



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

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2025

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

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INDEPENDENT AUDITOR'S REPORT

September 25, 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, 2025, 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, 2025, 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 America, and for the design, implementation, and maintenance of internal control relevant to the

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

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

Report on Summarized Comparative Information

We have previously audited United Way of Delaware, Inc.'s June 30, 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 30, 2026. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

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.

Emphasis of a Matter

As discussed in Note 16 to the financial statements, the comparative 2024 data in the statements of financial position and statement of activities was restated to correct pledges receivable, distributions payable to agencies, and the related annual campaign revenue to which required the restatement of net position. Our opinion is not modified with respect to this matter.


BARBACANE, THORNTON & COMPANY LLP

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 3,205,946	\$ 2,721,837
Pledges receivable, net	3,475,471	4,371,454
Accounts receivable	350,138	640,710
Investments, at fair value	1,869,512	1,942,308
Prepaid expenses	93,879	157,811
Building and equipment, net of accumulated depreciation	6,406,122	5,286,953
Operating right-of-use assets	<u>76,400</u>	<u>96,370</u>
TOTAL ASSETS	<u><u>\$ 15,477,468</u></u>	<u><u>\$ 15,217,443</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Distributions payable to agencies	\$ 1,427,522	\$ 1,744,155
Accounts payable and accrued expenses	2,691,681	2,488,598
Operating lease liabilities	76,400	96,370
Total Liabilities	<u>4,195,603</u>	<u>4,329,123</u>
 NET ASSETS:		
Without donor restrictions	3,635,535	4,154,144
With donor restrictions	7,646,330	6,734,176
Total Net Assets	<u>11,281,865</u>	<u>10,888,320</u>
 TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 15,477,468</u></u>	<u><u>\$ 15,217,443</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, 2025
(With Summarized Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2025	2024
CAMPAIGN RESULTS				
Annual Campaign	\$ 8,107,321	\$ 445,442	\$ 8,552,763	\$ 7,372,387
Less: amounts raised on behalf of others	(3,296,269)	(656,155)	(3,952,424)	(4,155,307)
	<u>\$ 4,811,052</u>	<u>\$ (210,713)</u>	<u>\$ 4,600,339</u>	<u>\$ 3,217,080</u>
PUBLIC SUPPORT AND REVENUE				
Campaign Public Support:				
Annual Campaign	\$ 4,811,052	\$ (210,713)	\$ 4,600,339	\$ 3,217,080
Less: provision for uncollectible pledges	(1,615,025)	-	(1,615,025)	(810,000)
Total Campaign Public Support	3,196,027	(210,713)	2,985,314	2,407,080
Grant revenue	1,304,063	8,158,592	9,462,655	12,710,843
State of Delaware capital grant	-	1,600,000	1,600,000	3,700,000
In-kind contributions	-	-	-	770,856
Net assets released from restrictions	8,701,155	(8,701,155)	-	-
Total Public Support	<u>13,201,245</u>	<u>846,724</u>	<u>14,047,969</u>	<u>19,588,779</u>
Revenue:				
Administrative fees on amounts raised on behalf of others	165,630	-	165,630	454,489
Other	663,967	-	663,967	425,671
Employee retention credit	348,090	-	348,090	-
Unemployment revenue	-	-	-	3,358
TOTAL PUBLIC SUPPORT AND REVENUE	<u>14,378,932</u>	<u>846,724</u>	<u>15,225,656</u>	<u>20,472,297</u>
EXPENSES				
Campaign operating costs	4,116,453	-	4,116,453	4,230,031
Program costs	10,948,583	-	10,948,583	13,944,553
TOTAL EXPENSES	<u>15,065,036</u>	<u>-</u>	<u>15,065,036</u>	<u>18,174,584</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>(686,104)</u>	<u>846,724</u>	<u>160,620</u>	<u>2,297,713</u>
NONOPERATING ACTIVITIES				
Investment income	167,495	65,430	232,925	361,940
TOTAL NONOPERATING ACTIVITIES	<u>167,495</u>	<u>65,430</u>	<u>232,925</u>	<u>361,940</u>
CHANGE IN NET ASSETS	<u>(518,609)</u>	<u>912,154</u>	<u>393,545</u>	<u>2,659,653</u>
NET ASSETS, BEGINNING OF YEAR, RESTATED	<u>4,154,144</u>	<u>6,734,176</u>	<u>10,888,320</u>	<u>8,228,667</u>
NET ASSETS, END OF YEAR	<u>\$ 3,635,535</u>	<u>\$ 7,646,330</u>	<u>\$ 11,281,865</u>	<u>\$ 10,888,320</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, 2025
(With Summarized Totals for 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	\$ 645,496	\$ 759,408	\$ 265,793	\$ 1,670,697	\$ 873,319	\$ 455,644	\$ 75,941
Employee health and retirement benefits	98,399	103,085	37,485	238,969	56,228	56,228	9,371
Payroll taxes	57,436	60,172	21,881	139,489	32,821	32,821	5,470
Total Salaries and Related Expenses	801,331	922,665	325,159	2,049,155	962,368	544,693	90,782
Bank and credit card fees	-	35,758	11,919	47,677	-	-	-
Campaign expenses and publications	20,956	30,156	-	51,112	-	-	-
Depreciation	315,290	246,080	53,830	615,200	153,800	-	-
Distributions to agencies	-	-	-	-	1,395,680	2,736,919	-
Equipment rentals and repairs	-	8,465	2,116	10,581	-	-	-
Fundraising events	22,368	-	-	22,368	-	-	-
Membership and subscriptions	19,384	174,452	-	193,836	-	-	-
Occupancy	17,417	231,403	-	248,820	-	-	-
Postage and shipping	-	-	1,317	1,317	-	-	-
Professional service and contract payments	158,374	440,188	14,992	613,554	152,135	144,232	-
Supplies	46,821	57,225	3,228	107,274	114,470	182,081	53,978
Technology charge	44,511	52,366	18,328	115,205	70,694	31,420	5,237
Telecommunications	3,160	15,802	-	18,962	3,160	3,160	3,160
Travel, training, and meetings	1,992	19,400	-	21,392	19,608	14,747	-
TOTAL EXPENSES	<u>\$ 1,451,604</u>	<u>\$ 2,233,960</u>	<u>\$ 430,889</u>	<u>\$ 4,116,453</u>	<u>\$ 2,871,915</u>	<u>\$ 3,657,252</u>	<u>\$ 153,157</u>

