



**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
WILMINGTON, DELAWARE**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2024

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

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	20
Consolidating Statement of Activities	21
Consolidating Statement of Cash Flows	22
SINGLE AUDIT SUPPLEMENT	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	25
Schedule of Expenditures of Federal Awards	28
Notes to Schedule of Expenditures of Federal Awards	29
Schedule of Findings and Recommendations	30



INDEPENDENT AUDITOR'S REPORT

January 30, 2026

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. (a nonprofit organization) and its Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2024, 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, 2024, 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") 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 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 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 judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* 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. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is also 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

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

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024**

ASSETS

Cash and cash equivalents	\$ 2,721,837
Pledges receivable, net	6,071,454
Accounts receivable	640,710
Investments, at fair value	1,942,308
Prepaid expenses	157,811
Building and equipment, net of accumulated depreciation	5,286,953
Operating right-of-use assets	<u>96,370</u>
 TOTAL ASSETS	 <u><u>\$ 16,917,443</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Distributions payable to agencies	\$ 2,033,695
Accounts payable and accrued expenses	2,488,598
Operating lease liabilities	96,370
Total Liabilities	<u>4,618,663</u>

NET ASSETS:

Without donor restrictions	5,564,604
With donor restrictions	6,734,176
Total Net Assets	<u>12,298,780</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 16,917,443</u></u>
----------------------------------	-----------------------------

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, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
CAMPAIGN RESULTS			
Annual Campaign	\$ 8,103,501	\$ 679,346	\$ 8,782,847
Less: Amounts raised on behalf of others	<u>(3,479,726)</u>	<u>(649,522)</u>	<u>(4,129,248)</u>
	<u>\$ 4,623,775</u>	<u>\$ 29,824</u>	<u>\$ 4,653,599</u>
PUBLIC SUPPORT AND REVENUE			
Campaign Public Support:			
Annual campaign	\$ 4,623,775	\$ 29,824	\$ 4,653,599
Contributions released from restrictions	500	(500)	-
Total Annual Campaign	<u>4,624,275</u>	<u>29,324</u>	<u>4,653,599</u>
Less: Provision for uncollectible pledges	<u>(810,000)</u>	<u>-</u>	<u>(810,000)</u>
Total Campaign Public Support	<u>3,814,275</u>	<u>29,324</u>	<u>3,843,599</u>
Grant revenue	1,606,376	11,104,467	12,710,843
State of Delaware capital grant	-	3,700,000	3,700,000
In-kind contributions	770,856	-	770,856
Net assets released from restrictions	<u>12,192,112</u>	<u>(12,192,112)</u>	<u>-</u>
Total Public Support	<u>18,383,619</u>	<u>2,641,679</u>	<u>21,025,298</u>
Revenue:			
Administrative fees on amounts raised on behalf of others	454,489	-	454,489
Other	425,671	-	425,671
Unemployment revenue	<u>3,358</u>	<u>-</u>	<u>3,358</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>19,267,137</u>	<u>2,641,679</u>	<u>21,908,816</u>
EXPENSES			
Campaign operating costs	4,256,090	-	4,256,090
Program costs	<u>13,944,553</u>	<u>-</u>	<u>13,944,553</u>
TOTAL EXPENSES	<u>18,200,643</u>	<u>-</u>	<u>18,200,643</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>1,066,494</u>	<u>2,641,679</u>	<u>3,708,173</u>
NONOPERATING ACTIVITIES			
Investment income	<u>296,305</u>	<u>65,635</u>	<u>361,940</u>
TOTAL NONOPERATING ACTIVITIES	<u>296,305</u>	<u>65,635</u>	<u>361,940</u>
CHANGE IN NET ASSETS	<u>1,362,799</u>	<u>2,707,314</u>	<u>4,070,113</u>
NET ASSETS, BEGINNING OF YEAR	<u>4,201,805</u>	<u>4,026,862</u>	<u>8,228,667</u>
NET ASSETS, END OF YEAR	<u>\$ 5,564,604</u>	<u>\$ 6,734,176</u>	<u>\$ 12,298,780</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, 2024**

