

SUSQUEHANNA VALLEY UNITED WAY

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024
AND
INDEPENDENT AUDITOR'S REPORT



McKONLY
& ASBURY

TAX
ASSURANCE
CONSULTING
ACCOUNTING

SUSQUEHANNA VALLEY UNITED WAY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Susquehanna Valley United Way

Opinion

We have audited the financial statements of Susquehanna Valley United Way (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Susquehanna Valley United Way as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Susquehanna Valley United Way 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.

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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 Susquehanna Valley United Way's ability to continue as a going concern for 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

McKonly & Asbury, LLP

Bloomsburg, Pennsylvania
May 15, 2025

SUSQUEHANNA VALLEY UNITED WAY

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

Current assets	
Cash	\$ 836,295
Pledges receivable, net	129,746
Grants receivable	29,580
Other receivables	23,796
Prepaid expenses	<u>13,663</u>
Total current assets	<u>1,033,080</u>
Non-current assets	
Certificate of deposit	253,967
Property and equipment, net	<u>423,167</u>
Total non-current assets	<u>677,134</u>
Total assets	<u>\$ 1,710,214</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 55,006
Accrued payroll and payroll taxes	<u>17,724</u>
Total current liabilities	<u>72,730</u>
Net assets	
Without donor restrictions	392,352
With donor restrictions	<u>1,245,132</u>
Total net assets	<u>1,637,484</u>
Total liabilities and net assets	<u>\$ 1,710,214</u>

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

SUSQUEHANNA VALLEY UNITED WAY

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Grants	\$ 761,735	\$ 702,464	\$ 1,464,199
Contributions of cash and other financial assets	514,147	128,768	642,915
Contributions of nonfinancial assets	28,109	-	28,109
Net investment return	43,939	-	43,939
Miscellaneous income	9,216	-	9,216
Net assets released from restriction	644,420	(644,420)	-
Total revenues and support	2,001,566	186,812	2,188,378
Operational expenses			
Program services	1,759,080	-	1,759,080
Management and general	287,594	-	287,594
Fundraising	122,822	-	122,822
Total operational expenses	2,169,496	-	2,169,496
Change in net assets	(167,930)	186,812	18,882
Net assets, beginning, as previously reported	533,336	1,085,266	1,618,602
Prior period adjustment (Note 1)	26,946	(26,946)	-
Net assets, ending	\$ 392,352	\$ 1,245,132	\$ 1,637,484

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

SUSQUEHANNA VALLEY UNITED WAY

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising	Total
Operational expenses				
Salaries and wages	\$ 763,754	\$ 81,493	\$ 71,145	\$ 916,392
Emergency assistance	393,791	-	-	393,791
Allocations given	384,554	-	-	384,554
Professional fees	34,714	86,157	-	120,871
Payroll taxes	66,576	6,341	6,340	79,257
Employee benefits	52,511	10,094	5,477	68,082
Travel and conferences	35,411	5,088	1,122	41,621
Advertising	2,147	4,294	29,345	35,786
Office expenses	7,340	21,934	3,388	32,662
Utilities	6,603	14,120	2,201	22,924
Dues and licenses	203	20,942	-	21,145
Depreciation	8,707	3,317	1,797	13,821
Office supplies	2,294	9,777	489	12,560
Insurance	-	12,345	-	12,345
Interest expense	-	5,474	-	5,474
Rent expense	475	4,805	-	5,280
Bank fees	-	679	1,518	2,197
Repairs and maintenance	-	734	-	734
	\$ 1,759,080	\$ 287,594	\$ 122,822	\$ 2,169,496
Total expenses	\$ 1,759,080	\$ 287,594	\$ 122,822	\$ 2,169,496

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

SUSQUEHANNA VALLEY UNITED WAY

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

Cash flows from operating activities:	
Change in net assets	\$ 18,882
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	13,821
Changes in assets and liabilities:	
Pledges receivable, net	30,311
Grants receivable	129,129
Employee advance	(1,914)
Other receivables	(21,882)
Prepaid expenses	215
Accounts payable	4,532
Payroll and other current liabilities	<u>(21,697)</u>
Net cash provided by operating activities	<u>151,397</u>
Cash flows from investing activities:	
Proceeds from sales of investments	764,930
Purchase of certificate of deposit	<u>(253,967)</u>
Net cash provided by investing activities	<u>510,963</u>
Cashflows from financing activities:	
Net repayment of demand note payable	<u>(99,006)</u>
Net increase in cash	<u>563,354</u>
Cash, beginning of year	<u>272,941</u>
Cash, end of year	<u>\$ 836,295</u>

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

SUSQUEHANNA VALLEY UNITED WAY

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Susquehanna Valley United Way (the "Organization") is a not-for-profit organization which was incorporated on June 28, 1961. The Organization administers an annual fundraising campaign and uses those funds to support a variety of human service programs in Columbia, Montour, Northumberland, Snyder, and Union Counties. The Organization's major programs are as follows:

Allocation services – The Organization allocates funds raised to support member agencies, non-member agencies, and other area United Ways.