(Continued on next page.)

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(With Summarized Totals for 2024)

	Financial Stability and Empowerment	Delaware Remains Just (as) Committed	Delaware 2-1-1 Program	Total Program Costs	Totals	
					2025	2024
EXPENSES						
Salaries	\$ 569,556	\$ 151,882	\$ 476,935	\$ 2,603,277	\$ 4,273,974	\$ 4,518,842
Employee health and retirement benefits	89,028	18,743	34,762	264,360	503,329	735,854
Payroll taxes	51,966	10,940	84,924	218,942	358,431	359,705
Total Salaries and Related Expenses	710,550	181,565	596,621	3,086,579	5,135,734	5,614,401
Bank and credit card fees	-	-	-	-	47,677	51,502
Campaign expenses and publications	-	-	8,273	8,273	59,385	47,589
Depreciation	-	-	508	154,308	769,508	478,932
Distributions to agencies	1,910,455	-	-	6,043,054	6,043,054	8,147,401
Equipment rentals and repairs	-	-	-	-	10,581	15,550
Fundraising events	-	-	-	-	22,368	41,737
In-kind services	-	-	-	-	-	770,856
Membership and subscriptions	-	-	-	-	193,836	186,877
Occupancy	-	-	-	-	248,820	365,834
Postage and shipping	-	-	-	-	1,317	119
Professional service and contract payments	217,907	-	405,532	919,806	1,533,360	1,295,769
Supplies	62,427	-	47,467	460,423	567,697	400,856
Technology charge	39,275	-	58,833	205,459	320,664	664,227
Telecommunications	3,162	-	-	12,642	31,604	38,239
Travel, training, and meetings	11,638	-	12,046	58,039	79,431	54,695
TOTAL EXPENSES	<u>\$ 2,955,414</u>	<u>\$ 181,565</u>	<u>\$ 1,129,280</u>	<u>\$ 10,948,583</u>	<u>\$ 15,065,036</u>	<u>\$ 18,174,584</u>