	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	\$ 688,833	\$ 814,826	\$ 269,503	\$ 1,773,162	\$ 924,757	\$ 473,707	\$ 88,692
Employee health and retirement benefits	150,425	151,649	55,045	357,119	81,724	81,649	18,021
Payroll taxes	49,979	59,120	19,554	128,653	70,096	34,370	6,435
Total Salaries and Related Expenses	<u>889,237</u>	<u>1,025,595</u>	<u>344,102</u>	<u>2,258,934</u>	<u>1,076,577</u>	<u>589,726</u>	<u>113,148</u>
Bank and credit card fees	-	28,182	23,320	51,502	-	-	-
Campaign expenses and publications	5,504	8,083	-	13,587	50,112	5,756	-
Depreciation	198,205	151,942	33,035	383,182	94,384	-	-
Distributions to agencies	20,393	-	-	20,393	1,857,084	3,608,000	305,000
Equipment rentals and repairs	-	12,817	2,733	15,550	-	-	-
Fundraising events	41,737	-	-	41,737	-	-	-
In-kind services	-	-	-	-	-	-	-
Membership and subscriptions	14,809	172,068	-	186,877	-	-	-
Occupancy	23,868	341,966	-	365,834	-	-	-
Postage and shipping	-	-	119	119	-	-	-
Professional service and contract payments	162,049	374,657	-	536,706	67,450	313,235	33,725
Supplies	32,276	41,933	3,228	77,437	82,754	133,031	38,780
Technology charge	104,960	124,158	41,065	270,183	165,863	72,181	13,515
Telecommunications	3,824	19,119	-	22,943	3,824	3,824	3,824
Travel, training, and meetings	696	10,410	-	11,106	10,467	24,092	3,734
TOTAL EXPENSES	<u>\$ 1,497,558</u>	<u>\$ 2,310,930</u>	<u>\$ 447,602</u>	<u>\$ 4,256,090</u>	<u>\$ 3,408,515</u>	<u>\$ 4,749,845</u>	<u>\$ 511,726</u>

(Continued on next page.)

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	Financial Stability and Empowerment	Delaware Remains Just(as) Committed	Delaware 2-1-1 Program	Total Program Costs	Totals
EXPENSES					
Salaries	\$ 627,884	\$ 163,769	\$ 466,871	\$ 2,745,680	\$ 4,518,842
Employee health and retirement benefits	139,514	22,685	35,142	378,735	735,854
Payroll taxes	45,556	11,882	62,713	231,052	359,705
Total Salaries and Related Expenses	<u>812,954</u>	<u>198,336</u>	<u>564,726</u>	<u>3,355,467</u>	<u>5,614,401</u>
Bank and credit card fees	-	-	-	-	51,502
Campaign expenses and publications	258	-	3,935	60,061	73,648
Depreciation	-	-	1,366	95,750	478,932
Distributions to agencies	2,356,924	-	-	8,127,008	8,147,401
Equipment rentals and repairs	-	-	-	-	15,550
Fundraising events	-	-	-	-	41,737
In-kind services	682,000	-	88,856	770,856	770,856
Membership and subscriptions	-	-	-	-	186,877
Occupancy	-	-	-	-	365,834
Postage and shipping	-	-	-	-	119
Professional service and contract payments	123,757	-	220,896	759,063	1,295,769
Supplies	45,975	-	22,879	323,419	400,856
Technology charge	95,673	-	46,812	394,044	664,227
Telecommunications	3,824	-	-	15,296	38,239
Travel, training, and meetings	-	-	5,296	43,589	54,695
TOTAL EXPENSES	<u>\$ 4,121,365</u>	<u>\$ 198,336</u>	<u>\$ 954,766</u>	<u>\$ 13,944,553</u>	<u>\$ 18,200,643</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, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 4,070,113
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	478,932
Provision for uncollectible pledges	810,000
Net unrealized and realized (gains) losses on investments	(165,684)
(Increase) Decrease in accounts receivable	1,347,893
(Increase) Decrease in pledges receivable	(2,337,109)
(Increase) Decrease in prepaid expenses	(96,403)
Increase (Decrease) in distributions payable to agencies	(792,690)
Increase (Decrease) in accounts payable and accrued expenses	(169,265)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3,145,787</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash paid for building and equipment	(1,971,875)
Purchase of investments	(34,694)
Proceeds from sales of investments	1,065,898
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(940,671)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 2,205,116
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>516,721</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 2,721,837</u>
 NONCASH INVESTING ACTIVITY:	
Building and equipment acquisitions in accounts payable and accrued expenses	<u>\$ 1,013,601</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, 2024 were \$4,129,248.

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.

Investments

Investments are reported at fair value.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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.

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, 2024, 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

Lease

The Organization recognizes right-of-use assets and lease liabilities on the statement of financial position for leases with terms greater than 12 months. The right-of-use assets and lease liabilities are initially measured based on the present value of future cash outflows over the non-cancelable lease term, calculated at the commencement of the lease. The right-of-use assets are subsequently measured based on the recalculated lease liabilities adjusted for the effect of differences between lease payments and straight-line rent expense.