All other programs – The Organization develops and provides program services for member agencies within Columbia, Montour, Northumberland, Snyder, and Union Counties. These program services include grants for health and fitness programs, the pass-through of contributions to support a revolving car loan program, a recovery program for individuals struggling with substance abuse, the payment of testing fees enabling individuals to achieve their GED, and the operation of a volunteer income tax preparation site.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") promulgated in the United States of America for not-for-profit organizations. Net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as reported as follows:

Net assets without donor restrictions- Net assets that are not subject to donor-imposed restrictions. The Board of Directors may, at their discretion, designate funds for specific purposes.

Net assets with donor restrictions- Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. 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. Also included in this category are net assets whose use by the Organization is limited by donor-imposed restrictions that neither expire being used in accordance with a donor's restriction nor by the passage of time. See Note 6.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could vary from those estimates.

SUSQUEHANNA VALLEY UNITED WAY

NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposits, savings deposits, time deposits, and all highly liquid debt instruments with original maturities of three months or less. There were no cash equivalents at June 30, 2024.

Property and Equipment

Property and equipment are stated at cost. The cost and related accumulated depreciation of assets sold or otherwise disposed are removed from the related accounts and the resulting gains or losses are reflected in the statement of activities. Maintenance and repairs are charged to expense as incurred. Renewals and betterments which extend the useful lives of assets are capitalized. Depreciation is provided for utilizing the straight-line method over the estimated useful lives as follows:

Building and improvements	40 years
Furniture and equipment	5 – 10 years

Revenue Recognition

Contributions

Revenue is considered a contribution to the Organization if commensurate value has not been exchanged.

Conditional gifts occur when a barrier has been established by the donor and the donor has a right to be released from the commitment to the Organization. Conditional gifts are not recognized as revenue until the barrier has been overcome and the donor's right of release has been satisfied. Conditional gifts that have been received are reported as refundable advances until the barrier has been overcome.

Unconditional gifts occur when no barrier to recognition exists, or the gift does not include a donor release. These unconditional gifts may continue to carry restrictions on their purpose or application. As such, unconditional gifts may include promises to give and may be included in net assets with donor restrictions or net assets without donor restrictions.

All unconditional contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods, or that are restricted by the donor for specific purposes, are reported as net assets with 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.

SUSQUEHANNA VALLEY UNITED WAY

NOTES TO FINANCIAL STATEMENTS

Contributions/Pledges Receivable – Cash and Other Financial Assets

Philanthropic commitments are recognized as revenues when unconditionally promised, or when a condition on a gift or pledge is met. Outright contributions are recognized as revenue when received. Gifts of investment securities are recorded at their estimated fair value on the date of the gift and subsequently liquidated to cash within the short-term.

All contributions and pledges are reported as without donor restriction unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a donor restriction is met (usually by disbursement of the asset to the benefit of member agencies), net assets with donor restrictions are reported in the statement of activities as net assets released from restriction.

Pledges that are expected to be collected within one year of the statement of financial position date are recorded at face value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated realizable future contribution amounts. The discount rates used to determine present values are interest rates that reflect fair value applicable to the year in which the pledges were received; the amortization of the related discount is subsequently included in contribution revenues. Substantially all pledges at June 30, 2024 are expected to be collected within one year of the statement of financial position date.

The Organization uses a combination of a specific reserve and an estimate of remaining uncollectible accounts to determine the total allowance for uncollectible pledges.

Contributions of Nonfinancial Assets

The Organization periodically receives contributions in a form other than cash or investments. If the Organization receives a gift of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value on the date of the gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as a contribution and an expense at the estimated fair value of similar space for rent under similar conditions. Donated advertising is reported as a contribution and an expense at the estimated fair value of charges that would be incurred for similar types of advertising.

The Organization benefits from personal services provided by a number of volunteers. Contributed services are recognized in the financial statements if they meet the criteria for recognition under GAAP which are (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by the contribution, require specialized skills, and are provided by individuals possessing those skills.

SUSQUEHANNA VALLEY UNITED WAY

NOTES TO FINANCIAL STATEMENTS

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income tax on its exempt income under Section 501(a) of Internal Revenue Code.

The Organization adheres to the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes (ASC 740)*. ASC 740 establishes rules for recognizing and measuring tax positions in an income tax return, including disclosures of uncertain tax positions (UTPs). ASC 740 mandates that organizations evaluate all material income tax positions for periods that remain open under applicable statutes of limitation, as well as positions expected to be taken in future returns. The UTP rules then impose a recognition threshold on each tax position. An organization can recognize an income tax benefit only if the position has a “more likely than not” (i.e. more than 50 percent) chance of being sustained on its technical merits. During 2024, the Organization has taken no material tax positions on its applicable tax filings that do not meet the more likely than not threshold. As a result, no amount for UTPs has been included in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2021.

Advertising Costs

Advertising costs are expensed during the period in which they are incurred and amounted to \$35,786 during the year ended June 30, 2024.