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

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 393,545	\$ 2,659,653
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	769,508	478,932
Provision for uncollectible pledges	1,615,025	810,000
Net unrealized and realized (gains) losses on investments	(174,301)	(165,684)
(Increase) Decrease in accounts receivable	579,695	1,347,893
(Increase) Decrease in pledges receivable	(719,042)	(637,109)
(Increase) Decrease in prepaid expenses	63,932	(96,403)
Increase (Decrease) in distributions payable to agencies	(316,633)	(1,082,230)
Increase (Decrease) in accounts payable and accrued expenses	(538,740)	(169,265)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,672,989</u>	<u>3,145,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for building and equipment	(1,435,977)	(1,971,875)
Purchase of investments	(48,886)	(34,694)
Proceeds from sales of investments	295,983	1,065,898
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,188,880)</u>	<u>(940,671)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	484,109	2,205,116
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,721,837</u>	<u>516,721</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 3,205,946</u></u>	<u><u>\$ 2,721,837</u></u>
NONCASH INVESTING ACTIVITY:		
Building and equipment acquisitions in accounts payable and accrued expenses	<u><u>\$ 452,700</u></u>	<u><u>\$ 1,013,601</u></u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Income taxes paid	<u><u>\$ -</u></u>	<u><u>\$ -</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% 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 years ended June 30, 2025 and 2024 were \$3,952,424 and \$4,155,307, respectively.

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, 2025 and 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 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

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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.

Reclassifications

Certain reclassifications have been made to the June 30, 2024 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

NOTE 3 PLEDGES RECEIVABLE

Prior Year Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

	<u>2025</u>	<u>2024</u>
Pledges receivable related to current campaign	\$ 2,950,099	\$ 2,947,506
Pledges receivable related to prior campaign	739,353	2,078,254
Pledges receivable - State Employee Combined Campaign	138,019	155,694
Allowance for uncollectible pledges	<u>(352,000)</u>	<u>(810,000)</u>
Total Pledges Receivable, Net	<u>\$ 3,475,471</u>	<u>\$ 4,371,454</u>

For the years ended June 30, 2025 and 2024, the Organization did not receive pledges from prior year campaigns that were previously written off.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 INVESTMENTS

Investment portfolios consist of the following:

	<u>2025</u>	<u>2024</u>
Delaware Community Foundation Investment Pool	\$ 1,278,384	\$ 1,214,148
U.S. Treasuries	136,676	170,977
Equities	337,021	417,480
Exchange traded funds	14,928	25,917
Money market funds	3,056	2,397
Fixed income	95,033	111,389
Real estate investment trust	4,414	-
	<u>\$ 1,869,512</u>	<u>\$ 1,942,308</u>

Investment income consists of the following:

	<u>2025</u>	<u>2024</u>
Dividends and interest, net of fees	\$ 58,624	\$ 196,256
Net unrealized and realized gains (losses)	174,301	165,684
	<u>\$ 232,925</u>	<u>\$ 361,940</u>

NOTE 5 BUILDING AND EQUIPMENT

Building and equipment consisted of the following:

	<u>2025</u>	<u>2024</u>
Building and improvements	\$ 10,180,044	\$ 8,321,981
Equipment, furniture, and fixtures	1,585,790	1,555,176
	11,765,834	9,877,157
Less: accumulated depreciation	(5,359,712)	(4,590,204)
	<u>\$ 6,406,122</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 6% of base salary.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 RETIREMENT PLAN (cont'd)

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 \$58,770 and \$110,435 for the years ended June 30, 2025 and 2024, respectively. 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 as a part of the College and Career Success program valued and reflected in the financial statements at \$0 and \$770,856 for the years ended June 30, 2025 and 2024, respectively.

