



**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
AUGUST 31, 2025 AND 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way of Southern Chester County  
Kennett Square, Pennsylvania

### **Opinion**

We have audited the accompanying financial statements of United Way of Southern Chester County (a nonprofit corporation), which comprise the statements of financial position as of August 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Southern Chester County as of August 31, 2025 and 2024 and the changes in its net assets, and its cash flows for the years 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. 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 Southern Chester County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with

generally accepted 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of allocations to agencies on page 24 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*Umholtz, Wilczek & Associates, P.C.*

Kennett Square, Pennsylvania  
December 3, 2025

**UNITED WAY OF SOUTHERN CHESTER COUNTY**

**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2025 AND 2024**

<b>ASSETS</b>	<b>2025</b>	<b>2024</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 920,684	\$ 514,039
Pledges receivable, net	172,502	219,154
Prepaid expenses	<u>3,384</u>	<u>6,952</u>
<b>TOTAL CURRENT ASSETS</b>	<b>1,096,570</b>	<b>740,145</b>
Investments	187,913	645,047
Property and equipment, net	<u>-</u>	<u>69</u>
Operating lease right-of-use assets	63,539	79,050
Security deposit	<u>1,525</u>	<u>1,525</u>
<b>TOTAL ASSETS</b>	<b>\$ 1,349,547</b>	<b>\$ 1,465,836</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 837	\$ 1,327
Accrued expenses	15,641	22,096
Allocations payable to agencies	650,000	750,000
Donor designated payable	6,251	3,981
Operating lease liabilities, current portion	<u>16,056</u>	<u>18,392</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>688,785</b>	<b>795,796</b>
Operating lease liabilities, net of current portion	<u>48,134</u>	<u>60,844</u>
<b>TOTAL LIABILITIES</b>	<b>736,919</b>	<b>856,640</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Unrestricted	424,715	(98,175)
Board designated	<u>-</u>	<u>477,046</u>
Total without donor restrictions	<u>424,715</u>	<u>378,871</u>
With donor restrictions	<u>187,913</u>	<u>230,325</u>
<b>TOTAL NET ASSETS</b>	<b>612,628</b>	<b>609,196</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,349,547</b>	<b>\$ 1,465,836</b>

**UNITED WAY OF SOUTHERN CHESTER COUNTY**

**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

	<b>2025</b>		
	Without Donor Restrictions	With Donor Restrictions	Totals
<b>PUBLIC SUPPORT AND REVENUES</b>			
Campaign contributions	\$ 883,872	\$ -	\$ 883,872
Less: donor designations	(8,287)	-	(8,287)
Less: collection losses	(32,171)	-	(32,171)
Total campaign contributions	<u>843,414</u>	-	843,414
Fundraising events, net of direct costs of \$11,822	34,129	-	34,129
Investment income	94,075	17,233	111,308
Net assets released from restrictions	<u>59,645</u>	<u>(59,645)</u>	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>1,031,263</b>	<b>(42,412)</b>	<b>988,851</b>
<b>EXPENSES</b>			
Distributions to agencies	650,000	-	650,000
Program services	230,527	-	230,527
Management and general	103,341	-	103,341
Fundraising	<u>1,551</u>	-	<u>1,551</u>
<b>TOTAL EXPENSES</b>	<b>985,419</b>	<b>-</b>	<b>985,419</b>
<b>CHANGE IN NET ASSETS</b>	<b>45,844</b>	<b>(42,412)</b>	<b>3,432</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>378,871</b>	<b>230,325</b>	<b>609,196</b>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 424,715</u></b>	<b><u>\$ 187,913</u></b>	<b><u>\$ 612,628</u></b>

