UNITED WAY OF FREDERICK COUNTY, INCORPORATED

Financial Statements and Independent Auditor's Report

For the Years Ended June 30, 2026 and 2025

CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

LSWG
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors of
United Way of Frederick County, Incorporated

Opinion

We have audited the accompanying financial statements of United Way of Frederick County, Incorporated (a nonprofit organization), which comprise the statements of financial position as of June 30, 2026 and 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position United Way of Frederick County, Incorporated as of June 30, 2026 and 2025, 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. 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 Frederick County, Incorporated 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 Frederick County, Incorporated's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 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 Frederick County, Incorporated'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 Frederick County, Incorporated'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.

LSWG, P.A.

Rockville, Maryland
September 17, 2026

United Way of Frederick County, Incorporated
Statements of Financial Position
June 30,

Assets

	2026	2025
Current Assets		
Cash and cash equivalents	$ 31,424	$ 26,741
Restricted cash - CCC	789	1,342
Investments	404,918	418,413
Pledges receivable - current, net	175,124	104,986
Promises to give - current, net	159,527	287,108
Allocations due from CCC	71,983	71,943
Prepaid expenses	9,359	17,054
Total Current Assets	853,124	927,587
Property and Equipment, net	4,156	5,215
Other Assets		
Right of use operating lease assets	15,209	28,484
Pledges receivable - noncurrent, net	130,049	-
Promises to give - noncurrent, net	-	88,474
Total Other Assets	145,258	116,958
Total Assets	**$ 1,002,538**	**$ 1,049,760**

Liabilities and Net Assets

	2026	2025
Current Liabilities		
Line of credit	$ 240,000	$ 250,000
Accounts payable and accrued expenses	138,701	245,097
Allocations/designations payable:		
Agencies and other organizations	41,563	28,139
Other United Way agencies	14,025	9,393
Due to CCC	789	1,342
Current portion of operating lease liabilities	2,909	30,449
Deferred revenue	42,821	24,787
Total Current Liabilities	480,808	589,207
Long-Term Liabilities		
Operating lease liabilities, net of current portion	12,300	-
Total Liabilities	493,108	589,207
Net Assets		
Without donor restrictions		
Undesignated deficit	(81,311)	(268,151)
Board designated	364,519	357,294
Total Without donor restrictions	283,208	89,143
With donor restrictions	226,222	371,410
Total Net Assets	509,430	460,553
Total Liabilities and Net Assets	**$ 1,002,538**	**$ 1,049,760**

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

United Way of Frederick County, Incorporated
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Current Year Campaigns and Public Support:			
Workplace campaign pledges and contributions	$ 214,547	$ -	$ 214,547
Less: estimated uncollectible pledges	(15,895)	-	(15,895)
Unity campaign contributions	764,719	-	764,719
Share of CCC allocations	31,155	-	31,155
Donor designations to agencies, including Unity and special campaigns	(565,059)	-	(565,059)
Individual and corporate donors	351,414	-	351,414
In-kind contributions	189,484	-	189,484
Net Contributions	970,365	-	970,365
Grants	228,760	118,809	347,569
Total Support	1,199,125	118,809	1,317,934
Revenue:			
Investment income	42,896	-	42,896
Special events, net	19,461	-	19,461
Total Revenue	62,357	-	62,357
Net assets released from restrictions	263,997	(263,997)	-
Total Support and Revenue	**1,525,479**	**(145,188)**	**1,380,291**
EXPENSES			
Program services	951,844	-	951,844
Supporting Services:			
Fundraising	160,572	-	160,572
Management and general	218,998	-	218,998
Total Supporting Services	379,570	-	379,570
Total Expenses	**1,331,414**	**-**	**1,331,414**
Changes in Net Assets	194,065	(145,188)	48,877
Net Assets, beginning of year	89,143	371,410	460,553
Net Assets, end of year	**$ 283,208**	**$ 226,222**	**$ 509,430**

The accompanying notes are an integral part of this financial statement.