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

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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.

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable consist of the following as of June 30, 2024:

Pledges receivable related to current campaign	\$ 4,647,506
Pledges receivable related to prior campaign	2,078,254
Pledges receivable – State Employee Combined Campaign	155,694
Allowance for uncollectible pledges	<u>(810,000)</u>
Total Pledges Receivable, Net	<u>\$ 6,071,454</u>

NOTE 4 INVESTMENTS

Investment portfolios consist of the following as of June 30, 2024:

Delaware Community Foundation Investment Pool	\$ 1,214,148
U.S. Treasuries	170,977
Equities	417,480
Exchange traded funds	25,917
Money market funds	2,397
Fixed income	<u>111,389</u>
	<u>\$ 1,942,308</u>

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 INVESTMENTS (cont'd)

Investment income consists of the following for the year ended June 30, 2024:

Dividends and interest, net of fees	\$ 196,256
Net unrealized and realized gains (losses)	<u>165,684</u>
	<u>\$ 361,940</u>

NOTE 5 BUILDING AND EQUIPMENT

Building and equipment consisted of the following as of June 30, 2024:

Building and improvements	\$ 8,321,981
Equipment, furniture, and fixtures	<u>1,555,176</u>
	9,877,157
Less: accumulated depreciation	<u>(4,590,204)</u>
	<u>\$ 5,286,953</u>

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 percentage of the employee's annual base salary earned during the plan period July 1 through June 30. The Organization made contributions to the plan of \$110,465 for the year ended June 30, 2024. 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

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 DONATED SERVICES (cont'd)

were valued and reflected in the financial statements at \$770,856 for the year ended June 30, 2024.

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 NET ASSETS WITHOUT DONOR RESTRICTIONS

As of June 30, 2024, net assets without donor restrictions consisted of the following:

Building and equipment, net (see Note 5)	\$ 5,286,953
Endowment (see Note 9)	1,214,148
Other Board-designated	669,679
Undesignated deficit	<u>(1,606,176)</u>
	<u>\$ 5,564,604</u>

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 5% 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

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 BOARD-DESIGNATED ENDOWMENT FUND (cont'd)

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% 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, 2024 are as follows:

Endowment net assets, beginning of year	\$ 1,170,304
Investment income, net of fees	12,966
Net appreciation (depreciation)	121,776
Distributions	<u>(90,898)</u>
Endowment net assets, end of year	<u>\$ 1,214,148</u>

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2024:

Time restrictions	\$ 319,323
Purpose restrictions	<u>6,414,853</u>
	<u>\$ 6,734,176</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, 2024:

Passage of time restrictions	<u>\$ 500</u>
Program restrictions	<u>\$ 12,192,112</u>

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

Fair values of assets measured on a recurring basis at June 30, 2024 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Fixed income	\$ 111,389	\$ 111,389	\$ -
Equities	417,480	417,480	-
Money market funds	2,397	2,397	-
U.S. Treasuries	170,977	170,977	-
Exchange traded funds	25,917	25,917	-
Delaware Community Foundation Investment Pool	<u>1,214,148</u>	<u>-</u>	<u>1,214,148</u>
Total	<u>\$ 1,942,308</u>	<u>\$ 728,160</u>	<u>\$ 1,214,148</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

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 FAIR VALUE MEASUREMENTS

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, 2024 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	\$ 11,376,309
Less unavailable for general expenses	
within one year due to:	
Purpose restrictions	6,414,853
Time restrictions	319,323
Board designations	<u>1,883,827</u>
Financial assets available to meet cash needs	
for general expenses within one year	<u>\$ 2,758,306</u>

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 LEASE COMMITMENT

Operating Lease

In January 2024, the Organization entered into a five-year lease for copiers. The lease requires monthly payments of \$1,950 and expires in December 2028.

Lease expense for the year ending June 30, 2024 was \$11,700 and is included in equipment rentals and repairs on the statement of functional expenses.

The Organization calculated the present value of the lease payments based on the risk free rate of 3.93%.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 LEASE COMMITMENT (cont'd)

Future lease payments are as follows:

<u>Year Ended June 30,</u>	
2025	\$ 23,400
2026	23,400
2027	23,400
2028	23,400
2029	11,700
Discount	<u>(8,930)</u>
	<u>\$ 96,370</u>

NOTE 15 LINE OF CREDIT

On September 28, 2023, the Organization entered into a revolving line of credit with PNC Bank in the maximum amount of \$1,000,000 collateralized by all assets of the Organization as outlined in the security agreement. Amounts outstanding accrue interest at the daily SOFR plus 2% (7.35% at June 30, 2024). Outstanding amounts will be due on demand. There were no draws against the line of credit as of June 30, 2024.

