

UNITED WAY OF HARRISON COUNTY, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2023 AND 2022

Goff
Backa
Alferato
Company, LLC

Certified Public Accountants

**UNITED WAY OF HARRISON COUNTY, INC.
TABLE OF CONTENTS
DECEMBER 31, 2023 AND 2022**

Independent Auditor's Report.....	1 - 3
-----------------------------------	-------

FINANCIAL STATEMENTS

Statements of Financial Position.....	4
Statements of Activities and Changes in Net Assets	5 - 6
Statements of Functional Expenses	7 – 8
Statements of Cash Flows.....	9
Notes to Financial Statements.....	10 - 23

SUPPLEMENTARY INFORMATION

Schedules of Allocations and Awards	24 - 25
---	---------

REPORTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26 – 27
---	---------

FINDINGS AND RESPONSES

Schedule of Findings and Responses.....	28
---	----

INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Harrison County, Inc.

Opinion

We have audited the financial statements of United Way of Harrison County, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 United Way of Harrison County, Inc. as of December 31, 2023 and 2022, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Harrison County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Harrison County, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 United Way of Harrison County, Inc.'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 Harrison County, Inc.'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of allocations on pages 24 – 25 are presented for purposes of additional analysis and are 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 audits 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 18, 2024 on our consideration of United Way of Harrison County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering United Way of Harrison County, Inc.'s internal control over financial reporting and compliance.



Goff Backa Alfera & Company, LLC
Pittsburgh, Pennsylvania
October 18, 2024

UNITED WAY OF HARRISON COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 460,457	\$ 457,840
Pledges receivable	152,860	192,004
Allowance for uncollectible pledges	(37,408)	(31,071)
Other receivables	825	700
Prepaid expenses	275	275
Total current assets	<u>577,009</u>	<u>619,748</u>
Property and equipment:		
Office equipment	18,991	17,414
Accumulated depreciation	(17,077)	(16,381)
Net property and equipment	<u>1,914</u>	<u>1,033</u>
Other assets:		
Board designated endowment investments	6,292,457	6,029,103
Merrill Lynch campaign endowment fund	751,519	217,871
Board designated reserve account	29,793	152,454
Beneficial interests in trusts and foundations:		
Community Foundation agency funds	284,329	256,879
Hollandsworth perpetual trusts	575,744	533,547
Total other assets	<u>7,933,842</u>	<u>7,189,854</u>
TOTAL ASSETS	<u><u>\$ 8,512,765</u></u>	<u><u>\$ 7,810,635</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Allocations and designations payable	\$ 415,867	\$ 541,569
Accounts payable and accrued expenses	42,021	53,964
Deferred grant revenue	229,023	110,577
Total current liabilities	<u>686,911</u>	<u>706,110</u>
Net assets:		
Net assets without donor restrictions-undesignated	622,740	95,359
Net assets without donor restrictions-Board designated	6,322,250	6,181,557
Total net assets without donor restrictions	6,944,990	6,276,916
Net assets with donor restrictions	880,864	827,609
Total net assets	<u>7,825,854</u>	<u>7,104,525</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 8,512,765</u></u>	<u><u>\$ 7,810,635</u></u>

UNITED WAY OF HARRISON COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<u>PUBLIC SUPPORT AND REVENUE</u>			
Campaign results:			
Campaign results (2022 - 2023)	\$ 431,323	\$ -	\$ 431,323
Provision for uncollectible pledges	(21,794)	-	(21,794)
Net campaign revenue (2022 - 2023)	409,529	-	409,529
Campaign results (2023 - 2024)	337,792	20,792	358,584
Net campaign revenue (2023 - 2024)	337,792	20,792	358,584
Other revenue (expenses):			
In-kind revenue	32,119	-	32,119
Service fees	20,737	-	20,737
Other contributions	28,303	-	28,303
Investment income, net	179,175	-	179,175
Special events	29,455	-	29,455
Net unrealized gains from change in value of endowment, trusts and foundations	641,049	75,980	717,029
Grant income	128,927	-	128,927
Rental income	29,340	-	29,340
Discretionary funds	(2,279)	-	(2,279)
Campaign funds	85,000	-	85,000
Net assets released from restrictions	43,517	(43,517)	-
Subtotal other revenue	1,215,343	32,463	1,247,806
Total public support and revenue	1,962,664	53,255	2,015,919
<u>ALLOCATIONS AND EXPENSES</u>			
Allocation services	915,296	-	915,296
Grant and fiscal sponsorship	68,073	-	68,073
Management and general expenses	167,627	-	167,627
Fundraising expenses	137,198	-	137,198
United Way of America dues	6,396	-	6,396
Total allocations and expenses	1,294,590	-	1,294,590
Increase in net assets	668,074	53,255	721,329
<u>NET ASSETS AT BEGINNING OF YEAR</u>	6,276,916	827,609	7,104,525
<u>NET ASSETS AT END OF YEAR</u>	\$ 6,944,990	\$ 880,864	\$ 7,825,854

UNITED WAY OF HARRISON COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<u>PUBLIC SUPPORT AND REVENUE</u>			
Campaign results:			
Campaign results (2021 - 2022)	\$ 334,554	\$ -	\$ 334,554
Provision for uncollectible pledges	(28,489)	-	(28,489)
Net campaign revenue (2021 - 2022)	<u>306,065</u>	<u>-</u>	<u>306,065</u>
Campaign results (2022 - 2023)	<u>494,088</u>	<u>37,184</u>	<u>531,272</u>
Net campaign revenue (2022 - 2023)	<u>494,088</u>	<u>37,184</u>	<u>531,272</u>
Other revenue:			
In-kind revenue	31,960	-	31,960
Other contributions	59,288	-	59,288
Investment income, net	254,487	-	254,487
Special events income	3,808	-	3,808
Net unrealized gains (losses) from change in value of endowment, trusts and foundations	(1,173,166)	(158,292)	(1,331,458)
Grant income	50,810	-	50,810
Rental income	30,780	-	30,780
Payroll protection program funds	49,869	-	49,869
Discretionary funds	(4,741)	-	(4,741)
Net assets released from restrictions	28,663	(28,663)	-
Subtotal other revenue	<u>(668,242)</u>	<u>(186,955)</u>	<u>(855,197)</u>
Total public support and revenue	<u>131,911</u>	<u>(149,771)</u>	<u>(17,860)</u>
<u>ALLOCATIONS AND EXPENSES</u>			
Allocation services	1,178,042	-	1,178,042
Grant and fiscal sponsorship	34,865	-	34,865
Management and general expenses	156,246	-	156,246
Fundraising expenses	157,773	-	157,773
United Way of America dues	10,540	-	10,540
Total allocations and expenses	<u>1,537,466</u>	<u>-</u>	<u>1,537,466</u>
Decrease in net assets	(1,405,555)	(149,771)	(1,555,326)
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>7,682,471</u>	<u>977,380</u>	<u>8,659,851</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 6,276,916</u>	<u>\$ 827,609</u>	<u>\$ 7,104,525</u>

**UNITED WAY OF HARRISON COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

ALLOCATIONS AND EXPENSES	PROGRAM SERVICES		SUPPORTING SERVICES		TOTAL
	ALLOCATION SERVICES	GRANT & FISCAL SPONSORSHIP	MANAGEMENT AND GENERAL	FUNDRAISING	
Allocations and awards	\$ 679,728	\$ -	\$ -	\$ -	\$ 679,728
Salaries and temporary labor	167,198	9,614	76,251	58,242	311,305
Payroll taxes	14,655	843	6,683	5,105	27,286
Retirement	2,472	226	2,163	2,472	7,333
Employee benefits	31,528	1,813	14,378	10,983	58,702
Software and technology	-	-	3,500	-	3,500
Insurance	-	-	2,945	-	2,945
Office supplies and expenses	7,820	-	7,820	15,640	31,280
In-kind expenses	8,030	-	8,030	16,059	32,119
Grant supplies	-	55,577	-	-	55,577
Travel and conference expenses	2,514	-	3,772	-	6,286
Occupancy expenses	-	-	30,332	-	30,332
Depreciation	-	-	696	-	696
Accounting and auditing fees	-	-	9,900	-	9,900
Bank fees	-	-	1,139	-	1,139
Dues and memberships	-	-	18	492	510
Fundraising event expenses	-	-	-	28,205	28,205
Miscellaneous	1,351	-	-	-	1,351
Subtotal	915,296	68,073	167,627	137,198	1,288,194
United Way of America dues	-	-	6,396	-	6,396
TOTAL ALLOCATIONS AND EXPENSES	\$ 915,296	\$ 68,073	\$ 174,023	\$ 137,198	\$ 1,294,590

See Independent Auditor's Report and Notes to Financial Statements.

UNITED WAY OF HARRISON COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

ALLOCATIONS AND EXPENSES	PROGRAM SERVICES		SUPPORTING SERVICES		TOTAL
	ALLOCATION SERVICES	GRANT & FISCAL SPONSORSHIP	MANAGEMENT AND GENERAL	FUNDRAISING	
Allocations and awards	\$ 959,038	\$ -	\$ -	\$ -	\$ 959,038
Salaries and temporary labor	157,928	9,081	72,024	55,012	294,045
Payroll taxes	12,030	692	5,486	4,191	22,400
Retirement	2,310	212	2,021	2,310	6,853
Employee benefits	28,273	1,626	12,894	9,849	52,641
Software and technology	-	-	3,292	-	3,292
Insurance	-	-	2,817	-	2,817
Office supplies and expenses	7,644	-	7,644	15,287	30,575
In-kind expenses	7,990	-	7,990	15,980	31,960
Grant supplies	-	23,254	-	-	23,254
Travel and conference expenses	738	-	1,106	-	1,844
Occupancy expenses	-	-	29,271	-	29,271
Depreciation	-	-	730	-	730
Accounting and auditing fees	-	-	9,700	-	9,700
Bank fees	-	-	1,220	-	1,220
Dues and memberships	-	-	51	1,365	1,416
Fundraising event expenses	-	-	-	53,779	53,779
Miscellaneous	2,091	-	-	-	2,091
Subtotal	1,178,042	34,865	156,246	157,773	1,526,926
United Way of America dues	-	-	10,540	-	10,540
TOTAL ALLOCATIONS AND EXPENSES	\$ 1,178,042	\$ 34,865	\$ 166,786	\$ 157,773	\$ 1,537,466

See Independent Auditor's Report and Notes to Financial Statements.

UNITED WAY OF HARRISON COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flow from operating activities:		
Increase (decrease) in net assets	\$ 721,329	\$ (1,555,326)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	696	730
Unrealized (gain) loss on endowment and reserve securities	(432,403)	1,173,166
Realized (gain) loss on endowment and reserve securities	(51,920)	(117,010)
Unrealized gain on Community Foundation Agency Funds	(32,309)	54,568
Realized (gain) loss on Community Foundation Agency Funds	(638)	5,456
Realized (gain) loss on Hollandsworths Trusts	(42,197)	95,161
Gain on the extinguishment of debt	-	(49,870)
(Increase) Decrease in Assets		
Pledges receivable, net	45,481	(1,202)
Grants receivable	-	115,359
Increase (Decrease) in Liabilities		
Allocations and designations payable	(125,702)	144,681
Accounts payable and accrued expenses	(11,943)	15,753
Deferred grant revenue	118,446	101,464
Total adjustments	<u>(532,614)</u>	<u>1,538,256</u>
Net cash provided (used) by operating activities	<u>188,715</u>	<u>(17,070)</u>
Cash flows from investing activities:		
Proceeds from sale of endowment reserve securities	4,332,337	3,281,558
Purchases of endowment reserve securities	(4,522,355)	(3,162,885)
Proceeds from sale of Community Foundation Agency Funds	5,497	10,600
Purchases of fixed assets	(1,577)	(1,298)
Net cash provided (used) by investing activities	<u>(186,098)</u>	<u>127,975</u>
Net increase in cash and cash equivalents	2,617	110,905
Balance of cash and cash equivalents, beginning of year	<u>457,840</u>	<u>346,935</u>
Balance of cash and cash equivalents, end of year	<u><u>\$ 460,457</u></u>	<u><u>\$ 457,840</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest expense	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1: NATURE OF ORGANIZATION

The United Way of Harrison County, Inc. (the Organization) is a nonprofit organization established to administer the collection and distribution of charitable contributions from the citizens and institutions of Harrison County for the benefit of member agencies that are selected from within Harrison County.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Accounting

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

(B) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in checking accounts held at a local financial institution. The Organization considers all highly liquid investments with a remaining maturity date of three months or less at the time of purchase to be cash equivalents.

(C) 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.

(D) Financial Statement Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – A donor stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the following:

The nature of the not-for-profit entity, the environment in which it operates and the purposes specified in its articles of incorporation or bylaws or comparable documents for an unincorporated association.

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 of those resources. Thus, those laws extend donor-imposed restrictions.

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) Financial Statement Presentation (Continued)

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

(E) Pledges and Contributions

Unconditional pledges and promises to give are recognized as revenue and included in receivables in the period the pledge or promise is given. Such unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year.

Campaigns are conducted in the fall of each year to raise support for allocations and program investments in the subsequent year. Such contributions raised in the year prior to the year it is scheduled to be distributed or paid are treated as net assets with donor restrictions. This time restriction is implied unless the donor explicitly states that the contribution is to support current activities. Accordingly, campaign support is treated as an increase in net assets with donor restrictions until the year distributed.

Contributions of long-lived assets are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations regarding how those long-lived assets are to be used, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(F) Uncollectable Pledges

The Organization uses the allowance method to account for estimated uncollectible pledges. The allowance is computed based on a multi-year historical average of collection experience, adjusted by management's estimate of current economic factors, as well as, consideration of the source and nature of specific pledges. Pledges still outstanding after management has employed reasonable collection efforts are written off, after approval, through a charge to the valuation allowance and a credit to pledges receivable.

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(G) Donor Designations

Donor designations represent contributions that donors have directed to specific not-for-profit organizations. In accordance with FASB Codification Section 958.605 Transfers of Assets to a Not-for-Profit Entity (ASC 958.605), such funds are not included as a component of Organization's net assets. These donor designations are held by the Organization, as an agent, and are distributed to the intended organization when collected. Donor designations to the Organization's agencies are treated as "first dollars in", when received, for allocation distribution purposes.

(H) Investments

Investments in equity securities with readily determinable fair values are measured at fair value. Structured debt investments are measured at fair value using techniques consistent with the income approach. Cash and cash equivalents are carried at cost which approximates fair value. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenues unless the income or loss is restricted by donor or law.

(I) Equipment

Purchases of property and equipment are capitalized at cost. Donated assets are capitalized at the estimated fair value at the date of receipt. The Organization capitalizes purchased or donated property with a value in excess of \$500. Expenditures for repairs, maintenance, and renewals and betterments in excess of \$500 that materially prolong the useful lives of assets are capitalized. Other expenditures for repairs and maintenance are charged to expense in the year the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 - 10 years.

(J) Donated Facilities, Materials, and Services

In accordance with ASC 905.605, donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Many volunteers and local businesses provide a variety of services, support, and assistance to the Organization throughout the year. For years ending December 31, 2023 and 2022 the value of such donations are included with in-kind revenue totaling of \$32,119 and \$31,960, respectively.

(K) Methods Used for Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. Those expenses include salaries, payroll taxes, retirement, employee benefits, office supplies and in-kind expenses. Salaries, payroll taxes, retirement and employee benefits are allocated based on an estimated percentage of hours the employees spend performing each of their respective functions. Office supplies and in-kind expenses are allocated based on an estimated percentage of the actual use of the supplies and services.

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(L) Retirement Plan

The Organization sponsors a Simplified Employee Pension Plan (SEP Plan). All employees are eligible to participate in the SEP Plan. For each calendar year, the Organization will make a contribution to each eligible employee's SEP IRA equal to 5% of the employee's compensation for the calendar year. The Organization contributed \$7,333 and \$6,853 to the SEP Plan during years ending December 31, 2023 and 2022, respectively.

(M) Compensated Absences

In accordance with FASB Codification Section 710 Compensation, amounts accrued for future absences include amounts that are attributable to the employees' services already rendered, and only amounts that may be carried forward to periods subsequent to that in which they were earned. The Organization restricts the amount for carry forward of unused compensated absences for vacation and sick time.

(N) Tax Status

The Organization is exempt from federal income taxes under Section 501(c)3 of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the Organization's financial statements. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure 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's Federal Return of Organization Exempt from Income Tax (Form 990) for tax years 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

(O) Advertising

The Organization expenses advertising costs in the period incurred. Advertising expense was \$19,720 and \$19,046 for the years ending December 31, 2023 and 2022, respectively.

(P) Recent Accounting Pronouncements

In February 2016, FASB issued ASU No. 2016-02, Leases (ASC 842). The FASB issued subsequent amendments to the initial guidance in September 2017, January 2018, July 2018, and March 2019 within ASU 2017-13, ASU 2018-01, ASU 2018-10, ASU 2018-11, and ASU 2019-01, respectively. ASC 842 supersedes the current accounting for leases. The standard, while retaining two distinct types of leases, finance and operating, (i) requires lessees to record a right of use asset and a related liability for the rights and obligations associated with a lease, regardless of lease classification, and recognize lease expense in a manner similar to current accounting, (ii) eliminates current real estate specific lease provisions, (iii) modifies the lease classification criteria and (iv) aligns many of the underlying lessor model principles with those in the new revenue standard. The standard is effective for fiscal years beginning after December 15, 2021, with early adoption permitted, and is to be applied retrospectively.

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(P) Recent Accounting Pronouncements (Continued)

The Organization has adopted this standard as of January 1, 2022 and the implementation of the standard did not have a material impact on the revenue recognition, operating income, or the statements of financial position as of December 31, 2023 and 2022.

(Q) Revenue Recognition

The standard outlines a single comprehensive model for organizations to use in accounting for revenues arising from contracts with customers. Central to the revenue recognition framework is a five-step revenue recognition model that requires reporting organizations to:

1. Identify the contract;
2. Identify the performance obligations of the contract;
3. Determine the transaction price of the contract;
4. Allocate the transaction price to the performance obligations, and;
5. Recognize revenue.

The Organization believes that the adoption of ASU 2014-09 had no material effect on revenue recognition, operating income or its balance sheets as of December 31, 2023 and 2022 and for the years then ended.

(R) Reclassifications

The Organization's policy is to reclassify amounts reported in prior year financial statements when necessary for classifications adopted during the current year. There were no significant reclassifications in 2023.

NOTE 3: BENEFICIAL INTEREST IN YOUR COMMUNITY FOUNDATION OF NORTH CENTRAL WEST VIRGINIA, INC. (YCF)

In 2005, the United Way of Harrison County, Inc. transferred funds to Your Community Foundation of North Central West Virginia, Inc. (YCF). The United Way of Harrison County, Inc. is the sole beneficiary of the funds; however, variance power to modify the terms of distributions of the Organization's funds and to replace any participating custodian or agent was granted to the YCF. In accordance with FASB ASC 958-605-30-14, the United Way of Harrison County, Inc. measures the fair value of the beneficial interest using the fair value of the assets in the funds. Management reports that in recent years, YCF has denied the request for funds by the Organization at a 5% rate as defined by the Agreement. A proper resolution is being sought to return control of the monies to the Organization.

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4: BENEFICIAL INTEREST IN HOLLANDSWORTH PERPETUAL TRUST

The Organization has been named a beneficiary of two irrevocable perpetual trusts created under the Estate of P.G. Hollandsworth. The Organization is set to receive between \$3,000 - \$5,000 per quarter from the annual net income generated from the Hollandsworth Charitable Trust and the Hollandsworth Memorial Trust. In accordance with the terms of the trust agreements, the Organization has no variance power over the assets held in each trust. Contributions received by the Organization under perpetual trust agreements are measured at fair value. In accordance with FASB ASC 958-605-35-3, the Organization measures the fair value of the initial contribution and subsequent fair value of the beneficial interest using the fair value of the assets in the trust. Distributions from the trusts are recorded as investment income in the year received.

NOTE 5: ENDOWMENT FUNDS

As of December 31, 2023 and 2022, the Board of Directors has designated \$7,043,976 and \$6,246,974 of net assets as 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.

Endowment assets are invested in a well-diversified asset mix, which includes fixed-income and equity securities, that is intended to result in a consistent inflation-protected rate of return. The Fund's principal and income shall be retained in the Fund until the Board of Directors determines its withdrawal and expenditure to be appropriate. Endowment net asset composition is listed below as of December 31, 2023 and 2022:

<u>Board Designated Endowment Funds</u>	<u>2023</u>	<u>2022</u>
Board designated endowment investments	\$ 6,292,457	\$ 6,029,103
Merrill Lynch campaign endowment fund	\$ 751,519	\$ 217,871
	<u>\$ 7,043,976</u>	<u>\$ 6,246,974</u>

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 5: ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets are listed below for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 6,246,974	\$ 7,334,243
Investment return:		
Investment income	152,063	149,659
Net (depreciation) appreciation in value	965,821	(962,696)
Trust fees	(35,882)	(39,232)
Amounts appropriated for expenditure	<u>(285,000)</u>	<u>(235,000)</u>
Balance, end of year	<u>\$ 7,043,976</u>	<u>\$ 6,246,974</u>

The composition of endowment investments is below. Investments are stated at fair value.

December 31, 2023	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Change in Value</u>
Cash & fixed income	\$ 1,119,930	\$ 1,119,930	\$ -0-
Stocks and mutual funds	<u>5,220,868</u>	<u>5,924,046</u>	<u>703,178</u>
	<u>\$ 6,340,798</u>	<u>\$ 7,043,976</u>	<u>\$ 703,178</u>

December 31, 2022	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Change in Value</u>
Cash & fixed income	\$ 864,265	\$ 864,265	\$ -0-
Stocks and mutual funds	<u>5,320,694</u>	<u>5,382,709</u>	<u>62,015</u>
	<u>\$ 6,184,959</u>	<u>\$ 6,246,974</u>	<u>\$ 62,015</u>

Investment income from endowment investments, cash and cash equivalents and perpetual trusts was comprised of the following for the years ending December 31, 2023 and 2022:

<u>Board Designated Endowment Funds</u>	<u>2023</u>	<u>2022</u>
Interest Income	\$ 18,978	\$ 1,679
Dividend income	108,277	135,798
Realized gains on investments	<u>51,920</u>	<u>117,010</u>
	<u>\$ 179,175</u>	<u>\$ 254,487</u>

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6: BOARD DESIGNATED RESERVE

As of December 31, 2023 and 2022, the Board of Directors has designated \$29,793 and \$152,454 of net assets without donor restrictions as a reserve account 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.

Reserve account assets were invested in a well-diversified asset mix, which included fixed-income and equity securities as well as alternative investments that were intended to result in a consistent inflation-protected rate of return. In 2019, the funds were moved into a stable money-market account. The Fund's principal and income shall be retained in the reserve account until the Board of Directors determines its withdrawal and expenditure to be appropriate.

Changes in reserve net assets are listed below for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 152,454	\$ 240,014
Withdrawals	(123,424)	(88,227)
Interest income	763	667
Deposits	-0-	-0-
Balance, end of year	<u>\$ 29,793</u>	<u>\$ 152,454</u>

NOTE 7: NET ASSETS WITHOUT DONOR RESTRICTIONS - DESIGNATED

Net assets without donor restrictions – designated are designated for the following purposes as of December 31, 2023 and 2022.

Subject to expenditure for specified purpose:	<u>2023</u>	<u>2022</u>
To further the mission of the Organization:		
Endowment funds and reserves	\$ <u>6,322,250</u>	\$ <u>6,181,557</u>

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Community Foundation Organization Funds:		
Leadership Development Endowment Fund	\$ 21,419	\$ 19,529
Operating Account Endowment Fund	17,439	15,900
Campaign Endowment Fund	82,511	73,116
Harrison County Cancer Association Fund	<u>162,960</u>	<u>148,334</u>
	284,329	256,879
Subject to the passage of time:		
Contributions for future period	20,792	37,183
Beneficial interest in the perpetual trust	<u>575,744</u>	<u>533,547</u>
	<u>\$880,865</u>	<u>\$827,609</u>

NOTE 9: FAIR VALUE MEASUREMENTS

FASB Codification Section 820 (ASC 820) Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Under ASC 820, various inputs are used in determining the fair value of assets and liabilities. These inputs are summarized in a hierarchy that segregates fair value measurement in three levels (levels 1, 2, and 3), determined by the nature of input as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted market price in an active market provides the most reliable evidence of fair value.
- Level 2 – Other significant observable inputs, including quoted prices of similar securities in active markets, quoted prices for identical securities in markets that are not active, and other market-corroborated inputs.
- Level 3 – Significant unobservable inputs, including the Organization’s own assumptions in determining the fair value of investments, based on the best information available in the circumstances.

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9: FAIR VALUE MEASUREMENTS (CONTINUED)

Valuation levels are not necessarily an indication of the risk associated with any investing activities. The adoption of ASC 820 did not have a significant impact on the Organization's financial statements. The fair value of the Organization's assets and liabilities, with the exception of any beneficial interest in Your Community Foundation Fund (as show below), approximate their carrying amounts due to the short-term or Level 1 nature of these instruments.

The fllowing is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Equity securities and mutual funds: The fair value of equity securities and mutual funds classified as Level 1 has been measured by reference to quoted market prices.

Alternative assets: The fair value of alternative assets classified as Level 2 are measured using estimated valuations reported on brokerage statements.

Beneficial interest in Community Foundation Organization Funds: The fair value of assets in this category classified as Level 2 is determined using the fair value of assets held in trust. The fair value of the assets held in trust has been measured by reference to quoted market prices.

Beneficial interest in Hollandsworth Perpetual Trusts: The fair value of assets in this category classified as Level 3 is determined using the fair value of assets held in trust and classified as such because the Organization will never have access to the assets in the trust.

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 management 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 fair value measurement at the reporting date.

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9: FAIR VALUE MEASUREMENTS (CONTINUED)

Fair values of assets measured at December 31, 2023 are as follows:

		Fair Value Measurements at the End of the Reporting Period Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)
	Total				
<u>Recurring fair value measurements:</u>					
Mutual Funds/Equities/Cash					
Cash	\$1,149,723	\$ 1,149,723	\$ -0-	\$ -0-	\$
Equities	5,924,046	5,924,046	-0-	-0-	
Total investments	7,073,769	7,073,769	-0-	-0-	51,920
Beneficial Interest In Perpetual Trusts					
Your Community Foundation					
Organization funds (YCF)	284,329	-0-	284,329	-0-	638
Hollandsworth Perprtual Trust	575,744	-0-	-0-	575,744	42,197
Total recurring fair value measurements	<u>\$7,933,842</u>	<u>\$ 7,073,769</u>	<u>\$ 284,329</u>	<u>\$ 575,744</u>	<u>\$ 94,755</u>

Fair values of assets measured at December 31, 2022 are as follows:

		Fair Value Measurements at the End of the Reporting Period Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)
	Total				
<u>Recurring fair value measurements:</u>					
Mutual Funds/Equities/Cash					
Cash	\$ 972,831	\$ 972,831	\$ -0-	\$ -0-	\$
Equities	5,426,597	5,426,597	-0-	-0-	
Total investments	6,399,428	6,399,428	-0-	-0-	117,010
Beneficial Interest In Perpetual Trusts					
Your Community Foundation					
Organization funds (YCF)	256,879	-0-	256,879	-0-	(5,426)
Hollandsworth Perprtual Trust	533,547	-0-	-0-	533,547	(95,161)
Total recurring fair value measurements	<u>\$7,189,854</u>	<u>\$ 6,399,428</u>	<u>\$ 256,879</u>	<u>\$ 533,547</u>	<u>\$ 16,423</u>

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9: FAIR VALUE MEASUREMENTS (CONTINUED)

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	2023	2022
<i><u>Beneficial Interest in Hollandsworth Perpetual Trusts</u></i>		
Balance - January 1	\$ 533,547	\$ 628,708
Change in value beneficial interest in Hollandsworth Trusts	42,197	(95,161)
Balance - December 31	<u>\$ 575,744</u>	<u>\$ 533,547</u>

NOTE 10: FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Concentration of Credit Risk Due to Pledges Receivable

The Organization receives a majority of its pledges from within Harrison County. The ability to collect these pledges is dependent upon economic conditions in the County.

The Organization maintains cash accounts at a local financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Differences do exist between financial institution and book balances due to deposits-in-transit, outstanding checks and other reconciling items. As of December 31, 2023 balances were:

	MVB
Balance as of December 31, 2023	\$ 491,897
Less: FDIC coverage	(250,000)
Less: Additional coverage	-0-
Amount uninsured at December 31, 2023	<u>\$ 241,897</u>

NOTE 11: ACCOUNTING FOR SUPPORT TO MEMBER ORGANIZATIONS

Financial support to participating member organizations is accomplished through periodic support payments termed “allocations” (i.e. contributions made or contributions “expense”). Each year, the Organization typically pledges certain allocation amounts to its member agencies that will be paid in installments in the following year. The pledges are contingent on a successful fall fundraising campaign. The accounting requirements for contributions made (and payable) by nonprofit organizations, prescribed by FASB ASC 720-25, Other Expenses: Contributions Made, distinguish between “unconditional” and “conditional” contributions by nonprofit organizations. This guidance indicates that unconditional contributions made should be recognized as expenses and as increases of liabilities (i.e. contributions payable) in the period in which all significant conditions affecting the determination of the amounts to be contributed are satisfied.

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12: LEASES

The Organization entered into a lease for office space with The Board of Education of the County of Harrison effective September 1, 2021. The initial term of the lease is for 12 months payable in monthly installments of \$2,000. The initial term shall be automatically extended for successive periods of 12 months each unless terminated by either party. Each extended term shall be upon the same terms and conditions except for rent which shall be at the Market Rate therein defined as the rate a willing tenant would pay and a willing landlord would accept for a comparable transaction. Rent expense incurred for the years ended December 31, 2023 and 2022 was \$24,000 and \$24,000, respectively. Expected minimum rent expense for the next year is as follows:

<u>Year</u>	<u>Expense</u>
2024	<u>\$ 24,000</u>

On June 1 and September 1, 2021, the Organization entered into three separate subleasing contracts with Family Service of Marion & Harrison Counties, Inc., Literacy Volunteers of Harrison County, Inc., Hope, Inc., Harrison County CASA program, Inc. and Central West Virginia Community Actions Association, Inc. for portions of the office space the Organization is leasing from The Board of Education of the County of Harrison. The monthly installment payments are \$875, \$240, \$125, \$700 and \$575 respectively. The subleases expired on May 31 and August 31, 2022. All of the subleases elected to continue on a month-to-month basis under the same terms and conditions. On July 1, 2023 Literacy Volunteers of Harrison County, Inc. terminated their sublease due to becoming a part of the Organization. Rental income received for the years ended December 31, 2023 and 2022 was \$29,340 and \$30,780, respectively.

NOTE 13: PAYCHECK PROTECTION PROGRAM

On May 8, 2020, the Organization was granted a loan from MBV Bank in the aggregate of \$44,857.50, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Organization used the entire loan amount for qualifying expenses and has received forgiveness for the full amount of the loan on April 26, 2021.

On April 12, 2021, the Organization was granted a loan from MVB Bank in the aggregate of \$49,870, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act. The loan, which was in the form of a note dated May 8, 2020, matures on May 8, 2022 and bears interest at a rate of 1.0% per annum, payable monthly commencing on November 8, 2020. The note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities and interest on other debt obligations. The loan was forgiven on May 4, 2022 for the full amount.

UNITED WAY OF HARRISON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 14: LIQUIDITY

United Way of Harrison County, Inc.'s financial assets available within one year of the balance sheet date for general expenditures consist of the following:

Cash and cash equivalents	\$ 460,457
Pledges receivable, net of allowance for uncollectible pledges	<u>115,452</u>
Total	<u>\$ 575,909</u>

As part of United Way of Harrison County, Inc.'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, United Way invests its operating cash in interest bearing accounts.

NOTE 15: SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through October 18, 2024, (the date the financial statements were available to be issued).

**UNITED WAY OF HARRISON COUNTY, INC.
SCHEDULE OF ALLOCATIONS AND AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Agency</u>	<u>Amount</u>
Bi-County Nutrition	\$ 63,000
Health Access	96,333
Hope, Inc.	60,000
American Red Cross	13,000
Family Service	73,000
Susan Dew Hoff Memorial Clinic	25,000
CASA	55,000
Harrison County YMCA	35,000
Harrison County 4-H	12,000
Central WV Community Action	48,436
Legal Aid	40,000
Literacy Volunteers	30,000
Non-member agencies and other	51,631
Stars & Strides Therapy Center	29,000
Hero's Haven Child Advocacy Center	55,000
The Resilience Collaborative	70,000
WorkAble Industries, Inc.	25,000
Gabriel Project	8,000
Nazareth Farms	9,000
Phoenix Recovery House	40,000
Subtotal	<u>838,400</u>
Less: Prorated allocations pledged during the year ended December 31, 2022, due to be paid during the year ended December 31, 2023	(496,462)
Plus: Prorated allocations pledged during the year ended December 31, 2023, due to be paid during the year ended December 31, 2024	<u>337,790</u>
Net allocations/awards reported on Statement of Functional Expenses	<u><u>\$ 679,728</u></u>

**UNITED WAY OF HARRISON COUNTY, INC.
SCHEDULE OF ALLOCATIONS AND AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Agency</u>	<u>Amount</u>
Bi-County Nutrition	\$ 100,000
Health Access	93,565
Hope, Inc.	64,500
American Red Cross	15,000
Family Service	77,000
Susan Dew Hoff Memorial Clinic	50,697
CASA	45,000
Harrison County Child Advocacy Center	54,000
Harrison County YMCA	35,000
Harrison County 4-H	12,000
Central WV Community Action	104,669
Legal Aid	40,000
Literacy Volunteers	36,500
Non-member agencies and other	28,004
Stars & Strides Therapy Center	33,840
WorkAble Industries, Inc.	25,000
Nazareth Farms	3,000
Phoenix Recovery House	35,000
Subtotal	<u>852,775</u>
Less: Prorated allocations pledged during the year ended December 31, 2021, due to be paid during the year ended December 31, 2022	(390,199)
Plus: Prorated allocations pledged during the year ended December 31, 2022, due to be paid during the year ended December 31, 2023	<u>496,462</u>
Net allocations/awards reported on Statement of Functional Expenses	<u><u>\$ 959,038</u></u>



Certified Public Accountants

Pittsburgh
3325 Saw Mill Run Blvd.
Pittsburgh, PA 15227-2736

Wheeling
21 Warden Run Rd., Suite 102
Wheeling, WV 26003

Phone 412-885-5045
Fax 412-885-4870
www.gbaco.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
United Way of Harrison County, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Harrison County, Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 18, 2024.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying the schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Harrison County, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

United Way of Harrison County, Inc.'s Response to Findings

United Way of Harrison County, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. United Way of Harrison County, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Goff Backa Alfera & Company, LLC". The signature is written in a cursive, flowing style.

Goff Backa Alfera & Company, LLC
Pittsburgh, Pennsylvania
October 18, 2024

**UNITED WAY OF HARRISON COUNTY, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Finding 2023-001: Material Weakness

Internal Control

Condition: The Organization required material audit adjustments to accurately report the financial statements.

Criteria: Effective internal control over financial reporting requires that the Organization has implemented internal control procedures to prevent, detect and correct material misstatements on a timely basis. All major general ledger accounts should be maintained throughout the year in order to provide accurate interim financial statements to management.

Effect: The Organization's internal financial statements that were used by management during the year required material adjustments that may have impacted decisions made by management based on the use of incorrect amounts.

Recommendation: We recommend that the Organization develop adequate internal controls over financial reporting.

Response: United Way agrees with the finding. In order to prevent any future finding, United Way has developed and implemented procedures to ensure receivables are booked in the proper year.