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

Net assets without donor restrictions consisted of the following:

	<u>2025</u>	<u>2024</u>
Building and equipment, net (see Note 5)	\$ 6,406,122	\$ 5,286,953
Endowment (see Note 9)	1,278,384	1,214,148
Other Board-designated	669,679	669,679
Undesignated deficit	<u>(4,718,650)</u>	<u>(3,016,636)</u>
	<u>\$ 3,635,535</u>	<u>\$ 4,154,144</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.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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 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 years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Endowment net assets, beginning of year	\$ 1,214,148	\$ 1,170,304
Investment income	15,708	12,966
Net (depreciation) appreciation	127,313	121,776
Distributions	<u>(78,785)</u>	<u>(90,898)</u>
Endowment net assets, end of year	<u>\$ 1,278,384</u>	<u>\$ 1,214,148</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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Time restrictions	\$ 318,823	\$ 319,323
Purpose restrictions	<u>7,327,507</u>	<u>6,414,853</u>
	<u>\$ 7,646,330</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:

	<u>2025</u>	<u>2024</u>
Passage of time restrictions	<u>\$ 500</u>	<u>\$ 500</u>
Program restrictions	<u>\$ 8,700,655</u>	<u>\$ 12,192,112</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

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 FAIR VALUE MEASUREMENTS (cont'd)

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, 2025 and 2024 are as follows:

<u>June 30, 2025</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Fixed income	\$ 95,033	\$ 95,033	\$ -
Equities	337,021	337,021	-
Money market funds	3,056	3,056	-
U.S. Treasuries	136,676	136,676	-
Exchange-traded funds	14,928	14,928	-
Real estate investment trust	4,414	4,414	-
Delaware Community Foundation Investment Pool	<u>1,278,384</u>	<u>-</u>	<u>1,278,384</u>
Total	<u>\$ 1,869,512</u>	<u>\$ 591,128</u>	<u>\$ 1,278,384</u>
<u>June 30, 2024</u>	<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 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.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 FAIR VALUE MEASUREMENTS (cont'd)

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 table presents the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditures within one year because of donor-imposed restrictions and Board designations.

	<u>2025</u>	<u>2024</u>
Financial assets, at year end	\$ 8,901,067	\$ 9,676,309
Less unavailable for general expenditures within one year due to:		
Purpose restrictions	7,327,507	6,414,853
Time restrictions	318,823	319,323
Board designations	<u>1,948,063</u>	<u>1,883,827</u>
Financial assets available to meet cash needs for general expenditures within one year	(693,326)	1,058,306
Board-designated funds potentially available through Board action	<u>1,948,063</u>	<u>1,883,827</u>
Financial assets potentially available following release of all Board designations	<u><u>\$ 1,254,737</u></u>	<u><u>\$ 2,942,133</u></u>

The Organization maintains board-designated funds totaling \$1,948,063 and \$1,883,827 at June 30, 2025 and 2024, respectively, consisting of a board-designated endowment fund of \$1,278,384 and \$1,214,148, respectively, and other board-designated funds of \$669,679 and \$669,679, respectively. These funds are classified as net assets without donor restrictions. The Board of Directors retains the authority to modify or remove these designations and authorize the use of the funds for general operating purposes, subject to any applicable contractual limitations. Although these funds are excluded from the initial calculation of financial assets available for general expenditures under existing Board designations, they represent an additional source of financial resources that may be made available through Board action.

The Organization manages its liquidity by monitoring cash flows, aligning expenditures with the timing of donor-restricted funding, and maintaining access to board-designated financial resources. In addition, the Organization maintains a \$1,000,000 revolving line of credit with PNC Bank, which had no outstanding borrowings as of June 30, 2025 and 2024.

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

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, 2025 was \$23,400 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%.

Future lease payments are as follows:

<u>Year Ended June 30,</u>	
2026	\$ 23,400
2027	23,400
2028	23,400
2029	11,700
Discount	<u>(5,500)</u>
	<u>\$ 76,400</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, 2025). Outstanding amounts will be due on demand. There were no draws against the line of credit as of June 30, 2025.