Expense Recognition and Allocation

The cost of providing the Organization’s programs and other activities is summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Salaries and wages and payroll taxes are allocated to the various functions based on management’s analysis of time and effort. All other operational costs are allocated to the various functions based on management’s estimate of the benefit provided to each function.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

SUSQUEHANNA VALLEY UNITED WAY

NOTES TO FINANCIAL STATEMENTS

Prior Period Adjustment

During the prior period, net assets which were designated by the board for the purposes of administering a revolving car loan fund were incorrectly disclosed as a part of net assets with donor restriction. These amounts have been reclassified during the year ended June 30, 2024.

Recently Issued Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (ASC Topic 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of a financial asset using historical experience, current conditions, and reasonable and supportable forecasts. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable. The Organization adopted the new standard using the modified retrospective approach effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures.

Subsequent Events

The Organization has evaluated subsequent events through May 15, 2025 the date the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Certain of the Organization's financial assets are subject to donor restrictions that make them unavailable for general expenditure. To ensure that the Organization maintains adequate resources to comply with these restrictions, restricted assets and unrestricted assets, which consist mainly of cash and pledge receivable, are maintained in separate general ledger accounts.

SUSQUEHANNA VALLEY UNITED WAY

NOTES TO FINANCIAL STATEMENTS

The following presents the Organization's financial assets as of June 30, 2024:

Financial assets at year-end:	
Cash	\$ 836,295
Certificate of deposit	253,967
Pledges receivable, net	129,746
Other receivable	23,796
Grants receivable	<u>29,580</u>
Total financial assets at year-end	1,273,384
Less amounts with limits on usage	
Donor-imposed restrictions	(1,245,132)
Board designated restrictions	<u>(25,090)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 3,162</u></u>

3. PLEDGES RECEIVABLE

The aggregate future amounts of pledges receivable at June 30, 2024, are as follows:

Less than one year	\$ 133,246
Less allowance for uncollectible pledges	<u>3,500</u>
Pledges receivable, net	<u><u>\$ 129,746</u></u>

4. PROPERTY AND EQUIPMENT

The following summarizes the components of property and equipment as of June 30, 2024:

Building and improvements	\$ 486,124
Furniture and equipment	<u>76,070</u>
Total cost	562,194
Less accumulated depreciation	<u>139,027</u>
Property and equipment, net	<u><u>\$ 423,167</u></u>

SUSQUEHANNA VALLEY UNITED WAY

NOTES TO FINANCIAL STATEMENTS

5. DEMAND NOTE PAYABLE

The Organization has available a \$100,000 line of credit with a local bank. The line is secured with real property and has an interest rate equal to the Wall Street Prime rate, 8.50% at June 30, 2024. There was no amount outstanding on the line of credit at June 30, 2024.

6. NET ASSETS WITH DONOR RESTRICTIONS

Substantially all net assets with donor restrictions are considered purpose restricted and consist of the following at June 30:

	<u>2024</u>
Benefit of residents in Union County	\$ 764,670
Degenstein Foundation – education	280,541
Degenstein Foundation – Makerspace	50,370
Appalachian Regional Commission	45,284
DJ Choices	30,000
Community service	20,535
Educational Improvement Tax Credit Program	11,505
Life Unites Us	9,895
SUN emergency shelter	9,751
FCF mental health	7,500
Community giving	6,896
Designated giving	5,233
Substance Abuse and Mental Health Services (SAMHSA)	2,100
Community Giving Foundation – United in Recovery	<u>852</u>
Total net assets with donor restrictions	<u>\$ 1,245,132</u>

SUSQUEHANNA VALLEY UNITED WAY

NOTES TO FINANCIAL STATEMENTS

During the year ended June 30, 2024, net assets were released from donor restrictions by incurring of expenses, satisfying the restricted purposes specified by the donors, are as follows:

Designated giving	\$	123,535
Community service		91,089
SAMHSA		86,978
Appalachian Regional Commission		79,063
Marketing strategist		77,396
Arconic		61,900
Makerspace		49,630
VITA		33,381
Equity and Inclusion		12,500
Kindness Campaign		10,622
SUN Emergency Shelter		5,855
Community giving		4,423
CGF Danville		4,207
Benefit of residents in Union County		3,511
Special Projects		200
Life Unites Us		105
Day of Action		26
		<hr/>
Net assets released from restrictions	\$	<u>644,420</u>

7. BOARD DESIGNATED NET ASSETS

The Organization's Board of Directors has designated certain portions of its unrestricted net assets for specific purposes. These designations are not legally restricted but represent the Board's intention for use. Board designated net assets consist of the following at June 30, 2024:

Revolving car loan program	\$	<u>25,090</u>
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8. RETIREMENT PLANS

The Organization contributes a 100% matching contribution of up to 3% of compensation into a SIMPLE IRA retirement plan for all eligible employees. The Organization's contributions to this retirement plan were \$6,839 for the year ended June 30, 2024.

SUSQUEHANNA VALLEY UNITED WAY

NOTES TO FINANCIAL STATEMENTS

9. CONCENTRATIONS OF CREDIT RISK

The Organization has concentrated its credit risk for cash by maintaining deposits with two local financial institutions, which may, at times, exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC).



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