NOTE 16 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through January 30, 2026, 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, 2024**

	United Way of Delaware, Inc.	Delaware Helpline, Inc.	Eliminations	Totals
ASSETS				
Cash and cash equivalents	\$ 2,701,094	\$ 20,743	\$ -	\$ 2,721,837
Pledges receivable, net	6,071,454	-	-	6,071,454
Accounts receivable	522,231	407,602	(289,123)	640,710
Investments, at fair value	1,942,308	-	-	1,942,308
Prepaid expenses	149,699	8,112	-	157,811
Building and equipment, net of accumulated depreciation	5,286,445	508	-	5,286,953
Operating right-of-use assets	96,370	-	-	96,370
TOTAL ASSETS	\$ 16,769,601	\$ 436,965	\$ (289,123)	\$ 16,917,443
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Distributions payable to agencies	\$ 2,033,695	\$ -	\$ -	\$ 2,033,695
Accounts payable and accrued expenses	2,650,953	126,768	(289,123)	2,488,598
Operating lease liabilities	96,370	-	-	96,370
Total Liabilities	4,781,018	126,768	(289,123)	4,618,663
NET ASSETS:				
Without donor restrictions	5,254,407	310,197	-	5,564,604
With donor restrictions	6,734,176	-	-	6,734,176
Total Net Assets	11,988,583	310,197	-	12,298,780
TOTAL LIABILITIES AND NET ASSETS	\$ 16,769,601	\$ 436,965	\$ (289,123)	\$ 16,917,443

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

	United Way of Delaware, Inc.		Delaware Helpline, Inc.	Eliminations	Totals
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions		
CAMPAIGN RESULTS					
Annual Campaign	\$ 8,103,501	\$ 679,346	\$ -	\$ -	\$ 8,782,847
Less: Amounts raised on behalf of others	<u>(3,479,726)</u>	<u>(649,522)</u>	<u>-</u>	<u>-</u>	<u>(4,129,248)</u>
	<u>\$ 4,623,775</u>	<u>\$ 29,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,653,599</u>
PUBLIC SUPPORT AND REVENUE					
Campaign Public Support:					
Annual campaign	\$ 4,623,775	\$ 29,824	\$ -	\$ -	\$ 4,653,599
Contributions released from restrictions	500	(500)	-	-	-
Total Annual Campaign	<u>4,624,275</u>	<u>29,324</u>	<u>-</u>	<u>-</u>	<u>4,653,599</u>
Less: Provision for uncollectible pledges	<u>(810,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(810,000)</u>
Total Campaign Public Support	<u>3,814,275</u>	<u>29,324</u>	<u>-</u>	<u>-</u>	<u>3,843,599</u>
Grant revenue	810,605	11,104,467	803,906	(8,135)	12,710,843
State of Delaware capital grant	-	3,700,000	-	-	3,700,000
In-kind contributions	682,000	-	88,856	-	770,856
Net assets released from restrictions	<u>12,192,112</u>	<u>(12,192,112)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Support	<u>17,498,992</u>	<u>2,641,679</u>	<u>892,762</u>	<u>(8,135)</u>	<u>21,025,298</u>
Revenue:					
Administrative fees on amounts raised on behalf of others	454,489	-	-	-	454,489
Other	425,671	-	-	-	425,671
Unemployment revenue	<u>3,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,358</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>18,382,510</u>	<u>2,641,679</u>	<u>892,762</u>	<u>(8,135)</u>	<u>21,908,816</u>
EXPENSES					
Campaign operating costs	4,256,090	-	-	-	4,256,090
Program costs	<u>12,997,922</u>	<u>-</u>	<u>954,766</u>	<u>(8,135)</u>	<u>13,944,553</u>
TOTAL EXPENSES	<u>17,254,012</u>	<u>-</u>	<u>954,766</u>	<u>(8,135)</u>	<u>18,200,643</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>1,128,498</u>	<u>2,641,679</u>	<u>(62,004)</u>	<u>-</u>	<u>3,708,173</u>
NONOPERATING ACTIVITIES					
Investment income	<u>296,305</u>	<u>65,635</u>	<u>-</u>	<u>-</u>	<u>361,940</u>
Total Nonoperating Activities	<u>296,305</u>	<u>65,635</u>	<u>-</u>	<u>-</u>	<u>361,940</u>
CHANGE IN NET ASSETS	1,424,803	2,707,314	(62,004)	-	4,070,113
NET ASSETS, BEGINNING OF YEAR	<u>3,829,604</u>	<u>4,026,862</u>	<u>372,201</u>	<u>-</u>	<u>8,228,667</u>
NET ASSETS, END OF YEAR	<u>\$ 5,254,407</u>	<u>\$ 6,734,176</u>	<u>\$ 310,197</u>	<u>\$ -</u>	<u>\$ 12,298,780</u>

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

	United Way of Delaware, Inc.	Delaware Helpline, Inc.	Eliminations	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 4,132,117	\$ (62,004)	\$ -	\$ 4,070,113
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation	477,566	1,366	-	478,932
Provision for uncollectible pledges	810,000	-	-	810,000
Net unrealized and realized (gains) losses on investments	(165,684)	-	-	(165,684)
(Increase) Decrease in accounts receivable	887,726	171,044	289,123	1,347,893
(Increase) Decrease in pledges receivable	(2,337,109)	-	-	(2,337,109)
(Increase) Decrease in prepaid expenses	(88,695)	(7,708)	-	(96,403)
Increase (Decrease) in distributions payable to agencies	(792,690)	-	-	(792,690)
Increase (Decrease) in accounts payable and accrued expenses	207,234	(87,376)	(289,123)	(169,265)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3,130,465</u>	<u>15,322</u>	<u>-</u>	<u>3,145,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash paid for building and equipment	(1,971,875)	-	-	(1,971,875)
Purchase of investments	(34,694)	-	-	(34,694)
Proceeds from sales of investments	1,065,898	-	-	1,065,898
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(940,671)</u>	<u>-</u>	<u>-</u>	<u>(940,671)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,189,794	15,322	-	2,205,116
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>511,300</u>	<u>5,421</u>	<u>-</u>	<u>516,721</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,701,094</u>	<u>\$ 20,743</u>	<u>\$ -</u>	<u>\$ 2,721,837</u>
NONCASH INVESTING ACTIVITY:				
Building and equipment acquisitions in accounts payable and accrued expenses	<u>\$ 1,013,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,013,601</u>
SUPPLEMENTAL INFORMATION:				
Interest paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SINGLE AUDIT SUPPLEMENT



INDEPENDENT AUDITOR'S 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

January 30, 2026

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

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 consolidated financial statements of United Way of Delaware, Inc. and its Subsidiary ("the Organization"), which comprise the consolidated statement of financial position as of June 30, 2024, 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, and have issued our report thereon dated January 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

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. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP



INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

January 30, 2026

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

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited United Way of Delaware, Inc. and its Subsidiary's ("the Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2024. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for its major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

**UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

<u>FEDERAL GRANTOR/PROJECT TITLE</u>	<u>FEDERAL ALN</u>	<u>EXPENDITURES</u>	<u>PASSED THROUGH TO SUBRECIPIENTS</u>
<u>U.S. Department of Treasury</u>			
<u>Passed through the State of Delaware</u>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 1,300,000	\$ -
<u>Passed through New Castle County</u>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	6,889	-
Total ALN 21.027		<u>1,306,889</u>	<u>-</u>
<u>U.S. Department of Education</u>			
<u>Passed through the State of Delaware</u>			
Twenty-First Century Community Learning Centers	84.287	420,000	-
<u>U.S. Department of Health and Human Services</u>			
<u>Passed through the Office of Federal Assistance Management</u>			
Public Health Training Centers Program	93.516	652,913	-
<u>Passed through the State of Delaware</u>			
Immunization Cooperative Agreements	93.268	57,115	-
Total Expenditures of Federal Awards		<u>\$ 2,436,917</u>	<u>\$ -</u>

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 BASIS OF PRESENTATION

This accompanying schedule of expenditures of federal awards includes the federal award activity of The Organization under programs of the federal government for the year ended June 30, 2024. The information in the schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule of expenditures of federal awards presents only a selected portion of the operations of the United Way of Delaware, Inc. and its Subsidiary, it is not intended to and does not present the financial position, changes in net assets, or cash flows of United Way of Delaware, Inc. and its Subsidiary.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATES

United Way of Delaware, Inc. and its Subsidiary has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
 SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major program:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major program [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Grants Guidance?

_____ Yes X No

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONT'D)

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.