NOTE 16 RESTATEMENT OF PRIOR YEAR BALANCES

During the year ended June 30, 2025, it was discovered that \$1,700,000 in campaign revenue and \$289,540 in distributions payable to agencies was recorded in error, and the comparative 2024 data in the statements of financial position and activities was restated to adjust pledges receivable, net, distributions payable to agencies and net assets without donor restrictions and the statement of activities was restated to adjust annual campaign revenue. As a result, the prior year assets were overstated by \$1,700,000, liabilities were overstated by \$289,540, and net assets and annual campaign revenues were overstated by \$1,410,460.

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 RESTATEMENT OF PRIOR YEAR BALANCES (cont'd)

The effect of that error correction in the prior year resulted in adjustments to and restatements of 2024 amounts on the statements of financial position as follows:

	06/30/2024 as Previously Reported	Error Correction	06/30/2024 as Restated
Assets:			
Pledges receivable, net	\$ 6,071,454	\$ (1,700,000)	\$ 4,371,454
Total Assets	<u>16,917,443</u>	<u>(1,700,000)</u>	<u>15,217,443</u>
Liabilities:			
Distributions payable to agencies	2,033,695	(289,540)	1,744,155
Total Liabilities	<u>4,618,663</u>	<u>(289,540)</u>	<u>4,329,123</u>
Net Assets:			
Without donor restrictions	5,564,604	(1,410,460)	4,154,144
Total Net Assets	<u>12,298,780</u>	<u>(1,410,460)</u>	<u>10,888,320</u>
Total Liabilities and Net Assets	<u>\$ 16,917,443</u>	<u>\$ (1,700,000)</u>	<u>\$ 15,217,443</u>

The effect of that error correction in the prior year resulted in adjustments to and restatements of 2024 amounts on the statement of activities as follows:

	06/30/2024 as Previously Reported	Error Correction	06/30/2024 as Restated
Change in net assets from operating activities	\$ 3,708,173	\$ (1,410,460)	\$ 2,297,713
Change in net assets	<u>4,070,113</u>	<u>(1,410,460)</u>	<u>2,659,653</u>
Net assets, end of year	<u>\$ 12,298,780</u>	<u>\$ (1,410,460)</u>	<u>\$ 10,888,320</u>

NOTE 17 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through September 25, 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, 2025

	United Way of Delaware, Inc.	Delaware Helpline, Inc.	Eliminations	Consolidated Totals
ASSETS				
Cash and cash equivalents	\$ 3,107,794	\$ 98,152	\$ -	\$ 3,205,946
Pledges receivable, net	3,475,471	-	-	3,475,471
Accounts receivable	261,664	452,345	(363,871)	350,138
Investments, at fair value	1,869,512	-	-	1,869,512
Prepaid expenses	87,117	6,762	-	93,879
Building and equipment, net of accumulated depreciation	6,406,122	-	-	6,406,122
Operating right-of-use assets	76,400	-	-	76,400
TOTAL ASSETS	\$ 15,284,080	\$ 557,259	\$ (363,871)	\$ 15,477,468
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Distributions payable to agencies	\$ 1,427,522	\$ -	\$ -	\$ 1,427,522
Accounts payable and accrued expenses	2,988,694	66,858	(363,871)	2,691,681
Operating lease liabilities	76,400	-	-	76,400
Total Liabilities	4,492,616	66,858	(363,871)	4,195,603
NET ASSETS:				
Without donor restrictions	3,145,134	490,401	-	3,635,535
With donor restrictions	7,646,330	-	-	7,646,330
Total Net Assets	10,791,464	490,401	-	11,281,865
TOTAL LIABILITIES AND NET ASSETS	\$ 15,284,080	\$ 557,259	\$ (363,871)	\$ 15,477,468