United Way of Frederick County, Incorporated
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Current Year Campaigns and Public Support:			
Workplace campaign pledges and contributions	$ 230,561	$ -	$ 230,561
Less: estimated uncollectible pledges	(17,253)	-	(17,253)
Unity campaign contributions	704,116	-	704,116
Share of CCC allocations	35,240	-	35,240
Donor designations to agencies, including Unity and special campaigns	(657,610)	-	(657,610)
Individual and corporate donors	225,990	-	225,990
In-kind contributions	358,503	-	358,503
Net Contributions	879,547	-	879,547
Grants	161,195	264,749	425,944
Total Support	1,040,742	264,749	1,305,491
Revenue:			
Investment income	56,798	-	56,798
Special events, net	21,847	-	21,847
(Loss) on disposal of property and equipment	(203)	-	(203)
Other income	435	-	435
Total Revenue	78,877	-	78,877
Net assets released from restrictions	321,319	(321,319)	-
Total Support and Revenue	**1,440,938**	**(56,570)**	**1,384,368**
EXPENSES			
Program services	1,259,471	-	1,259,471
Supporting Services:			
Fundraising	162,840	-	162,840
Management and general	191,799	-	191,799
Total Supporting Services	354,639	-	354,639
Total Expenses	**1,614,110**	**-**	**1,614,110**
Changes in Net Assets	(173,172)	(56,570)	(229,742)
Net Assets, beginning of year	262,315	427,980	690,295
Net Assets, end of year	**$ 89,143**	**$ 371,410**	**$ 460,553**

The accompanying notes are an integral part of this financial statement.

United Way of Frederick County, Incorporated
Statement of Functional Expenses
For the Year Ended June 30, 2026

	Program Services	Supporting Services: Fundraising	Supporting Services: Management and General	Total
Salaries and benefits	$ 401,856	$ 130,912	$ 152,993	$ 685,761
Grants	205,069	-	-	205,069
United Way Worldwide membership	-	-	24,153	24,153
Resource development - campaign	-	6,300	-	6,300
Unity campaign	25,909	-	-	25,909
Special campaign	13,434	-	-	13,434
Operating lease expense	17,135	5,582	6,524	29,241
Telephone	6,015	1,959	2,290	10,264
Professional fees	34,427	-	14,550	48,977
Bank fees	7,301	-	-	7,301
Supplies and office expenses	1,122	366	428	1,916
Computer expenses	22,821	7,434	8,688	38,943
Postage and printing	2,274	741	866	3,881
Equipment rent and maintenance	3,600	1,173	1,371	6,144
Travel, meals, meetings and training	2,147	699	817	3,663
Membership dues - other	2,655	-	-	2,655
Insurance	5,494	1,790	2,092	9,376
Interest	9,922	3,232	3,777	16,931
In-kind expenses	189,484	-	-	189,484
Depreciation	1,179	384	449	2,012
Total expenses	**$ 951,844**	**$ 160,572**	**$ 218,998**	**$ 1,331,414**

The accompanying notes are an integral part of this financial statement.

United Way of Frederick County, Incorporated
Statement of Functional Expenses
For the Year Ended June 30, 2025

		Supporting Services		
	Program Services	Fundraising	Management and General	Total
Salaries and benefits	$ 458,850	$ 124,711	$ 132,555	$ 716,116
Grants	276,280	-	-	276,280
United Way Worldwide membership	-	-	16,756	16,756
Resource development - campaign	-	12,550	-	12,550
Unity campaign	27,054	-	-	27,054
Special campaign	12,989	-	-	12,989
Operating lease expense	17,552	5,599	5,952	29,103
Telephone	7,053	2,250	2,392	11,695
Professional fees	30,330	-	15,300	45,630
Bank fees	7,784	-	-	7,784
Supplies and office expenses	1,479	472	500	2,451
Computer expenses	26,920	8,392	8,920	44,232
Postage and printing	2,247	717	762	3,726
Equipment rent and maintenance	3,349	1,068	1,136	5,553
Intern stipend / Americorp	4,158	1,327	1,410	6,895
Travel, meals, meetings and training	5,622	778	827	7,227
Membership dues - other	3,705	-	-	3,705
Insurance	4,948	1,579	1,678	8,205
Interest	9,511	3,034	3,225	15,770
In-kind expenses	358,503	-	-	358,503
Depreciation	1,137	363	386	1,886
Total expenses	**$ 1,259,471**	**$ 162,840**	**$ 191,799**	**$ 1,614,110**

The accompanying notes are an integral part of this financial statement.

United Way of Frederick County, Incorporated
Statements of Cash Flows
For the Years Ended June 30,

	2026	2025
Cash flows from operating activities:		
Changes in net assets	$ 48,877	$ (229,742)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,012	1,886
Provision for uncollectible pledges	(1,358)	(2,115)
Amortization of right of use operating lease assets	29,241	29,103
Realized/unrealized (gains) on investments	(19,328)	(20,246)
Loss on disposal of property and equipment	-	203
Changes in operating assets and liabilities:		
Pledges receivable	(198,829)	19,044
Promises to give	216,055	147,153
Net due to/from CCC	(593)	1,291
Prepaid expenses	7,695	(8,373)
Accounts payable and accrued expenses	(106,396)	25,692
Allocations/designations payable	18,056	(12,182)
Operating lease liabilities	(31,206)	(29,712)
Deferred revenue	18,034	4,440
Net cash provided by (used in) operating activities	(17,740)	(73,558)
Cash flows from investing activities:		
Proceeds from sale of marketable securities	56,934	45,459
Purchase of marketable securities	(24,111)	(38,314)
Purchase of property and equipment	(953)	(2,614)
Net cash provided by (used in) investing activities	31,870	4,531
Cash flows from financing activities:		
Repayments on line of credit	(10,000)	-
Net borrowings on line of credit	-	50,000
Net cash provided by (used in) financing activities	(10,000)	50,000
Net increase (decrease) in cash and cash equivalents	4,130	(19,027)
Cash and cash equivalents, beginning of year	28,083	47,110
Cash and Cash Equivalents, End of Year	$ 32,213	$ 28,083

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

United Way of Frederick County, Incorporated
Statements of Cash Flows (continued)
For the Years Ended June 30,

	2026	2025
Reconciliation of Cash, Cash Equivalents and Restricted Cash:		
Amounts reported within the Statements of Financial Position that sum to the total above:		
Cash and cash equivalents	$ 31,424	$ 26,741
Restricted cash - CCC	789	1,342
Total Cash, Cash Equivalents and Restricted Cash	$ 32,213	$ 28,083
Supplemental Disclosures:		
Cash paid for interest	$ 16,931	$ 15,770
Cash paid for income taxes	$ -	$ -
Supplemental Schedule of Noncash Investing and Financing Activities:		
Operating lease liability arising from new right of use operating lease asset	$ 15,464	$ -

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

(1) NATURE OF ORGANIZATION

United Way of Frederick County, Incorporated (UWFC) is a non-profit organization formed to support community, charitable, benevolent, and educational undertakings that give aid, relief, and comfort primarily to the people of Frederick County, Maryland, by increasing general knowledge and promoting public interest in such undertakings, and by collecting and distributing money and services for these purposes. UWFC begins its annual campaign in the fall of each year, and continues it through the spring of the following year.

UWFC is a community impact organization and grants funds to organizations focused on measurable outcomes in the areas of education, income, and health. UWFC routinely recruits and engages volunteers and expert leaders to advance the common good through community forums, on-going summer service projects, and other service activities.

UWFC (a local United Way) is a member of United Way Worldwide (UWW). UWW is an international organization dedicated to leading the United Way movement. Local United Ways create long-lasting community change by addressing the underlying causes of the most significant local issues; specifically, education health, and income. Membership allows local United Ways to use the name and service marks owned by UWW, during the period of membership. Membership support calculations are based on a formula driven process. As a member, UWFC is subject to financial and membership accountability standards established by UWW.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements of UWFC have been prepared on the accrual basis of accounting. UWFC reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other asset or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions whose restrictions are satisfied in the same year as contributed are reported as net assets without donor restrictions.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents – All short-term highly liquid investments with a maturity date within 90 days of purchase are considered cash equivalents.

Restricted Cash – Restricted cash – CCC includes cash maintained in a separate account for the Combined Charity Campaigns (see Note 12).

Pledges Receivable – UWFC uses the allowance method to determine uncollectible pledges and the allowance is based on prior years' experience. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated cash flows.

Public Support – Contributions are recognized when the donor makes a promise (pledge) to give to UWFC that is, in substance, unconditional. All contributions are considered to be available for the general programs of UWFC unless specifically restricted by the donor.

Promises to Give – Revenue from unrestricted grants and contributions is recognized in the period received or pledged. Revenue from restricted grants is deemed to be earned and is recognized when UWFC has incurred expenditures in compliance with the specific restrictions. Such amounts received, but not earned, are reported as deferred revenue.

Designated Pledges – Some pledges to UWFC are donor-designated for UWFC member/partner agencies, other United Way agencies or Non-United Way agencies. Because UWFC's role consists of collecting, holding, and remitting these pledges to the designated organization without having variance power to transfer the assets to another beneficiary, such amounts are deducted from total support on the Statements of Activities and Changes in Net Assets.

UWFC is the third-party intermediary of the Unity Campaign, an organization that raises funds to benefit specified local nonprofit organizations. As pledges for the Unity Campaign are designated with no variance power, they will also be deducted from total support as described above.

Donated Services and In-Kind Contributions – Contributions of donated services that meet the definition for recognition under generally accepted accounting principles are recorded at their fair values in the period received.

Donated services from unpaid volunteers who assist in fundraising and special projects are not recognized in the Statements of Activities and Changes in Net Assets because the criteria for recognition under accounting standards have not been satisfied.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses – UWFC's operating costs have been allocated between program, fundraising and management and general expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. The significant expenses that are allocated are salaries and benefits, operating lease expense, professional fees and computer expenses, all of which are allocated on the basis of estimated time and effort.

Advertising – Advertising costs are expensed as incurred. Advertising costs were $2,189 and $2,011 for the years ended June 30, 2026 and 2025, respectively.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Leases – UWFC previously adopted Financial Accounting Standards Board (FASB) Topic 842, *Leases*, by issuing Accounting Standards Update (ASU) No. 2016-02 which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 has been subsequently amended by various ASU's to allow for practical expedients and targeted improvements. The new leasing standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the Statements of Financial Position for all leases. Leases will be classified as finance or operating leases, with the classification affecting the pattern and classification of expense recognition in the Statements of Activities and Changes in Net Assets.

UWFC has elected a policy to not apply the standard to short-term leases, those leases that have a maximum term of 12 months or less and do not include a purchase option that is reasonably certain to be exercised. UWFC has chosen to separate lease and non-lease components in determining the ROU asset and lease liability; therefore, charges for common area maintenance (CAM), property taxes, and other charges have not been included with the ROU asset and lease liability on the Statements of Financial Position. The lease components are based on fixed considerations. In addition, UWFC has applied the practical expedient which allows the use of a risk-free rate to determine the present value of the lease liability. Lastly, UWFC has chosen not to apply Topic 842 to low value assets.

(3) PLEDGES RECEIVABLE

Pledges receivable consist of the following as of June 30:

	2026	2025
Pledges receivable in less than one year	$ 191,019	$ 122,631
Pledges receivable in one to five years	140,000	-
	331,019	122,631
Less: allowance for uncollectible pledges	(15,895)	(17,253)
Less: discounts to net present value	(9,951)	(392)
Pledges receivable, net	**$ 305,173**	**$ 104,986**

Pledges receivable in more than one year are discounted at 6.75%. The allowance is calculated as 8% of the prior year's annual campaign pledges and contributions.

(4) INVESTMENTS AND FAIR VALUE MEASUREMENT

Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 820-10, *Fair Value Measurements,* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The input levels used for valuing the assets and liabilities are not necessarily an indication of risk.

The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that UWFC has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

(4) INVESTMENTS AND FAIR VALUE MEASUREMENT (continued)

Level 3 Inputs to the valuation of methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Cash and equivalents, equities, and fixed income securities other than corporate bonds – valued at the closing price reported on the active market on which the individual securities are traded.

Fixed income securities: corporate bonds – valued at the last reported sales price on the day of valuation.

Pledges receivable – valued at the amount management expects to collect from the outstanding balances.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although UWFC believes its valuation methods are appropriate and consistent with the 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.

The following table sets forth UWFC's assets by level, within the fair value hierarchy as of June 30, 2026:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 297,192	$ -	$ -	$ 297,192
Fixed income securities	60,131	-	-	60,131
Equities	47,595	-	-	47,595
Total marketable securities	404,918	-	-	404,918
Pledges receivable, net	-	-	305,173	305,173
Total	**$ 404,918**	**$ -**	**$ 305,173**	**$ 710,091**

(4) INVESTMENTS AND FAIR VALUE MEASUREMENT (continued)

The following table sets forth UWFC's assets by level, within the fair value hierarchy as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 10,099	$ -	$ -	$ 10,099
Fixed income securities	231,483	-	-	231,483
Equities	176,831	-	-	176,831
Total marketable securities	418,413	-	-	418,413
Pledges receivable, net	-	-	104,986	104,986
Total	**$ 418,413**	**$ -**	**$ 104,986**	**$ 523,399**

The following table provides a summary of changes in fair value of UWFC's Level 3 financial assets for the year ended June 30:

	2026	2025
Balance - beginning of year	$ 104,986	$ 121,915
Contributions:		
Pledge payments	11,486	(229,845)
New pledges	214,547	230,561
Allowance account	(15,895)	(17,253)
Discounts to net present value	(9,951)	(392)
Balance - end of year	**$ 305,173**	**$ 104,986**

Investment activity included in revenue on the Statements of Activities and Changes in Net Assets for the years ended June 30:

	2026	2025
Interest and dividends	$ 23,568	$ 36,552
Unrealized gains and (losses)	(43,077)	11,523
Realized gains and (losses)	62,405	8,723
Fees	(2,805)	(2,493)
	$ 40,091	$ 54,305

(5) PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	2026	2025
Office equipment	$ 69,195	$ 68,242
Less: accumulated depreciation	(65,039)	(63,027)
Total	**$ 4,156**	**$ 5,215**

Property and equipment having a unit cost of $500 or more and an estimated useful life of more than three years are capitalized at cost if purchased and at estimated fair value if donated. Depreciation is recognized on the straight-line method over estimated useful lives of three to seven years. Depreciation expense for the years ended June 30, 2026 and 2025 was $2,012 and $1,886, respectively.

(6) DEBT

Line of Credit - On January 25, 2019, UWFC obtained a $200,000 line of credit with a local bank. On October 17, 2024, the line of credit amount was increased from $200,000 to $250,000. The interest rate is calculated at the prime rate, initially set at 8% (currently at 6.75% at June 30, 2026). The line of credit is secured by UWFC's marketable securities accounts. The balance on the line of credit at June 30, 2026 and 2025 was $240,000 and $250,000, respectively.

(7) ALLOCATIONS/DESIGNATIONS PAYABLE TO AGENCIES

Allocations/designations payable at June 30, 2026 and 2025 were $55,588 and $37,532, respectively. The policy is to pay-out the allocations/designations based on actual amounts collected. At June 30, 2026 and 2025, amounts paid for allocations/designations based on collections in the subsequent fiscal year were $37,532 and $46,735, respectively.

Annually, adjustments may be reflected in the Statements of Activities and Changes in Net Assets for payments based on collections.

(8) BOARD DESIGNATED NET ASSETS

Board designated net assets consisted of the following at June 30:

	2026	2025
Laughlin fund - volunteer appreciation	$ 345,995	$ 332,704
Remsburg fund - leadership	4,074	10,140
Frederick County - home buyers program	14,450	14,450
Total	**$ 364,519**	**$ 357,294**

(9) NET ASSETS WITH DONOR RESTRICTIONS

Net assets were donor restricted for the following purposes at June 30:

	2026	2025
Purpose:		
Getting Ahead	$ -	$ 8,516
Pathways to Transportation	-	11,230
Ride United Network	176,222	281,664
Time:		
Fiscal year 2027	50,000	-
Fiscal year 2026	-	70,000
Total	**$ 226,222**	**$ 371,410**

(10) IN-KIND CONTRIBUTIONS

UWFC's in-kind contributions consisted of the following for the years ended June 30:

	2026	2025	Usage
Stuff the Bus donations	$ 53,437	$ 53,403	Program
Public service announcements and advertising	30,822	26,692	Program
Other miscellaneous items	5,662	6,429	Program
Skilled volunteer hours	99,563	68,534	Program
Getting Ahead meals	-	9,863	Program
Distributed Chromebooks	-	193,582	Program
	$ 189,484	$ 358,503	

(10) IN-KIND CONTRIBUTIONS (continued)

These in-kind contributions, excluding the skilled volunteer hours, were valued using the billing rates reported by each vendor, which is the rate used for similar services or products. The skilled volunteer hours were valued using the hourly rate for Maryland calculated by The Independent Sector. No in-kind contributions were restricted. The Organization does not sell in kind donations and only uses services and goods for its own program or supporting service activities.

(11) RETIREMENT PLAN

UWFC maintains a 403(b) Thrift Plan, classified as a defined contribution plan, for all employees meeting minimum age and service requirements. Employees can contribute any percentage of their salary provided that they do not contribute more than the maximum permitted by law. Each plan year, an employer based contribution equal to 100% of the first 3% of their contribution and 50% of the following 2% of their contribution and that do not exceed 5% of their compensation during the plan year. The value of an employee's account attributable to employer contributions is fully vested after four years of service. The employer contribution for the years ended June 30, 2026 and 2025 was $36,694 and $35,491, respectively.

(12) OTHER CAMPAIGNS

In addition to its own campaign, UWFC manages the campaigns of several other unrelated organizations. As fiscal agent, UWFC is the custodian of the funds and is responsible for the administration and disbursement of funds for which it receives a commissioned administrative fee.

Combined Charity Campaigns (CCC)
UWFC is the Principal Combined Fund Organization for the following Combined Charity Campaigns: Frederick County Government Employees, The City of Frederick Employees and Board of Education of Frederick County Employees. Donations are collected by UWFC for the Combined Charity Campaigns and are deposited in separate cash accounts and distributed quarterly to participating agencies and UWFC.

The gross pledges and expenses of these other campaigns are not reflected in these financial statements. The only amounts included in the accompanying Statements of Activities and Changes in Net Assets related to these campaigns are UWFC's share of the pledges and the commissioned administrative fees.

The following amounts are included in the accompanying Statements of Financial Position:

Restricted cash – CCC – Represents undisbursed collections in CCC restricted bank accounts over which UWFC has control.

Allocations due from CCC – Represents UWFC's share of the CCC campaign pledges not yet paid to UWFC.

(12) OTHER CAMPAIGNS (continued)

Due to CCC – Represents the portion of restricted cash that is payable to agencies other than UWFC.

(13) LEASES

On July 1, 2021, UWFC entered into a five-year lease for office space ending on June 30, 2026. The monthly lease payment was $1,950 with 5% annual increases. UWFC extended this lease through June 30, 2031. The monthly lease payment starting July 1, 2026 is $2,580 with an increase of $210 for the first three years along with a 3% annual increase.

UWFC had a copier lease requiring monthly payments of $219 through April 2026. A new sixty month copier lease was entered into in May 2026 which requires monthly payments of $288.

The operating lease liabilities consisted of the following as of June 30:

	2026	2025
Current portion of lease liabilities	$ 2,909	$ 30,449
Long-term portion of lease liabilities	12,300	-
	$ 15,209	$ 30,449

Future payments under these leases at June 30, 2026 are as follows:

2027	$ 3,456
2028	3,456
2029	3,456
2030	3,456
2031	2,880
Total undiscounted cash flows	16,704
Less: present value discount	(1,495)
Total lease liability	$ 15,209

Additional information regarding these leases is summarized below:

Weighted-average remaining lease term in years	4.83
Weighted-average discount rate	4.02%

(14) INCOME TAXES

UWFC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the years ended June 30, 2026 and 2025, UWFC has determined that no income tax is due for its activities. Accordingly, no provision for income tax has been recorded in the accompanying financial statements. UWFC is not considered a private foundation.

UWFC previously adopted the recognition requirements for uncertain income tax positions as required by U.S. generally accepted accounting principles. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. UWFC believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on UWFC's financial condition, results of operations, or cash flows. Accordingly, UWFC has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at June 30, 2026 and 2025.

UWFC is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. UWFC believes it is no longer subject to U.S. Federal, state, and local income tax examinations for years prior to 2022.

(15) CONCENTRATIONS

Credit Risk
Cash held by UWFC in bank accounts may at times exceed the Federal Deposit Insurance Corporation (FDIC) coverage limit. Management believes UWFC is not exposed to any significant credit risk related to cash.

Sources of Revenue
UWFC received approximately 50% of its 2025 workplace campaign support from three local businesses. At June 30, 2026, approximately 23% of pledges receivable were from three local businesses.

For the year ended June 30, 2026, approximately 20% of the total grants and contributions came from one donor and 96% of the promises to give are from that same donor and one other donor.

UWFC received approximately 53% of its 2024 workplace campaign support from four local businesses. At June 30, 2025, approximately 50% of pledges receivable were from three local businesses.

For the year ended June 30, 2025, approximately 21% of the total grants and contributions came from one donor and 87% of the promises to give are from that same donor and two other donors.

(15) CONCENTRATIONS (continued)

The current level of operations and program services may be impacted if this funding were to be discontinued.

(16) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects UWFC's financial assets as of June 30, 2026 and 2025, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long term investment as board designated endowments. The board designated net assets can be drawn upon if the board approves that action.

Financial Assets:	2026	2025
Cash and cash equivalents	$ 31,424	$ 26,741
Restricted cash	789	1,342
Marketable securities	404,918	418,413
Pledges receivable - current, net	175,124	104,986
Promises to give - current, net	159,527	287,108
Allocations due from CCC	71,983	71,943
Financial assets, at year end	843,765	910,533
Donor-imposed restrictions:		
Restricted cash	(789)	(1,342)
Donor purpose restricted funds	(176,222)	(301,410)
Net financial assets after donor-imposed restrictions	666,754	607,781
Less those unavailable for general expenditure within one year, due to:		
Board designated net assets	(364,519)	(357,294)
Financial assets available to meet cash needs for general expenses within one year	$ 302,235	$ 250,487

As part of its liquidity management, UWFC structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. UWFC applies for grants to cover specific programs and other expenses and considers undesignated contributions and fundraising campaigns to cover general mission and operating expenses. UWFC also has a line of credit available to meet short-term needs.

(17) COVID-19 RELIEF PROGRAM

UWFC applied for relief using the Employee Retention Credit (ERC) which provides refundable credits against certain employment taxes. At June 30, 2026 and 2025, the employee retention tax credit receivables were $214 and $32,137, respectively, and is included in "Promises to give" on the Statements of Financial Position.

(18) SUBSEQUENT EVENTS

In preparing these financial statements, UWFC has evaluated events and transactions for potential recognition or disclosure through September 17, 2026, the date the financial statements were available to be issued.

Effective July 1, 2026, UWFC renewed their lease for office space for five year ending on June 30, 2031. The monthly lease payment starting July 1, 2026 is $2,580 with an increase of $210 for the first three years along with a 3% annual increase.

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