**UNITED WAY OF SOUTHERN CHESTER COUNTY**

**STATEMENTS OF ACTIVITIES**  
FOR THE YEAR ENDED AUGUST 31, 2024

	<b>2024</b>		
	Without Donor Restrictions	With Donor Restrictions	Totals
<b>PUBLIC SUPPORT AND REVENUES</b>			
Campaign contributions	\$ 910,101	\$ 50,000	\$ 960,101
Less: donor designations	(32,177)	-	(32,177)
Less: collection losses	(11,063)	-	(11,063)
Total campaign contributions	<u>866,861</u>	<u>50,000</u>	<u>916,861</u>
Endowment donations	3,156	-	3,156
Fundraising events, net of direct costs of \$27,713	47,991	-	47,991
Miscellaneous income	298	-	298
Investment income	108,169	29,071	137,240
Net assets released from restrictions	<u>8,917</u>	<u>(8,917)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>1,035,392</b>	<b>70,154</b>	<b>1,105,546</b>
<b>EXPENSES</b>			
Distributions to agencies	750,000	-	750,000
Program services	212,247	-	212,247
Management and general	120,360	-	120,360
Fundraising	<u>6,878</u>	<u>-</u>	<u>6,878</u>
<b>TOTAL EXPENSES</b>	<b><u>1,089,485</u></b>	<b><u>-</u></b>	<b><u>1,089,485</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>(54,093)</b>	<b>70,154</b>	<b>16,061</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>432,964</b>	<b>160,171</b>	<b>593,135</b>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 378,871</u></b>	<b><u>\$ 230,325</u></b>	<b><u>\$ 609,196</u></b>

**UNITED WAY OF SOUTHERN CHESTER COUNTY**

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2025**

	<b>2025</b>			
	Program Services	Management and General	Fundraising	Totals
<b>COMPENSATION RELATED</b>				
Salaries	\$ 111,888	\$ 61,517	\$ 1,030	\$ 174,435
Payroll taxes	8,990	4,943	83	14,016
Employee benefits	11,780	6,477	108	18,365
<b>TOTAL COMPENSATION RELATED</b>	<b>132,658</b>	<b>72,937</b>	<b>1,221</b>	<b>206,816</b>
Advertising	312	-	-	312
Bank processing fees	1,372	12	-	1,384
Dues and memberships	6,138	3,121	48	9,307
Depreciation	-	69	-	69
Events	42,853	291	-	43,144
Insurance	2,673	1,470	25	4,168
Lease expense	12,096	6,651	111	18,858
Office supplies	-	134	-	134
Postage	2,361	421	-	2,782
Printing	5,043	340	6	5,389
Professional fees	15,314	12,558	51	27,923
Repairs and maintenance	107	59	1	167
Technology	6,241	3,431	57	9,729
Telephone and internet	1,518	835	14	2,367
Travel	896	493	8	1,397
Utilities	945	519	9	1,473
<b>TOTAL EXPENSES</b>	<b>\$ 230,527</b>	<b>\$ 103,341</b>	<b>\$ 1,551</b>	<b>\$ 335,419</b>

**UNITED WAY OF SOUTHERN CHESTER COUNTY**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

	<b>2024</b>			
	Program Services	Management and General	Fundraising	Totals
<b>COMPENSATION RELATED</b>				
Salaries	\$ 124,991	\$ 73,086	\$ 4,694	\$ 202,771
Payroll taxes	10,339	6,045	388	16,772
Employee benefits	15,097	8,827	567	24,491
<b>TOTAL COMPENSATION RELATED</b>	<b>150,427</b>	<b>87,958</b>	<b>5,649</b>	<b>244,034</b>
Advertising	1,947	-	-	1,947
Bank processing fees	1,158	-	-	1,158
Dues and memberships	5,999	3,519	210	9,728
Depreciation	-	334	-	334
Events	2,740	203	-	2,943
Insurance	2,657	1,554	100	4,311
Lease expense	11,364	6,645	427	18,436
Office supplies	267	988	-	1,255
Postage	630	315	-	945
Printing	4,651	-	-	4,651
Professional fees	14,007	11,096	-	25,103
Repairs and maintenance	280	163	10	453
Technology	9,439	5,520	354	15,313
Telephone and internet	1,981	1,158	75	3,214
Travel	4,700	907	53	5,660
<b>TOTAL EXPENSES</b>	<b>\$ 212,247</b>	<b>\$ 120,360</b>	<b>\$ 6,878</b>	<b>\$ 339,485</b>