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	United Way of Delaware, Inc.		Delaware Helpline, Inc.		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Eliminations	Consolidated Totals
CAMPAIGN RESULTS					
Annual Campaign	\$ 8,107,321	\$ 445,442	\$ -	\$ -	\$ 8,552,763
Less: amounts raised on behalf of others	(3,296,269)	(656,155)	-	-	(3,952,424)
	<u>\$ 4,811,052</u>	<u>\$ (210,713)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,600,339</u>
PUBLIC SUPPORT AND REVENUE					
Campaign Public Support:					
Annual Campaign	\$ 4,811,052	\$ (210,713)	\$ -	\$ -	\$ 4,600,339
Contributions released from restrictions	-	-	-	-	-
Total Annual Campaign	4,811,052	(210,713)	-	-	4,600,339
Less: provision for uncollectible pledges	(1,615,025)	-	-	-	(1,615,025)
Total Campaign Public Support	3,196,027	(210,713)	-	-	2,985,314
Grant revenue	-	8,158,592	1,309,484	(5,421)	9,462,655
State of Delaware capital grant	-	1,600,000	-	-	1,600,000
In-kind contributions	-	-	62,205	(62,205)	-
Net assets released from restrictions	8,701,155	(8,701,155)	-	-	-
Total Public Support	<u>11,897,182</u>	<u>846,724</u>	<u>1,371,689</u>	<u>(67,626)</u>	<u>14,047,969</u>
Revenue:					
Administrative fees on amounts raised on behalf of others	165,630	-	-	-	165,630
Other	663,967	-	-	-	663,967
Employee retention credit	348,090	-	-	-	348,090
Unemployment revenue	-	-	-	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	<u>13,074,869</u>	<u>846,724</u>	<u>1,371,689</u>	<u>(67,626)</u>	<u>15,225,656</u>
EXPENSES					
Campaign operating costs	4,116,453	-	-	-	4,116,453
Program costs	9,824,724	-	1,191,485	(67,626)	10,948,583
TOTAL EXPENSES	<u>13,941,177</u>	<u>-</u>	<u>1,191,485</u>	<u>(67,626)</u>	<u>15,065,036</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>(866,308)</u>	<u>846,724</u>	<u>180,204</u>	<u>-</u>	<u>160,620</u>
NONOPERATING ACTIVITIES					
Investment income	167,495	65,430	-	-	232,925
Total Nonoperating Activities	<u>167,495</u>	<u>65,430</u>	<u>-</u>	<u>-</u>	<u>232,925</u>
CHANGE IN NET ASSETS	<u>(698,813)</u>	<u>912,154</u>	<u>180,204</u>	<u>-</u>	<u>393,545</u>
NET ASSETS, BEGINNING OF YEAR, RESTATED	<u>3,843,947</u>	<u>6,734,176</u>	<u>310,197</u>	<u>-</u>	<u>10,888,320</u>
NET ASSETS, END OF YEAR	<u>\$ 3,145,134</u>	<u>\$ 7,646,330</u>	<u>\$ 490,401</u>	<u>\$ -</u>	<u>\$ 11,281,865</u>

UNITED WAY OF DELAWARE, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	United Way of Delaware, Inc.	Delaware Helpline, Inc.	Eliminations	Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 213,341	\$ 180,204	\$ -	\$ 393,545
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation	769,000	508	-	769,508
Provision for uncollectible pledges	1,615,025	-	-	1,615,025
Net unrealized and realized (gains) losses on investments	(174,301)	-	-	(174,301)
(Increase) Decrease in accounts receivable	260,567	(44,743)	363,871	579,695
(Increase) Decrease in pledges receivable	(719,042)	-	-	(719,042)
(Increase) Decrease in prepaid expenses	62,582	1,350	-	63,932
Increase (Decrease) in distributions payable to agencies	(316,633)	-	-	(316,633)
Increase (Decrease) in accounts payable and accrued expenses	(114,959)	(59,910)	(363,871)	(538,740)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,595,580	77,409	-	1,672,989
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash paid for building and equipment	(1,435,977)	-	-	(1,435,977)
Purchase of investments	(48,886)	-	-	(48,886)
Proceeds from sales of investments	295,983	-	-	295,983
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,188,880)	-	-	(1,188,880)
NET CHANGE IN CASH AND CASH EQUIVALENTS	406,700	77,409	-	484,109
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,701,094	20,743	-	2,721,837
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,107,794	\$ 98,152	\$ -	\$ 3,205,946
NONCASH INVESTING ACTIVITY:				
Building and equipment acquisitions in accounts payable and accrued expenses	\$ 452,700	\$ -	\$ -	\$ 452,700
SUPPLEMENTAL INFORMATION:				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -