



Orange County United Way

Financial Statements as of and for the
Years Ended June 30, 2024
(with Summarized Information for the Year Ended
June 30, 2023)
and Supplemental Schedule of Expenditures of
Federal Awards for the Year Ended June 30, 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Orange County's United Way

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Independent Auditor's Report

The Board of Directors
Orange County's United Way
Irvine, California

Opinion

We have audited the financial statements of Orange County's United Way (the "Organization"), which comprise the statement of financial position as of June 30, 2024, 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.

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

Report on Summarized Comparative Information

We have previously audited Orange County's United Way's prior year financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 17, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Basis for Opinion

We conducted our audit 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements



themselves, and other additional procedures in accordance with GAAS. 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 February 5, 2025 on our consideration of the Organization'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 the Organization's 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 the Organization's internal control over financial reporting and compliance.

BDO USA, P.C.

Costa Mesa, California
February 5, 2025

Financial Statements

Orange County's United Way
Statements of Financial Position
June 30, 2024 (with comparative totals for 2023)

	June 30, 2024			June 30, 2023
	Without Permanent Donor Restrictions	Endowment Fund	Total	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 9,221,947	\$ -	\$ 9,221,947	\$ 7,203,299
Pledges receivable, net of allowance for uncollectible pledges of \$619,461 and \$932,169, respectively	3,111,887	-	3,111,887	4,718,329
Grants receivable	599,380	-	599,380	3,000,511
Other current assets	237,498	-	237,498	184,798
Total current assets	13,170,712	-	13,170,712	15,106,936
Pledges receivable, net of current	655,000	-	655,000	-
Receivables under trust agreements	91,588	-	91,588	54,594
Investments	12,498,592	4,672,509	17,171,101	18,056,017
Property and equipment, net	2,548,436	-	2,548,436	2,100,525
Total assets	\$ 28,964,328	\$ 4,672,509	\$ 33,636,837	\$ 35,318,073
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued expenses	\$ 1,638,687	\$ -	\$ 1,638,687	\$ 1,186,554
Program grants payable to community organizations	422,300	-	422,300	3,660,500
Refundable Advance	3,122,640	-	3,122,640	667,702
Designations payable	2,154,504	-	2,154,504	1,978,268
Total current liabilities and total liabilities	7,338,131	-	7,338,131	7,493,024
Net assets:				
Without Donor Restrictions	21,626,197	-	21,626,197	23,152,540
With Donor Restrictions	-	4,672,509	4,672,509	4,672,509
Total net assets	21,626,197	4,672,509	26,298,706	27,825,049
Total liabilities and net assets	\$ 28,964,328	\$ 4,672,509	\$ 33,636,837	\$ 35,318,073

See independent auditor's report and accompanying notes to financial statements.

Orange County's United Way

Statements of Activities and Changes in Net Assets For the year ended June 30, 2024 (with comparative totals for 2023)

	Year Ended June 30, 2024			Year Ended June 30, 2023
	Without Permanent Donor Restrictions	Endowment Fund	Total	Total
Revenues and other support				
Campaign revenue				
Annual campaign	\$ 22,791,471	\$ -	\$ 22,791,471	\$ 18,312,863
Emergency rental assistance grants	-	-	-	3,975,565
CDC Health Equity Initiative grant	3,408,347	-	3,408,347	8,583,513
California state grant	-	-	-	4,900,000
Less: provision for uncollectible pledges	(45,378)	-	(45,378)	(202,937)
Less: donor designations	(4,685,362)	-	(4,685,362)	(3,890,318)
Net campaign revenue	21,469,078	-	21,469,078	31,678,686
Interest income, realized and unrealized gains (losses) on investments and other income	2,618,521	-	2,618,521	1,487,625
Other contributions and designation adjustments	9,543	-	9,543	37,115
Donor designation fees	9,051	-	9,051	12,713
License revenues	87,842	-	87,842	115,811
Total net revenues and other support	24,194,035	-	24,194,035	33,331,950
Program services and support services				
Program services:				
Community allocations and service expenses	6,698,355	-	6,698,355	4,975,041
Grants and initiatives	15,703,655	-	15,703,655	20,299,791
Total program services	22,402,010	-	22,402,010	25,274,832
Support services:				
Fundraising	2,398,600	-	2,398,600	2,397,219
Organizational administration	1,744,168	-	1,744,168	1,319,693
Total support services	4,142,768	-	4,142,768	3,716,912
Change in Net Assets from Operating Activities	(2,350,743)	-	(2,350,743)	4,340,206
Non-Operating Activities				
Contribution of assets from 2110C	824,400	-	824,400	-
Change in Net Assets	(1,526,343)		(1,526,343)	4,340,206
Net assets, beginning of year	23,152,540	4,672,509	27,825,049	23,484,843
Net assets, end of year	\$ 21,626,197	\$ 4,672,509	\$ 26,298,706	\$ 27,825,049

See independent auditor's report and accompanying notes to financial statements.

Orange County's United Way

Statements of Functional Expenses For the year ended June 30, 2024 (with comparative totals for 2023)

	Program Services				Support Services			
	Community Allocations and Services Expenses	Grants and Initiatives	2024 Total Program Services	2023 Total Program Services	Fundraising	Organizational Administration	2024 Total Support Services	2023 Total Support Services
Community allocations	\$ 973,091	\$ -	\$ 973,091	\$ 691,393	\$ -	\$ -	\$ -	\$ -
Grants and initiatives	-	9,963,003	9,963,003	17,732,953	-	-	-	-
Salaries, benefits, and related expenses	4,316,253	5,740,652	10,056,905	5,832,473	1,537,941	483,373	2,021,314	2,151,513
Printing, supplies, and publications	261,612	-	261,612	167,167	208,033	3,703	211,736	163,971
Professional services	484,782	-	484,782	395,038	410,582	605,869	1,016,451	1,001,981
Office supplies and recognition	57,918	-	57,918	43,353	20,289	25,592	45,881	30,998
Conferences, training, and travel	12,380	-	12,380	8,426	18,212	73,357	91,569	63,744
Equipment rental and maintenance	122,491	-	122,491	72,777	41,498	40,758	82,256	48,518
Telephone	19,926	-	19,926	19,448	6,642	6,642	13,284	12,966
Postage	4,536	-	4,536	3,534	3,946	1,575	5,521	2,356
Utilities and building maintenance	151,394	-	151,394	133,666	50,411	50,968	101,379	89,110
Other	9,827	-	9,827	3,773	6,331	357,616	363,947	37,867
National and State dues	118,573	-	118,573	88,568	39,524	39,524	79,048	59,046
Depreciation and Amortization	165,572	-	165,572	82,263	55,191	55,191	110,382	54,842
Total	\$ 6,698,355	\$ 15,703,655	\$ 22,402,010	\$ 25,274,832	\$ 2,398,600	\$ 1,744,168	\$ 4,142,768	\$ 3,716,912

See independent auditor's report and accompanying notes to financial statements.

Orange County's United Way

Statements of Cash Flows For the year ended June 30, 2024 (with comparative totals for 2023)

Years ended June 30,	2024	2023
Cash flows from operating activities		
Change in net assets	\$ (1,526,343)	\$ 4,340,206
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation and amortization	275,954	137,105
Loss on sale or other disposal of long-lived assets	2,910	-
Unrealized gain on investments	(1,547,302)	(1,153,714)
Unrealized gain on receivable under trust agreements	(36,994)	(30,415)
Provision for uncollectible pledges	45,378	202,937
Contribution of assets from 211 OC	(824,400)	-
Changes in assets and liabilities:		
Pledges receivable	1,368,310	(1,682,141)
Grants receivables	2,401,131	815,193
Other current assets	(52,700)	(115,129)
Accounts payable, accrued expenses, and other liabilities	452,133	454,183
Program grants payable to community organizations	(3,238,200)	1,751,101
Refundable advances	2,454,938	378,025
Designations payable	176,236	6,769
Net cash and cash equivalents provided by (used in) operating activities	(48,949)	5,104,120
Cash flows from investing activities		
Cash received from acquisition	194,000	-
Purchase of investments	(5,738,124)	(11,048,814)
Sale of investments	8,170,342	7,768,893
Purchase of property and equipment	(558,621)	(973,330)
Net cash and cash equivalents provided by (used in) investing activities	2,067,597	(4,253,251)
Net increase in cash and cash equivalents	2,018,648	850,869
Cash and cash equivalents, beginning of year	7,203,299	6,352,430
Cash and cash equivalents, end of year	\$ 9,221,947	\$ 7,203,299
Supplemental Non-cash Investing and Financing Activities		
Non-cash portion of the contribution of 211 OC assets	\$ 630,400	\$ -

See independent auditor's report and accompanying notes to financial statements.

Orange County's United Way

Notes to Financial Statements

1. Summary of Accounting Policies

Organization

Orange County's United Way (the "United Way" or "Organization") is an incorporated not-for-profit organization that administers an annual fund-raising campaign in Orange County, California and uses those funds to support a variety of human services programs in Orange County. It is the Organization's goal to create a stronger community where every person receives a quality education, is financially stable, is healthy and thriving, and has a place to call home.

Tax Status

The Organization is exempt from income taxes to the extent provided under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Organization follows the provisions of Accounting Standards Codification ("ASC") No. 740, Income Taxes ("ASC 740"), surrounding accounting for uncertain income tax positions. ASC 740 prescribes a recognition threshold and measurement of tax positions taken or expected to be taken in income tax returns. ASC 740 also provides guidance on accounting for interest and penalties associated with tax positions. The Organization reports interest and penalties, if any, related to income tax matters within organization administration support services in the statements of activities and changes in net assets.

Basis of Accounting

The United Way follows the accounting provisions prescribed by ASC No. 958, Not-for-Profit Entities ("ASC 958"). ASC 958 requires, among other things, the recognition of contributions received at fair value, including unconditional promises to give, in the period received. ASC 958 establishes standards for general purpose external financial statements. Focusing on the entity as a whole, ASC 958 requires that all not-for-profit organizations provide a statement of financial position, a statement of activities, statement of functional expenses, statement of cash flows, and that net assets and changes in net assets be classified and reported Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions.

Net Assets

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

Net Assets Without Permanent Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These assets are available to support United Way's activities and operations at the discretion of the Organization with oversight by the Board of Directors.

Endowment Fund - Net assets subject to donor- (or certain grantor-) imposed restrictions, which are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

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Notes to Financial Statements

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue from Contributions

Revenue from contributions are not within the scope of Accounting Standards Codification No. 606, Revenue from Contracts with Customers, ("ASC 606") as they represent nonreciprocal transfers and do not represent the sale of goods or services. Revenues from contributions continue to be accounted for under ASC 958-605.

Revenue from contributions is recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Subclassifications of Contribution Revenues and Support

Donor-Imposed Restrictions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for use in future periods or are restricted by the donor for specific purposes are reported as donor restricted support.

Donors may designate their contribution to specific other tax-exempt agencies. Donor designations to specific agencies are reduced from revenue to arrive at total net revenues and other support in the accompanying statements of activities. Changes in donor designations to specific agencies made subsequent to the close of the fiscal year are reflected as part of net campaign contributions in the following year. Donor advised contributions are recorded as revenue when contributions are pledged, and designation of such contributions to other organizations are recorded as donor designations.

Promises to Give - Donors typically pay total promises to give within a 12-month period. The commencement date of payments will vary among donors. Unconditional promises to give are recorded at their net realizable value. Long-term promises to give are recorded at the present value of estimated future cash flows using an appropriate discount rate. Conditional promises to give are not included as support until such time as the conditions are substantially met and both the timing and the value of the promise are known with reasonable certainty. The United Way provides an allowance for estimated uncollectible pledges at the end of each fiscal year based upon historical collection experience and current conditions.

Contributed Property and Equipment - Contributions of property and equipment are recorded at estimated fair value at the date of donation. If donors stipulate a time or use restriction, the contributions are recorded as contributions with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded without donor restrictions.

Donated Services and Materials - Donated services are recorded at estimated fair value at the date of donation only if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated materials meeting such criteria are recorded at estimated fair value as revenue on the date of donation and as an increase to assets, decrease to liabilities, or expense, depending on the benefit received. In the absence of donor-imposed restrictions,

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Notes to Financial Statements

contributed materials are recorded as contributions without donor restrictions. No donated services or materials were received during the years ended June 30, 2024 or 2023.

A substantial number of volunteers and corporations have donated their time and services to the United Way. No amounts have been reflected in the financial statements for donated services, as no objective basis is available to measure the fair value of these services.

Revenue and Revenue Recognition

The Organization follows the provisions of ASC 606. Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity is entitled to receive in exchange for those goods or services. The standard provides a number of steps to follow to achieve that principle and requires additional financial statement disclosures related to the nature, timing, amount and uncertainty of revenue and cash flows arising from contracts with customers. Revenue for the Organization that pertains to ASC 606 relates to license revenues.

License Revenues

During the year ended June 30, 2020, the Organization implemented a digital giving platform that generated revenue from selling licenses to use the digital platform. As this is a reciprocal transfer, the revenue stream follows revenue recognition under ASC 606.

The Organization determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, the Organization satisfies a performance obligation.

The Organization accounts for a contract when both parties have approved the contract and are committed to perform its obligations, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable.

The contracts are billed annually in advance and the performance obligation to the customer is a right to access the platform for the period. The Organization recognized \$0 and \$115,811 in license revenue during the years ended June 30, 2024 and 2023. As of June 30, 2023, the Organization is no longer selling licenses for the digital giving platform.

During the year ended June 30, 2024, the Organization received a grant from the US Department of Housing and Urban Development and began participating in the Homeless Management Information System (HMIS) program. The Organization utilized third-party software for this initiative. As part of its participation, the Organization is entitled to collect HMIS fees, which are user license fees passed on to agencies utilizing HMIS. These fees vary based on the number of administrators and users in the agency, as well as the type of agency. Agencies receiving state and/or federal funding that require HMIS participation are charged an HMIS agency fee. As of June 30, 2024, and 2023, the Organization recognized \$87,842 and \$0 in license revenue related to the HMIS agency fee, respectively.

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Notes to Financial Statements

Concentration of Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of pledges receivable, substantially all of which are from individuals, businesses, or nonprofit organizations in Orange County, California and the surrounding areas.

The Organizations maintains cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) limits.

Pledges Receivable

Pledges receivable are typically due within 12 months from the date of pledge. Multi-year pledges received by the Organization are discounted based on the terms of the pledge and an appropriate discount rate, if applicable. The Organization has recorded an allowance for uncollectible pledges based on historic experience and current conditions. The Organization recorded \$45,378 and \$202,937 in provisions for uncollectible pledges for the years ended June 30, 2024 and 2023, respectively.

Program Services

Allocations of funds by the Organization for program services relate to community investments, grants and initiatives and community services and are recorded as program grants payable and program services expense when the Organization has committed to an obligation.

Designations Payable

Designations consist of pledges by donors that are designated to specific agencies at the time of pledge. Designations payable are recorded at the time the related pledge is received and reflected in net campaign revenue. Amounts are remitted to the beneficiary agencies as the related pledges are received from the donors.

Investments

Investments in equity securities with readily determinable fair values, and all investments in debt securities are reported at fair value on the statements of financial position, with gains and losses included in the statements of activities and changes in net assets. Fair value is determined based on quoted market prices. Net unrealized (losses) gains on investments of \$1,547,302 and \$1,153,714 are included in interest, other income, realized and unrealized gains on investments, net in the statements of activities and changes in net assets for the years ended June 30, 2024 and 2023, respectively.

The Organization's investments consist of equity, fixed income and other investment securities (see Note 2). Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that the changes in risks in the near term could materially affect the investment amounts reported in the financial statements.

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Notes to Financial Statements

Property and Equipment, net

Equipment and furniture and fixtures are stated at cost (or, if donated, estimated fair value on the date of donation) and depreciated using the straight-line method over the estimated useful lives of the related assets, ranging from 3 to 10 years. Building and improvements are stated at cost and depreciated using the straight-line method over their estimated useful lives, generally ranging from 10 to 25 years.

Long-Lived Assets and Non-Current Financial Instruments

Long lived assets and non-current financial instruments consist of property and equipment, investments, multi-year pledges receivable and restricted cash. Long-lived assets to be held and used are reviewed for events or changes in circumstances which indicate that their carrying value may not be recoverable. The Organization regularly reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset, the Organization recognizes an impairment loss equal to the difference between the carrying amount and the fair value of the asset. As of June 30, 2024 and 2023, management determined that no impairment of long-lived assets existed.

Cash and Cash Equivalents

The Organization considers all highly liquid investments that are readily convertible to known amounts of cash and that have an original maturity of three months or less when purchased, to be cash equivalents. As of June 30, 2024 and 2023, cash and cash equivalents consisted primarily of money market funds and deposits with six financial institutions. Cash and cash equivalents are held at a limited number of financial institutions, and may, at times, exceed insurable amounts. The Organization believes it mitigates its risks by maintaining cash in or through financial institutions with high credit ratings. Recoverability is dependent upon the performances of the financial institutions. Nonperformance by these institutions could expose the Organization to losses for amounts in excess of insured balances. The Organization has not experienced, nor does it anticipate, nonperformance by these institutions.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment, the characteristics specific to the investment and the state of the marketplace including the existence and transparency of transactions between market participants.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.
- Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

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Notes to Financial Statements

- Level 3 - Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The Organization determines the fair value of financial assets and liabilities based on the fair value hierarchy described above, which prioritizes the inputs to valuation techniques used to measure fair value into the three levels. The Organization's financial instruments consist of cash, restricted cash, pledges receivable, grants receivable, discounted long-term pledges receivable, and payables. These instruments are reflected in the statements of financial position at carrying value. The Organization's financial instruments also consist of investments which are recorded at fair value based upon Level 1 inputs and receivables under trust agreements which are recorded at fair value based on Level 2 inputs.

The following table reflects the Organization's assets required to be measured at fair value on a recurring basis on the statements of financial position:

	June 30, 2024		
	Level 1	Level 2	Level 3
Investments - without permanent donor restrictions (see Note 2)	\$ 12,498,592	\$ -	\$ -
Investments - Endowment Fund (see Note 4)	4,672,509	-	-
Receivables under trust agreements - without donor restrictions (See Note 5)	-	91,588	-
	\$ 17,171,101	\$ 91,588	\$ -

	June 30, 2023		
	Level 1	Level 2	Level 3
Investments - without permanent donor restrictions (see Note 2)	\$ 13,383,508	\$ -	\$ -
Investments - Endowment Fund (see Note 4)	4,672,509	-	-
Receivables under trust agreements - without donor restrictions (See Note 5)	-	54,594	-
	\$ 18,056,017	\$ 54,594	\$ -

Reclassification

As of June 30, 2023, the functional expenses are reclassified to conform to the current period presentation.

Orange County's United Way

Notes to Financial Statements

Use of Estimates

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

COVID-19 and CARES Act

On January 5, 2021, the U.S. Department of the Treasury launched the Emergency Rental Assistance Program (ERAP), established by the Consolidated Appropriations Act, 2021, to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. To assist Orange County residents whose rent are in arrears as a result of the pandemic, Orange County's United Way began participating in the program in March 2021 and serves to coordinate and manage the tenant and landlord verification processes, payment processing and adherence to the State and Treasury guidelines. Orange County's United Way serves as a subcontractor for various municipalities and public benefit contractors in Orange County to administer funds. As a result of the program, the Organization received grant contributions of approximately \$5.9 million, recognized approximately \$4.0 million in grant revenue and incurred approximately \$3.9 million of grants and initiatives expenses in fiscal year 2023. No funds were received under this program in fiscal year 2024.

On June 1, 2021, County of Orange/OC Healthcare Agency (OCHCA) was awarded a grant from the Centers for Disease Control (CDC) to address the COVID-19 health disparities among populations at high-risk and underserved. Orange County's United Way serves as a subrecipient to administer funds of approximately \$16.9 million. As a result of the program, the Organization recognized approximately \$3.4 million and \$8.6 million in grant revenue and grants and initiatives expenses in fiscal year 2024 and 2023, respectively. The Organization received grant revenue of approximately \$6.4 million and \$6.9 million in fiscal year 2024 and 2023, respectively.

2. Investments

The following information is presented by class of investments based on nature and risk of the underlying investments.

Investments without donor restrictions consist of the following at June 30:

	2024	2023
Certificates of deposits	\$ 1,050,096	\$ 3,510,341
Fixed income securities - Bond funds	2,793,876	1,704,720
Equity securities - Large cap mutual funds	8,654,620	8,168,447
Total	\$ 12,498,592	\$ 13,383,508

Endowment Investments consist of the following at June 30:

	2024	2023
Fixed income securities - Bond funds	\$ 1,141,336	\$ 1,135,604
Equity securities - Corporate stocks	3,531,173	3,536,905
Total	\$ 4,672,509	\$ 4,672,509

Orange County's United Way

Notes to Financial Statements

3. Property and Equipment

Property and equipment consist of the following at June 30:

	2024	2023
Land	\$ 722,039	\$ 722,039
Building	2,089,639	2,089,639
Building improvements	2,332,434	2,436,954
Furniture and equipment	1,804,149	2,237,554
CIE system	150,337	-
	7,098,598	7,486,186
Less: accumulated depreciation and amortization	(4,550,163)	(5,385,661)
Property and equipment, net	\$ 2,548,435	\$ 2,100,525

Depreciation and amortization expense totaled \$275,954 and \$137,105 for the years ended June 30, 2024 and 2023, respectively.

4. Endowment Fund

The Organization has established an Endowment Fund which operates under the Endowment Guidelines established and approved by the Board of Directors ("Board"). The principal objective of the Endowment Fund is to provide a source of income to help fund the Organization's operational costs, thereby providing some protection against fluctuations in annual campaign revenue and maximizing the amount of resources focused on the community's most critical issues. The Endowment Fund consists of three components: the General Endowment Fund (for endowed contributions without a specific purpose restriction), the Donor-Restricted Endowment (for endowed contributions with a donor-imposed purpose restriction), and the Board Investment Endowment Fund (for Board-designated or quasi-endowments).

The balance in the Endowment Fund as of June 30, 2024 and 2023, totaled \$16,671,345 and \$15,507,042, respectively, which is comprised of the following:

<i>June 30,</i>	2024	2023
General Endowment Fund - restricted	\$ 4,672,509	\$ 4,672,509
Board Investment Endowment Fund - unrestricted	11,998,836	10,834,533
Total Endowment Fund	\$ 16,671,345	\$ 15,507,042

For the years ended June 30, 2024 and 2023, the Organization received \$10,000 and \$10,000, respectively, which was appropriated to the Board Investment Endowment Fund. Endowment Fund contributions subject to donor-imposed stipulations that require the principal be maintained in perpetuity are considered permanently restricted net assets of the Organization and only the income from the investment is unrestricted. Board designated Endowment Fund appropriations are considered unrestricted net assets of the Organization.

Orange County's United Way

Notes to Financial Statements

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the State of California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as the corpus of donor-restricted net assets (a) the original value of gifts donated to the corpus, plus (b) the original value of subsequent gifts to the corpus and accumulations to the corpus made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in the corpus is classified as donor-restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner consistent with the primary focus, which is to preserve endowment capital.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Distribution Policy and How the Investment Objectives Relate to Spending Policy

The Board had previously determined that it would not appropriate for expenditure of any amount from the Endowment Fund until the Endowment Fund reached \$10 million, which occurred in 2017. In February 2017, the Board adopted a revised Endowment Fund Policy Statement which now requires the earnings of the Endowment Fund to be allocated to the Board Investment Endowment Fund - unrestricted rather than to the General Endowment Fund - restricted.

Orange County's United Way

Notes to Financial Statements

5. Beneficial Interests in Charitable Trusts Held by Others

The Organization has been named as an irrevocable beneficiary of a charitable trust held and administered by an independent trustee. This trust was created independently by the donor and is administered by outside agents designated by the donor. Therefore, the Organization has neither possession nor control over the assets of the trust. At the date the Organization receives notice of a beneficial interest, a contribution without donor restrictions is recorded in the statements of activities, and a beneficial interest in charitable trusts held by others is recorded in the statements of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the statements of financial position, with changes in fair value recognized in the statements of activities and changes in net assets.

For years ended June 30, 2024 and 2023, the fair value of the charitable trust was \$91,588 and \$54,594. Changes in fair value recognized for the years ended June 30, 2024 and June 30, 2023 of \$36,994 and \$30,415, respectively, are included in other contributions and designation adjustments on the statements of activities and changes in net assets.

6. Net Assets

Net assets consist of the following at June 30:

	2024	2023
Without Donor Restrictions		
Appropriated - initiatives	\$ 6,654,258	\$ 9,177,670
Appropriated - property and equipment	2,548,435	2,100,525
Appropriated - Board Investment Endowment Fund	11,998,836	10,834,533
Unappropriated	424,668	1,039,812
Total without permanent donor restrictions	21,626,197	23,152,540
Endowment Fund	4,672,509	4,672,509
Total	\$ 26,298,706	\$ 27,825,049

As of June 30, 2024, the targeted stabilization reserve level is an amount equal to three months of estimated programmatic costs plus three months of estimated operating costs. As of June 30, 2024 and 2023, the stabilization reserve, which is included in the Board Investment Endowment Fund, amounts to \$4,471,010 and \$3,572,306, respectively.

7. Liquidity and Availability of Financial Assets

As part of the Organization's liquidity management, financial assets are structured to provide availability to meet the needs of the general expenditures and liabilities as they come due. The Organization's financial assets profile is reviewed in detail during the annual budget process and financial assets are aligned to meet the operational needs of the Organization. The following reflects the Organization's financial assets, as of the statement of financial position date, reduced by amounts not available for general use because of contractual restrictions such as lock-up periods and portfolio liquidity within one year of the statement of financial position date.

Orange County's United Way

Notes to Financial Statements

	2024	2023
Financial assets, at year-end:		
Cash and cash equivalents	\$ 9,221,947	\$ 7,203,299
Pledges receivable	3,111,887	4,718,329
Grants receivable	599,380	3,000,511
Investments	12,498,592	13,383,508
Financial assets available to meet cash needs for general expenditures within one year	\$ 25,431,806	\$ 28,305,647

At times, the Organization may receive grants and/or pledges that are recognized as contribution revenue in the period when all the criteria for revenue recognition have been met but are spent in subsequent periods due to the timing of when the grants and/or pledges were received, which may result a loss in those subsequent periods.

8. Retirement Plan

The Organization sponsors a defined-contribution 403(b) retirement plan, which covers substantially all employees. There is an employer matching contribution equal to 50% of the first 6% of the employee contribution, up to the Internal Revenue Service legal limits. The Organization's contributions to the defined-contribution retirement plan were \$122,929 and \$109,802 for the fiscal years ended June 30, 2024 and 2023, respectively.

9. Related-Party Transactions - 2-1-1 Orange County

2-1-1 Orange County (211OC) is an organization dedicated to connecting residents in need with critical health and human services resources. To serve the best interest of the Organization, stabilize operations, and enhance the client experience, the Organization entered into an asset purchase agreement with 2-1-1 Orange County (211OC) effective July 1, 2023, whereby the Organization accepted and assumed all assets of 211OC except for certain excluded assets and assumed no liabilities for \$0 consideration. Transaction expenses of \$179,105 are included in organizational administrative expenses for the year ended June 30, 2023. Unsecured loans made by the Organization to 211OC totaling \$152,000 were forgiven on June 30, 2023, and are included in grants and initiatives. As the assets acquired were greater than the consideration paid, the transaction was reflected as a contribution of assets under the applicable accounting guidance. The following is a summary of the assets acquired:

Cash	\$ 194,000
Accounts receivable	462,246
Property and equipment	168,154
Total	\$ 824,400

The Organization also entered into a management services agreement with 211OC effective July 1, 2023, whereby the Organization pays 100% of the operating expenses incurred by 211OC after the acquisition until 211OC winds up operations ("211OC Shell"). During the year ended June 30, 2024, the Organization provided \$310,921 in expense reimbursements to the 211OC Shell which is included in organizational administration on the accompanying statement of activities. During the year ended

Orange County's United Way

Notes to Financial Statements

June 30, 2023, the Organization made \$708,754 in grants to 211OC which are included in grants and initiatives on the accompanying statement of activities. As of June 30, 2024, 211OC Shell has no assets or liabilities.

10. Commitments and Contingencies

Legal Proceedings

The Organization currently has no lawsuits, actions, or other legal proceedings pending claims that would have a material impact on the statement of financial condition. However, the Organization could, from time to time, be involved in litigation proceedings arising out of its normal course of business.

11. Subsequent Events

The Organization has evaluated all subsequent events that occurred after the statement of financial position date through February 5, 2025, which represents the date the financial statements were available to be issued.



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*

The Board of Directors
Orange County’s United Way
Irvine, California

We have audited, in accordance with the 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 Orange County’s United Way (the “Organization”), which comprise the Organization’s statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 5, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing audit 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 the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Orange County's United Way '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*.

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 results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Costa Mesa, California
February 5, 2025



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance

The Board of Directors
Orange County’s United Way
Irvine, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Orange County’s United Way (the “Organization”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended June 30, 2024. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization’s federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, P.C.

Costa Mesa, California
February 5, 2025

Orange County's United Way

Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Continuum of Care Program	14.267	CA0575L9D022215	-	\$ 650,575
Passed through the County of Orange:				
Continuum of Care Program	14.267	MA-17-22011912	-	274,485
Total Continuum of Care Program				925,060
Passed through the City of Anaheim:				
Emergency Solutions Grant Program	14.231		-	33,528
Passed through the City of Garden Grove:				
Emergency Solutions Grant Program	14.231		-	5,094
Passed through the City of Irvine:				
Emergency Solutions Grant Program	14.231		-	10,000
Emergency Solutions Grant Program	14.231		-	36,075
Passed through the City of Santa Ana:				
Emergency Solutions Grant Program	14.231		-	103,705
Total Emergency Solutions Grant Program				188,042
Total U.S. Department of Housing and Urban Development				1,113,462
Department of Health and Human Services Centers for Disease Control and Prevention				
Passed through County of Orange:				
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	MA-042-22010253	2,699,151	3,386,948
Total Department of Health and Human Services				3,386,948
U.S. Internal Revenue Service				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009		-	311,190
Total U.S Internal Revenue Service				311,190
U.S. Department of Agriculture				
SNAP Cluster				
Passed through 211 San Diego:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	21-1004-SUB-OC	-	118,939
Passed through the County of Orange:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	MA-012-23010452	-	11,800
Total SNAP Cluster and Total U.S Department of Agriculture				130,739

Orange County's United Way
Schedule of Expenditures of Federal Awards

U.S. Department of Transportation				
Transit Services Programs Cluster				
Passed through Orange County Transportation Authority:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	C-0-2225	-	25,525
Total Transit Services Programs Cluster and Total U.S Department of Transportation				25,525
Total Expenditures of Federal Awards				\$ 4,967,864

The accompanying notes are an integral part of this schedule.

Orange County's United Way

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Orange County's United Way, (the "Organization") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the financial position, changes in its net assets or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4. Subsequent Events

The Organization has evaluated all subsequent events that occurred after the statement of financial position date through February 5, 2025, which represents the date the financial statements were available to be issued.

Orange County's United Way
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

14.267

Continuum of Care Program

93.391

Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? x yes _____ no

Orange County's United Way
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section II - Financial Statement Findings

During the audit for the year ended June 30, 2024, there were no findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards (GAGAS).

Section III - Federal Award Findings and Questioned Costs

No matters were identified that were required to be reported.