**UNITED WAY OF SOUTHERN CHESTER COUNTY**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 3,432	\$ 16,061
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	69	334
Change in allowance for collection losses	(1,735)	(5,792)
Net realized and unrealized gains on investments	(81,545)	(102,814)
Donations of marketable securities	(47,266)	(37,803)
Noncash operating lease expense	15,511	(79,050)
(Acrease) decrease in operating assets:		
Pledges receivable	48,387	(69,816)
Prepaid expenses	3,568	(1,736)
Security deposit	-	(725)
Accrued interest	-	30
Increase (decrease) in operating liabilities:		
Accounts payable	(490)	(4,403)
Accrued expenses	(6,455)	5,195
Allocations payable to agencies	(100,000)	-
Operating lease liability	(15,046)	79,236
Donor designated payable	2,270	2,602
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(179,300)</b>	<b>(198,681)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(14,553)	(25,877)
Proceeds from sale of investments	600,498	98,421
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>585,945</b>	<b>72,544</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>406,645</b>	<b>(126,137)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>514,039</b>	<b>640,176</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 920,684</b>	<b>\$ 514,039</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Noncash recognition of new operating lease (ASC 842)	<b>\$ -</b>	<b>\$ 84,052</b>

## UNITED WAY OF SOUTHERN CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

#### **NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### Nature of Organization

The United Way of Southern Chester County (the “Organization”) is dedicated to improving the quality of life in southern Chester County by mobilizing society’s capacity to care. As a nonprofit, the Organization is a unique partnership that involves donors including staff, volunteers, businesses, 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 engages in a fall fund-raising campaign to raise funds for member agencies, as well as other 501(c)(3) organizations. The Organization focuses community attention on the most critical human needs in southern Chester County, as well as addressing both the symptoms and the root cause of southern Chester County’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 the donors to designate their gifts for 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.

##### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### Financial Statement Presentation

Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-10-65-1, the Organization is required to report information regarding its financial position and activities according to two mutually exclusive classes according to the existence or absence of donor-imposed restrictions. See Net Assets with Donor Restrictions and Net Assets without Donor Restrictions.

**UNITED WAY OF SOUTHERN CHESTER COUNTY****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024****NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Cont'd)**Net Assets with Donor Restrictions

Net assets with donor restrictions is the part of net assets of the Organization that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

Net Assets without Donor Restrictions

Net assets without donor restrictions is the part of net assets of the Organization that is not subject to donor-imposed restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all liquid investments with an original maturity of three months or less to be cash equivalents.

Pledges Receivable

Unconditional pledges to give are recognized as revenues at estimated fair value in the period in which notification of such pledge is received. Unconditional pledges to give due in one year or less are recorded at their net realizable value. Unconditional pledges to give due in more than one year are recorded at the present value of estimated future cash flows using a risk-free rate of return on the date of donation. Conditional pledges to give are recognized when the conditions on which they depend are substantially met.

**UNITED WAY OF SOUTHERN CHESTER COUNTY****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024****NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Cont'd)**Allowance for Uncollectible Pledges

Pledges receivable are stated net of allowance for uncollectible pledges. Allowances for uncollectible pledges are reviewed and estimated by management annually using a three-year average. At year end, a final accounting is made of the prior year's campaign. Pledges receivable related to the prior year campaign that have not been realized are determined to be uncollectible and are written off against the allowance.

Investments

Investments in marketable securities with readily determinable fair values are carried at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized.

Donor-Restricted Endowment Fund

A Donor-Restricted Endowment Fund is an endowment fund that is created by a donor stipulation requiring investment of the gift in perpetuity or for a specified term. Some donors or laws may require that a portion of income, gains or both be added to the gift and invested subject to similar restrictions. The Organization's endowment fund is managed by the Chester County Community Foundation. Up to 5% of the investment value at year end may be used to fund the ongoing future operations of the Organization.

Property and Equipment

Property and equipment are stated at cost. Major renewals and improvements over \$5,000 are capitalized while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed. Depreciation is computed under the straight-line method over estimated useful lives of 3-7 years for furniture and equipment.

**UNITED WAY OF SOUTHERN CHESTER COUNTY****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024****NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Cont'd)****Revenue Recognition**

Contributions, bequests, and gifts are recognized on receipt and formal acceptance by the Organization. Grant revenues are recognized when received or when spent, whichever occurs first. Revenue from fundraising events is recognized as earned having applicable costs concurrently recognized. Interest and investment income is recognized as earned.

The Organization recognizes revenue when it satisfies a performance obligation by transferring control of a promised good or service to the customer. The Organization's principal activity resulting in contracts with customers is fundraising events.

The Organization recognizes revenue from fundraising events in the period the goods and services are provided. The performance obligation related to fundraising events is to provide the customer with the access to the event on a specified date. The transaction price is based on published rates.

Because the benefit received from fundraising events has an original expected duration of one year or less, the Organization has elected the practical expedient and not disclosed the value of unsatisfied performance obligations and expected timing for completion related to the revenue.

**Donated Materials and Services**

Contributions of tangible assets and materials are recognized at fair market value on the date of donation.

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization. Accounting standards require that only volunteer services that (1) create or enforce long-lived assets, or (2) require specialized skills provided by individuals possessing those skills that would typically need to be purchased if not donated, must be recorded. The value of these services does not meet these requirements. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

**UNITED WAY OF SOUTHERN CHESTER COUNTY****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024****NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Cont'd)**Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$312 and \$1,947, respectively, for the years ended August 31, 2025 and 2024.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the lease payments over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Allocation of Functional Expenses

The costs of providing the program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between the program and supporting services. Fundraising expenses are costs related to development and other fundraising efforts. Management and general expenses are costs directly related to the overall operation of the Organization, but are not associated with program or fundraising services. Certain management and general expenses, such as payroll and related costs, occupancy, and insurance, are allocated to program and fundraising services based on the usage of employees' time and other resources available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. The Organization is not a private foundation.

## UNITED WAY OF SOUTHERN CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

#### **NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

##### Date of Management's Review

Management has evaluated those events and transactions that occurred after the statement of financial position date of August 31, 2025 through December 3, 2025, the date the financial statements were available to be issued, and determined there were no other items to be disclosed.

#### **NOTE 2 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of August 31, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditures such as operating expenses were as follows:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 920,684	\$ 514,039
Pledges receivable	172,502	219,154
Less: donor restricted financial assets	-	(50,000)
Total financial assets available within one year	<u>\$ 1,093,186</u>	<u>\$ 683,193</u>

At August 31, 2025 and 2024, the Organization had \$1,093,186 and \$683,193, respectively, of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. The Organization has a policy to structure its financial assets to be available as its general expenditures and obligations come due. Management evaluates, at least annually, any additional investment or designated reserve options for excess liquidity, based on expected operations.

#### **NOTE 3 – CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK**

The Organization maintains cash balances at several financial institutions. Deposits in each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization's money market accounts are covered under the Securities Investor Protection Corporation (SIPC) up to \$500,000. At times, deposits can be in excess of the insured limit. Cash balances in excess of insured amounts were \$105,941 and \$0, respectively, at August 31, 2025 and 2024.

## UNITED WAY OF SOUTHERN CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

#### **NOTE 4 – PLEDGES RECEIVABLE**

Pledges receivable consisted of the following at August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Pledges receivable related to current campaign	\$ 197,930	\$ 246,317
Allowance for uncollectible pledges	(25,428)	(27,163)
	<u>\$ 172,502</u>	<u>\$ 219,154</u>

Pledges receivable were as follows at August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Gross amounts due in less than one year	<u>\$ 197,930</u>	<u>\$ 246,317</u>

#### **NOTE 5 – INVESTMENTS**

Investments in marketable securities stated at fair value consisted of the following at August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Chester County Community Foundation		
Investment Pool	\$ 187,913	\$ 180,325
Various stocks and ETFs	-	464,722
	<u>\$ 187,913</u>	<u>\$ 645,047</u>

Investment income for the year ended August 31, 2025 is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 26,776	\$ 4,832	\$ 31,608
Net realized gains (losses)			
on investments	67,299	6,887	74,186
Net unrealized gains (losses)			
on investments	-	7,359	7,359
Investment fees	-	(1,845)	(1,845)
	<u>\$ 94,075</u>	<u>\$ 17,233</u>	<u>\$ 111,308</u>

## UNITED WAY OF SOUTHERN CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

#### **NOTE 5 – INVESTMENTS (Cont'd)**

Investment income for the year ended August 31, 2024 is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 31,188	\$ 4,939	\$ 36,127
Net realized gains (losses) on investments	-	2,336	2,336
Net unrealized gains (losses) on investments	76,981	23,497	100,478
Investment fees	<u>-</u>	<u>(1,701)</u>	<u>(1,701)</u>
	<u><u>\$ 108,169</u></u>	<u><u>\$ 29,071</u></u>	<u><u>\$ 137,240</u></u>

#### **NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

In accordance with the Fair Value Measurement Topic of the FASB ASC, assets that are measured at fair value are categorized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to measurements involving significant unobservable inputs. If the inputs used fall within different levels of the hierarchy, the categorization is based upon the lowest level input that is significant to the fair value measurement.

The three levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted market prices for identical assets and liabilities in active markets.
- Level 2 – Unadjusted quoted market prices for similar assets and liabilities in active markets (other than those included in Level 1), which are observable for the asset or liability, either directly or indirectly.
- Level 3 – Significant unobservable inputs for the asset or liability.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable in the market, the determination of fair value requires more judgment.

## UNITED WAY OF SOUTHERN CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

#### **NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Cont'd)**

The following table presents assets that were measured at fair value on a recurring basis at August 31, 2025:

	Level 1	Level 2	Level 3	Total
Chester County Community				
Foundation Investment Pool	\$ -	\$ -	\$ 187,913	\$ 187,913

The following table presents assets that were measured at fair value on a recurring basis at August 31, 2024:

	Level 1	Level 2	Level 3	Total
Chester County Community				
Foundation Investment Pool	\$ -	\$ -	\$ 180,325	\$ 180,325
Exchange-traded funds	464,722	-	-	464,722
	<u>\$ 464,722</u>	<u>\$ -</u>	<u>\$ 180,325</u>	<u>\$ 645,047</u>

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

Changes in Level 3 fair value measurements for the years ended August 31, 2025 and 2024 were as follows:

	2025	2024
Balance at beginning of year	\$ 180,325	\$ 160,171
Dividends	4,832	4,939
Unrealized gain (loss)	7,359	23,497
Realized gain (loss)	6,887	2,336
Grant distribution	(9,645)	(8,917)
Fees	(1,845)	(1,701)
Balance at end of year	<u>\$ 187,913</u>	<u>\$ 180,325</u>

## UNITED WAY OF SOUTHERN CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

#### **NOTE 7 – ENDOWMENT FUNDS**

The Organization's endowment consisted of two individual funds established for a variety of purposes. The endowment included both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

In 2004, the Organization established an endowment fund restricted in perpetuity with the Chester County Community Foundation (the "Foundation") that was funded with contributions designated for an endowment fund. The Foundation endowment fund is governed by its investment policy, investment committee fiduciary structure, and target asset allocation.

The Organization is permitted to spend five percent of the endowment fund each year to provide grants for community nonprofits or for its own operating and capital needs.

In 2014, the Organization created a Board-designated endowment fund held by Vanguard and overseen by the Organization's Finance Committee. Per the Organization's investment policy, the assets of the endowment fund would be invested in a manner intended to maximize the total return of the fund over the long term.

As an operating guideline, the Organization had targeted growth of the combined endowment funds to a total asset level of \$1,500,000 before distributions would be taken to sustain operations.

In 2025, the Organization's Board undesignated the endowment fund held at Vanguard and made the funds available for general operating purposes, including agency allocations. As of August 31, 2025, the endowment fund consisted only of the fund held at the Foundation.

Endowment net asset composition by type of fund as of August 31, 2025 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ <u>        </u> <u>        </u>	\$ <u>187,913</u> <u>                  </u>	\$ <u>187,913</u> <u>                  </u>

## UNITED WAY OF SOUTHERN CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

#### **NOTE 7 – ENDOWMENT FUNDS (Cont'd)**

Endowment net asset composition by type of fund as of August 31, 2024 was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 180,325	\$ 180,325
Board-designated endowment funds	<u>477,046</u>	-	<u>477,046</u>
	<u><u>\$ 477,046</u></u>	<u><u>\$ 180,325</u></u>	<u><u>\$ 657,371</u></u>

Changes in endowment net assets for the year ended August 31, 2025 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, September 1, 2024	\$ 477,046	\$ 180,325	\$ 657,371
Dividends	9,721	4,832	14,553
Unrealized gain (loss)	-	7,359	7,359
Realized gain (loss)	67,299	6,887	74,186
Withdrawals	(554,066)	-	(554,066)
Grant distribution	-	(9,645)	(9,645)
Fees	-	(1,845)	(1,845)
Balance, August 31, 2025	<u><u>\$ -</u></u>	<u><u>\$ 187,913</u></u>	<u><u>\$ 187,913</u></u>

Changes in endowment net assets for the year ended August 31, 2024 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, September 1, 2023	\$ 378,775	\$ 160,171	\$ 538,946
Dividends	9,240	4,939	14,179
Unrealized gain (loss)	76,957	23,497	100,454
Realized gain (loss)	-	2,336	2,336
Deposits	12,074	-	12,074
Grant distribution	-	(8,917)	(8,917)
Fees	-	(1,701)	(1,701)
Balance, August 31, 2024	<u><u>\$ 477,046</u></u>	<u><u>\$ 180,325</u></u>	<u><u>\$ 657,371</u></u>

## UNITED WAY OF SOUTHERN CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

#### **NOTE 8 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Furniture and office equipment	\$ 12,580	\$ 12,580
Less: accumulated depreciation	<u>(12,580)</u>	<u>(12,511)</u>
<b>Property and equipment, net</b>	<b><u>\$ -</u></b>	<b><u>\$ 69</u></b>

Depreciation expense for the years ended August 31, 2025 and 2024 was \$69 and \$334, respectively.

#### **NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were as follows at August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Donor-restricted endowment	\$ 187,913	\$ 180,325
Programs	<u>-</u>	<u>50,000</u>
<b><u>\$ 187,913</u></b>	<b><u>\$ 230,325</u></b>	

Net assets with donor restrictions released during the years ended August 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Change in endowment value	\$ 9,645	\$ 8,917
Programs	<u>50,000</u>	<u>-</u>
<b><u>\$ 59,645</u></b>	<b><u>\$ 8,917</u></b>	

#### **NOTE 10 – BOARD DESIGNATED FUNDS**

In 2014, the Board of Directors established an endowment fund comprised of the investment returns from the donor restricted endowment fund and surplus operating funds. Earnings of this fund were to be used for future needs of the Organization as approved by the Board of Directors. During the year ended August 31, 2025, the Board of Directors undesignated the investment fund held at Vanguard. The funds can now be used for any general operating purpose, including agency allocations. The balances assigned to the Board Designated Endowment Fund were \$0 and \$477,046, respectively, at August 31, 2025 and 2024.

## UNITED WAY OF SOUTHERN CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

#### **NOTE 11 – REVENUE RECOGNITION**

##### Performance Obligations

Revenue and support received for the Organization's fundraisers are comprised of an exchange element based upon the benefits provided to the participants and a contribution element for the portion of the payment received in excess of the participant benefits. The Organization recognizes exchange revenue from its fundraisers at the point in time to which the fundraiser relates. The performance obligation consists of providing participants with an event. Exchange revenues from the Organization's fundraisers are reported as fundraising events in the statement of activities.

The Organization does not have any significant payment terms as payment is received before, during, or shortly after the point in time of the transaction.

##### Disaggregation of Revenue

The disaggregation of the timing of recognizing revenue from contracts with customers for the year ended August 31, 2025 was as follows:

	<u>Point in Time</u>	<u>Over Time</u>	<u>Total</u>
Fundraising events	<u>\$ 45,951</u>	<u>\$ -</u>	<u>\$ 45,951</u>

The disaggregation of the timing of recognizing revenue from contracts with customers for the year ended August 31, 2024 was as follows:

	<u>Point in Time</u>	<u>Over Time</u>	<u>Total</u>
Fundraising events	<u>\$ 75,704</u>	<u>\$ -</u>	<u>\$ 75,704</u>

#### **NOTE 12 – CONCENTRATION OF REVENUE**

Revenue from one donor provided approximately 15% and 16%, respectively, of the Organization's total public support and revenues for the years ended August 31, 2025 and 2024.

**UNITED WAY OF SOUTHERN CHESTER COUNTY****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024****NOTE 13 – DONATED MATERIALS AND SERVICES**

The Organization received donated items to be sold at its annual fundraising auction totaling \$6,008 and \$19,403, respectively, for the years ended August 31, 2025 and 2024. Contributed auction items are valued based on actual retail prices for acquiring similar materials. The value of these items are included in fundraising event revenue and expense on the statements of activities.

Proceeds from auction items sold are recorded at actual amounts received from sale.

**NOTE 14 – OPERATING LEASE COMMITMENT**

The Organization evaluated current contracts to determine which met the criteria of a lease. The operating lease right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the operating lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has utilized a risk-free rate of 4.72% to discount future lease payments.

The Organization had an operating lease for its prior office location. The leasing arrangement commenced June 1, 2021, and expired May 31, 2024. The lease did not provide an option to renew. The payments associated with the lease were not subject to recognition under ASU No. 2016-02, *Leases (Topic 842)*. Lease expense for operating leases not subject to recognition under ASU No. 2016-02, *Leases (Topic 842)* was \$0 and \$12,150, respectively, for the years ended August 31, 2025 and 2024.

In February 2024, the Organization signed an operating lease for its current office location. The leasing arrangement commenced May 1, 2024, and expires April 30, 2029. The lease requires monthly payments of \$1,525 for the first year with a 1.5% increase annually. The current lease does not provide an option to renew. Lease expense for operating leases subject to recognition under ASU No. 2016-02, *Leases (Topic 842)* was \$18,392 and \$6,100, respectively, for the years ended August 31, 2025 and 2024.

## UNITED WAY OF SOUTHERN CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

#### **NOTE 14 – OPERATING LEASE COMMITMENT (Cont'd)**

Future maturities of operating lease liabilities subject to ASU No. 2016-02, *Leases (Topic 842)* are as follows:

For the year ended August 31:

2026	\$ 18,667
2027	18,947
2028	19,232
2029	<u>12,949</u>
Total operating lease payments	69,795
Less: present value discount	<u>(5,605)</u>
<b>Total operating lease obligations</b>	<b>\$ 64,190</b>

#### **NOTE 15 – DEFINED CONTRIBUTION PENSION PLAN**

The Organization has a defined contribution pension plan. The plan covers all full-time employees over the age of 21 who have completed the 60-day probationary period. Upon completion of the 60-day probationary period, the benefit will back-date to the day of hire. The Organization contributes six percent of eligible employees' regular annual salary. Pension plan expenses were \$10,394 and \$12,084, respectively, for the years ended August 31, 2025 and 2024.

**UNITED WAY OF SOUTHERN CHESTER COUNTY**

**SUPPLEMENTARY INFORMATION  
SCHEDULES OF ALLOCATIONS TO AGENCIES  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>DISTRIBUTIONS TO AGENCIES:</b>		
Adult Literacy Program at Kennett Library	\$ 34,180	\$ 34,840
Crime Victims' Center of Chester County, Inc.	19,880	24,100
Domestic Violence Center of Chester County	29,300	30,440
Family Promise of Southern Chester County	13,180	-
Family Service of Chester County	12,700	16,980
Garage Community and Youth Center	68,360	73,160
Girls Spark	3,120	-
Housing Partnership of Chester County	4,880	5,180
Kennett After School Association	19,540	17,720
Kennett Area Community Service	117,200	158,880
Kennett Area Senior Center	12,200	12,360
LCH	76,180	116,760
Maternal and Child Health Consortium	19,040	25,760
Meals on Wheels of Chester County	5,380	5,540
Mighty Writers El Futuro Kennett	9,760	7,260
New London Counceling Center	8,780	12,260
Oxford Area Senior Center	8,780	9,080
Oxford Neighborhood Services Center	51,760	71,940
RSVP	5,860	7,620
SILO	29,300	24,520
Safe Harbor	1,960	-
Tick Tock Early Learning Center	63,500	60,880
The Wardrobe/Wings for Success	5,860	8,200
YoungMoms	<u>29,300</u>	<u>26,520</u>
<b>TOTAL DISTRIBUTIONS TO AGENCIES</b>	<b><u>\$ 650,000</u></b>	<b><u>\$ 750,000</u></b>