045</u>	<u>209,217</u>	<u>-</u>	<u>-</u>		<u>345,262</u>
CHANGE IN NET ASSETS	266,323	(2,359,477)	(124,444)	-		(2,217,598)
NET ASSETS, BEGINNING OF YEAR	<u>3,563,281</u>	<u>6,386,339</u>	<u>496,645</u>	<u>-</u>		<u>10,446,265</u>
NET ASSETS, END OF YEAR	<u>\$ 3,829,604</u>	<u>\$ 4,026,862</u>	<u>\$ 372,201</u>	<u>\$ -</u>		<u>\$ 8,228,667</u>

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	United Way of Delaware, Inc.	Delaware Helpline, Inc.	Eliminations	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ (2,093,154)	\$ (124,444)	\$ -	\$ (2,217,598)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation	253,995	2,116	-	256,111
Provision for uncollectible pledges	1,704,006	-	-	1,704,006
Net unrealized and realized (gains) losses on investments	(261,189)	-	-	(261,189)
(Increase) Decrease in accounts receivable	2,390,043	(307,496)	241,365	2,323,912
Increase (Decrease) in pledges receivable	(2,261,176)	-	-	(2,261,176)
(Increase) Decrease in other assets	367,055	2,775	-	369,830
Increase (Decrease) in allocations payable to agencies	(1,378,295)	-	-	(1,378,295)
Increase (Decrease) in accounts payable and accrued expenses	702,631	154,051	(241,365)	615,317
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(576,084)	(272,998)	-	(849,082)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of equipment	(2,120,491)	-	-	(2,120,491)
Purchase of investments	(71,603)	-	-	(71,603)
Proceeds from sales of investments	1,306,961	-	-	1,306,961
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(885,133)	-	-	(885,133)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,461,217)	(272,998)	-	(1,734,215)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,972,517	278,419	-	2,250,936
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 511,300	\$ 5,421	\$ -	\$ 516,721
SUPPLEMENTAL INFORMATION:				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -