

**United Cerebral Palsy of Central
Pennsylvania**

Financial Statements and Supplementary
Information

Years Ended June 30, 2024 and 2023
with Independent Auditor's Reports

MaherDuessel

A horizontal bar is positioned below the company name. The left portion of the bar is black, and the right portion is blue, matching the color of the 'D' in the company name.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

YEARS ENDED JUNE 30, 2024 AND 2023

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Independent Auditor's Report

**Board of Directors
United Cerebral Palsy of Central Pennsylvania**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Cerebral Palsy of Central Pennsylvania (nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Cerebral Palsy of Central Pennsylvania as of June 30, 2024 and 2023, 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 and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Cerebral Palsy of Central Pennsylvania 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, United Cerebral Palsy of Central Pennsylvania adopted the accounting provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, "*Financial Instruments – Credit Losses (Topic 326)*." Our opinion is not modified with respect to this matter.

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 Cerebral Palsy of Central Pennsylvania ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 27, 2025 on our consideration of United Cerebral Palsy of Central Pennsylvania 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 United Cerebral Palsy of Central Pennsylvania 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 United Cerebral Palsy of Central Pennsylvania internal control over financial reporting and compliance.

Maher Duessel

Harrisburg, Pennsylvania
February 27, 2025

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

Assets	2024	2023
Current assets:		
Cash and cash equivalents	\$ 5,146,601	\$ 5,845,745
Investments	13,358,722	10,834,105
Accounts receivable	11,344,594	5,714,609
Prepaid expenses	598,461	328,271
Other assets	6,967	4,923
Inventory	1,493	7,199
Total current assets	30,456,838	22,734,852
Property and equipment:		
Land	781,189	757,389
Buildings	4,245,269	3,795,110
Furniture and fixtures	77,462	77,462
Leasehold improvements	431,436	512,543
Office equipment	288,348	287,741
Vehicles	640,024	670,073
	6,463,728	6,100,318
Less: accumulated depreciation	2,600,799	2,397,529
Net property and equipment	3,862,929	3,702,789
Right-of-use asset operating	1,927,614	2,127,635
Right-of-use asset finance	372,439	536,242
Total Assets	\$36,619,820	\$29,101,518

(Continued)

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

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

(Continued)

	2024	2023
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 455,796	\$ 357,142
Accrued payroll costs	1,890,729	1,689,744
Payroll taxes and withholdings	204,489	133,788
Deferred revenue	16,674	23,036
Operating leases	507,759	444,889
Finance leases	106,884	234,295
Long-term debt, current portion	78,401	82,311
Total Current Liabilities	3,260,732	2,965,205
Operating leases	1,511,662	1,776,471
Finance leases	249,988	308,848
Long-term debt, net of current portion	552,782	631,221
Total Liabilities	5,575,164	5,681,745
Net Assets:		
Without donor restrictions		
Undesignated	25,114,635	18,155,759
Board-designated	5,452,440	4,842,460
	30,567,075	22,998,219
With donor restrictions	477,581	421,554
Total Net Assets	31,044,656	23,419,773
Total Liabilities and Net Assets	\$ 36,619,820	\$29,101,518

(Concluded)

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

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without donor restrictions	With donor restrictions	Total
Support and Revenue:			
Public support:			
Special events	\$ 257,830	\$ -	\$ 257,830
United Way	20,764	-	20,764
Contributions	27,552	-	27,552
Foundation grants	25,130	-	25,130
Released from restriction	15,940	(15,940)	-
Total public support	347,216	(15,940)	331,276
Revenue:			
Program revenue:			
Government funding contracts	53,759,521	-	53,759,521
Other contracted funding	271,677	-	271,677
Client fees	321,637	-	321,637
Total program revenue	54,352,835	-	54,352,835
Other revenue:			
Interest	543,486	-	543,486
Dividends	121,320	9,391	130,711
Realized gains	4,072	324	4,396
Unrealized gains	558,921	62,252	621,173
Gain on disposal	8,349	-	8,349
Other income	23,486	-	23,486
Total other revenue	1,259,634	71,967	1,331,601
Total support and revenue	55,959,685	56,027	56,015,712
Expenses:			
Program	43,982,197	-	43,982,197
Management and general	4,206,428	-	4,206,428
Fundraising	202,204	-	202,204
Total expenses	48,390,829	-	48,390,829
Change in Net Assets	7,568,856	56,027	7,624,883
Net Assets:			
Beginning of year	22,998,219	421,554	23,419,773
End of year	\$ 30,567,075	\$ 477,581	\$ 31,044,656

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

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2023

	Without donor restrictions	With donor restrictions	Total
Support and Revenue:			
Public support:			
Special events	\$ 253,097	\$ -	\$ 253,097
United Way	16,571	-	16,571
Contributions	3,051	-	3,051
Foundation grants	119,212	-	119,212
Released from restriction	27,547	(27,547)	-
Total public support	<u>419,478</u>	<u>(27,547)</u>	<u>391,931</u>
Revenue:			
Program revenue:			
Government funding contracts	45,286,396	-	45,286,396
Other contracted funding	310,309	-	310,309
Client fees	298,858	-	298,858
Total program revenue	<u>45,895,563</u>	<u>-</u>	<u>45,895,563</u>
Other revenue:			
Interest	200,146	-	200,146
Dividends	84,111	6,726	90,837
Realized gains	8,003	29,302	37,305
Unrealized gains	445,195	16,142	461,337
Gain on disposal	2,959	-	2,959
Other income	116,197	-	116,197
Total other revenue	<u>856,611</u>	<u>52,170</u>	<u>908,781</u>
Total support and revenue	<u>47,171,652</u>	<u>24,623</u>	<u>47,196,275</u>
Expenses:			
Program	39,212,383	-	39,212,383
Management and general	4,117,435	-	4,117,435
Fundraising	179,535	-	179,535
Total expenses	<u>43,509,353</u>	<u>-</u>	<u>43,509,353</u>
Change in Net Assets	3,662,299	24,623	3,686,922
Net Assets:			
Beginning of year	<u>19,335,920</u>	<u>396,931</u>	<u>19,732,851</u>
End of year	<u>\$ 22,998,219</u>	<u>\$ 421,554</u>	<u>\$ 23,419,773</u>

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

**UNITED CEREBRAL PALSY
OF CENTRAL PENNSYLVANIA**
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Expenses	Management and General	Fundraising	Total
Employee Compensation:				
Salaries	\$ 33,459,095	\$ 2,572,202	\$ 53,619	\$ 36,084,916
Payroll taxes	2,615,830	174,693	4,082	2,794,605
Employee benefits	2,645,446	625,508	3,770	3,274,724
Total employee compensation	38,720,371	3,372,403	61,471	42,154,245
Operating expenses:				
Occupancy	1,391,680	147,748	6,104	1,545,532
Transportation	745,405	36,287	605	782,297
Professional fees	223,471	213,100	375	436,946
Supplies	274,867	31,731	7,272	313,870
Consumer expenditures	1,421,297	-	-	1,421,297
Communications	247,027	32,622	16,027	295,676
Information technology	402,297	133,968	6,264	542,529
Equipment rental and repairs	160,131	40,616	1,094	201,841
Conferences	42,482	10,848	-	53,330
Dues, subscriptions, and publications	19,150	49,923	170	69,243
Affiliate dues	-	25,000	-	25,000
Other	54,432	71,996	101,312	227,740
Depreciation	279,587	40,186	1,510	321,283
Total operating expenses	5,261,826	834,025	140,733	6,236,584
Total functional expenses	\$ 43,982,197	\$ 4,206,428	\$ 202,204	\$ 48,390,829

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

**UNITED CEREBRAL PALSY
OF CENTRAL PENNSYLVANIA**
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Expenses	Management and General	Fundraising	Total
Employee Compensation:				
Salaries	\$ 29,806,457	\$ 2,361,351	\$ 38,573	\$ 32,206,381
Payroll taxes	2,324,497	177,629	2,610	2,504,736
Employee benefits	2,501,946	641,993	4,469	3,148,408
Total employee compensation	34,632,900	3,180,973	45,652	37,859,525
Operating expenses:				
Occupancy	1,324,773	251,461	5,074	1,581,308
Transportation	727,145	40,159	229	767,533
Professional fees	269,745	125,329	495	395,569
Supplies	214,150	23,407	9,795	247,352
Consumer expenditures	983,976	-	-	983,976
Communications	223,927	37,593	13,743	275,263
Information technology	342,133	118,903	5,851	466,887
Equipment rental and repairs	131,529	198,319	1,110	330,958
Conferences	20,130	6,885	79	27,094
Dues, subscriptions, and publications	2,652	44,324	410	47,386
Affiliate dues	-	25,000	-	25,000
Other	61,155	31,859	96,010	189,024
Depreciation	278,168	33,223	1,087	312,478
Total operating expenses	4,579,483	936,462	133,883	5,649,828
Total functional expenses	\$ 39,212,383	\$ 4,117,435	\$ 179,535	\$ 43,509,353

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

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities:		
Change in net assets	\$ 7,624,883	\$ 3,686,922
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Realized and unrealized gain on investments	(625,569)	(498,642)
Amortization of deferred financing costs	233,401	159,985
Amortization of finance ROU asset	429,640	505,881
Amortization of operating ROU asset	321,283	312,478
Depreciation	(8,349)	(2,959)
Gain on disposal		
(Increase) decrease in assets:		
Accounts receivable	(5,629,985)	1,313,459
Prepaid expenses	(270,190)	57,638
Other assets	(2,044)	238
Inventory	5,706	1,840
Increase (decrease) in liabilities:		
Accounts payable	98,654	(24,159)
Accrued payroll costs	200,985	116,736
Payroll taxes and withholdings	70,701	(526,053)
Refundable advance	-	-
Lease liability operating	(437,538)	(387,064)
Finance lease interest	25,592	37,017
Deferred revenue	(6,362)	(163,915)
Total adjustments	(5,594,075)	902,480
Net cash and cash equivalents provided by (used in) operating activities	2,030,808	4,589,402
Cash Flows From Investing Activities:		
Purchase of investments	(5,541,868)	(8,545,398)
Proceeds from sales of investments	3,642,820	2,871,790
Purchase of property and equipment	(473,074)	(207,286)
Net cash provided by (used in) investing activities	(2,372,122)	(5,880,894)
Cash Flows From Financing Activities:		
Repayments of principal on mortgages	(82,349)	(79,238)
Payments on finance leases	(275,481)	(212,233)
Net cash provided by (used in) financing activities	(357,830)	(291,471)
Net Increase (Decrease) in Cash and Cash Equivalents	(699,144)	(1,582,963)
Cash and Cash Equivalents:		
Beginning of year	5,845,745	7,428,708
End of year	\$ 5,146,601	\$ 5,845,745
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 26,791	\$ 29,902

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

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting with support, revenues, and gains recognized when earned and expenses and losses recognized when incurred. Government and other funding contracts which are intended to fund operations and services for a specific contract or award period are recognized as revenue in the period in which the related costs are incurred or services are performed.

Income Taxes

United Cerebral Palsy of Central Pennsylvania (Organization) is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation. Further, the Organization annually files a Form 990.

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 differ from those estimates.

Net Asset Classifications

The following two categories of net assets are presented in the financial statements when applicable:

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

With donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time or that they be maintained permanently by the Organization.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Cash and Cash Equivalents

The Organization includes in cash and cash equivalents, monies held at various financial institutions, including monies held in money market accounts.

Fair Value Measurements

Investments are reported at fair value with gains and losses included in the statement of activities. Valuation techniques and inputs used to develop fair value measurements are based on a fair value hierarchy.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 — Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available, but traded less frequently, and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 — Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

measurement. However, the determination of what constitutes “observable” requires significant judgment by the Organization. The Organization considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization’s perceived risk of that instrument.

Valuation of Investments

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include certain mutual funds and U.S. treasury notes. The Organization does not adjust the quoted price for such instruments.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources supported by observable inputs, are classified within Level 2. Level 2 instruments include certificates of deposit. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Organization does not have any Level 3 investments.

Contributed investments are valued at fair value on the date contributed. Unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Realized gains and losses, if any, on the sale or disposal of investments are computed on a specific identification basis and are also included as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Endowments

The Organization’s endowments consist of two individual funds established for a variety of purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Directors (Board) to function as endowments. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, discounted using the Organization's risk-free rate. Lease and non-lease components of lease agreements are accounted for separately. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Non-lease components of lease agreements are accounted for separately.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Property and equipment are capitalized if they have an initial individual cost of more than \$5,000.

Total depreciation expense for the years ended June 30, 2024 and 2023, amounted to \$321,283 and \$312,478, respectively.

Allowance for Credit Losses

The Organization operates in the health and human services industry and a substantial portion of its accounts receivables are primarily derived from the Commonwealth of Pennsylvania (Commonwealth), of which most of the initially denied accounts receivable is the result of billing at incorrect service codes, amounts billed or not enough units authorized. Once billed to the Commonwealth, the Organization can make any necessary corrections for up to a year of the provided service. The Organization exhausts all avenues before denied Commonwealth billings older than 365 days are considered uncollectible. All other receivables represent billings that the Organization has a commitment by the consumer or agency to pay and management believes such receivables are fully collectible.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

The allowance for credit losses estimate is derived from a review of the Organization's historical losses based on the aging of accounts receivable. The estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization has determined, as of June 30, 2024 and 2023, that any credit loss or allowance for credit loss would be immaterial.

Accrued Paid Time Off

Paid time off (PTO) is accrued systematically. All employees earn PTO based on years of service.

During the year ended June 30, 2023, carryover of unused PTO from one calendar year to the next was limited to 135 hours for full-time and 22.5 hours for part-time. During the year ended June 30, 2024, carryover of unused PTO from one calendar year to the next was limited to 135 hours for full-time, 50 hours for full-time 30+, and 25 hours for part-time. Any hours in excess of the corresponding amount are paid at 50% of the employee's regular rate of pay. During the year ended June 30, 2024 the policy was amended to payout from 100% to 50%.

Upon termination of employment, employees with at least three years of service are paid for unused PTO in accordance with the Organization's policies.

Current accrued PTO totaling \$229,061 and \$434,262 for the years ended June 30, 2024 and 2023, respectively, are included in accrued payroll costs on the statements of financial position.

Deferred Revenue

Deferred revenue represents certain program income received in advance. Deferred revenue is recognized in the statement of activities as services are rendered and related expenses are incurred.

Revenue and Support

Contract funded revenue, with the exception of ODP special funding as disclosed in Note 10, is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services to consumers. These amounts are generally due from governmental payors. The Organization bills the payor subsequent to the performance of services. Revenue is recognized as the performance obligations are satisfied

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

when services are provided to consumers. The Organization does not believe it is required to provide additional services related to revenue being recognized. Under the government programs disclosed in Note 14, the Organization is reimbursed based on units of service billed at established payment rates for eligible services. The Organization was notified and recorded a \$2,050,000 rate settlement receivable in 2024 related to prior year services provided.

Client fees related to room and board fees are based upon annual room and board contracts signed by the Organization's residents. The performance obligation of providing access to housing is satisfied ratably over the month in which the consumer lives in the Organization's homes. Revenue is recognized when the performance obligation is met.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are 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. Conditional contributions, that is, those with a measurable performance or other barrier, and a right of return, are recognized when the conditions on which they depend are substantially met.

Contributions received are recorded as with or without donor restrictions, depending on the existence or nature of any donor restrictions.

Special events income is mainly comprised of fundraising contributions, ticketing, registration, and sponsorship revenue. Ticketing, registration, and sponsorship revenue is recognized upon completion of the fundraising event. Funds received in advance of each event is recorded as deferred revenue until the completion of the event, at which time the revenue is recognized. Funds received for special events are considered exchange transactions up to the cost of the benefits provided. Any excess of funds received over benefits are considered contribution without donor restrictions and are recognized in accordance with the Organization's contribution recognition policies.

Contributed Non-Financial Assets

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform various tasks that assist the Organization with

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

administrative, program, and training activities; however, their time does not meet the definition of donated services for accounting purposes.

Membership Fees

Membership fees to the national organization are determined annually by a formula based on the Organization's operating budget. Fees are recorded as expense when billed.

Functional Expenses

The cost of providing program services and other activities have been summarized on a functional basis in the Statement of Activities. Certain costs, if not directly charged, have been allocated among programs services and supporting services. Allocations are generally determined by management on the following allocation basis:

- Personnel Costs – Full-time equivalents
- Workers Compensation – Gross wages in rated categories
- Occupancy Costs – Square footages
- Transportation Costs – Number of vehicles
- Communications – Number of users
- Conferences – Number of programs involved
- Depreciation – Square footage

Risks and Uncertainties

Investments are exposed to various risks such as interest rate and market risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such changes could materially affect the amount reported on the statement of financial position.

Adopted Accounting Standards

The requirements of the following Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) were adopted during the year ended June 30, 2024:

ASU No. 2016-13, *“Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.”* These amendments and related amendments require a financial asset (or a group of financial assets) measured at amortized cost basis to be

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presented at the net amount expected to be collected. This includes loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

2. Mission of the Organization

The mission of United Cerebral Palsy of Central Pennsylvania is to empower people of diverse abilities to live a meaningful life through innovative support and services. The Organization has been providing these services in central Pennsylvania since 1953.

3. Concentrations of Credit Risk

Cash and cash equivalents with a bank balance of \$5,512,887 and \$5,978,561 at June 30, 2024 and 2023, respectively, consist of \$500,000 of deposits that are insured by the Federal Deposit Insurance Corporation (FDIC) and \$5,012,633 and \$5,478,561 of checking account and money market account deposits held in brokerage accounts that are not covered by FDIC insurance at June 30, 2024 and 2023, respectively.

Certain investments are held in certificates of deposit. For the year ended June 30, 2024, \$2,119,526 of these investments were held in a Certificate of Deposit Account Registry Service (CDARS) program, which is fully protected by FDIC insurance.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

4. Accounts Receivable

Accounts receivable balances derived from providing services are as follows:

	At July 1, 2022	At June 30, 2023	At June 30, 2024
State government	\$ 6,645,789	\$ 5,001,833	\$ 10,689,952
Other government	212,728	376,454	426,144
Non-government	<u>169,551</u>	<u>336,322</u>	<u>228,498</u>
Total accounts receivable	<u>\$ 7,028,068</u>	<u>\$ 5,714,609</u>	<u>\$ 11,344,594</u>

Through December 31, 2024, approximately 96% of the accounts receivable balance at June 30, 2024 has been collected.

5. Investments

Investments consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Mutual funds:		
Equity mutual funds		
Large blend	\$ 2,732,593	\$ 2,302,419
Mid blend	624,376	567,793
Small blend	699,671	640,171
International	225,539	209,665
Fixed income mutual funds		
Short-term bond	314,664	295,150
Intermediate-term bond	1,242,286	1,154,608
Certificates of deposit	4,250,153	3,058,810
U.S. Treasury notes	<u>3,190,260</u>	<u>2,532,335</u>
Total	<u>\$ 13,279,542</u>	<u>\$ 10,760,951</u>

An investment held by the Organization in the amount of \$31,680 and \$25,654, respectively, as of June 30, 2024 and 2023, is not included in the summary above. The value is provided by a Community Foundation, where the investment is held in the Community Foundation's Agency Investment Choice Fund, which is 70% equities and 30% fixed income.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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An investment held by the Organization in the amount of \$47,500 and \$47,500, respectively, as of June 30, 2024 and 2023 is not included in the summary above. The value is based on the price paid by the Organization for nonpublic shares in a Service Organization, where the Organization owns fifteen shares of Class A voting shares and fifty shares of Class B non-voting shares. The Organization is a minority owner.

Fair Value of Financial Instruments

Mutual funds and U.S. Treasury Notes are presented in the financial statements at fair value using quoted prices (Level 1).

Certificates of deposit are recorded at face value which approximates fair value (Level 2)

6. Endowment

The endowment was established to generate earnings in support of the viability and continued high quality of the Organization's services. The endowment enables donors to perpetuate their support of the Organization's mission and ensures the Organization's economic stability and expansion into the future. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The donor-restricted endowment fund is classified as net assets with donor restriction. These funds are invested in perpetuity for which only income is expendable to support the donor-stipulated program.

Its board-designated endowment fund is classified as net assets without donor restrictions. These funds are funds established by the Board of Directors to function like perpetual endowment, but the principal may be expended at any time at the discretion of the Board. Only the Board can create board-designated endowments, and usually designates preferred donations and donations without donor restrictions (such as bequests) to this fund.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

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YEARS ENDED JUNE 30, 2024 AND 2023

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted or board-designated endowment funds:

1. The duration and preservation of the endowment fund
2. The purposes of the Organization and the donor-restricted or board-designated endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. Other resources of the Organization
6. Investment policies of the Organization

Investment and Spending Policies

The Organization's investment policies are focused on preserving the “real” (inflation adjusted) purchasing power of the endowment, after endowment spending. To achieve this investment objective, the Organization’s endowment funds will be invested in a diversified mix of assets with a long-term orientation.

Board-restricted endowment funds will be invested in a diversified mix of assets with a long-term orientation.

The Organization preserves the principal of all permanently endowed funds in perpetuity. Permanently endowed funds will accumulate investment gains and investment losses as applied proportionately to all Foundation funds. Gains and income from the permanently restricted funds may be transferred to the board-designated endowment fund at an amount not to exceed the most recent three year moving average return of the investments. At no time will the amount transferred be in excess of 7% of the existing principal balance. In the case where an accumulated loss would violate the initial principal, the losses will not be applied to the endowed fund, but rather would be distributed proportionately among all unrestricted funds.

When possible, the Organization pools its endowment gifts. “Pooling” means that a fund’s assets are combined with other fund assets for investment purposes. Pooling is the best strategy for asset preservation and maximization of long-term return. Not all endowment gifts can be pooled because the nature of their assets may be unique, unmarketable, or donor-restricted.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

The following represents changes in the donor-restricted endowment fund during the years ended June 30:

	2024	2023
Balance as of July 1	\$ 302,874	\$ 288,291
Interest and dividends	9,393	6,728
Unrealized/realized gains (losses)	48,725	35,402
Releases to board-designated Endowment	(15,940)	(27,547)
Balance as of June 30	\$ 345,052	\$ 302,874

The following represents changes in the board-designated endowment fund during the years ended June 30:

	2024	2023
Balance as of July 1	\$ 4,842,460	\$ 4,457,079
Public support revenue	-	5,336
Interest and dividends	106,577	77,481
Realized/unrealized gains	528,715	397,673
Released from restriction	15,940	27,547
Transfers out	-	(89,309)
Expenses	(41,252)	(33,347)
Balance as of June 30	\$ 5,452,440	\$ 4,842,460

7. Debt

On January 29, 2021 the Organization purchased their previously rented administrative building in Camp Hill, Pennsylvania. The contract sales price for the property was \$1,700,000. The Organization entered into a \$900,000 promissory note with an interest rate of 3.90% per annum to partially fund the purchase. This note is secured by the property. During the years ended June 30, 2024 and 2023, the Organization made principal payments of \$82,311 and \$79,195, respectively.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

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YEARS ENDED JUNE 30, 2024 AND 2023

Future principal payments on the promissory note are as follows:

Year Ending June 30,	Amount
2025	\$ 78,401
2026	88,860
2027	92,439
2028	96,127
2029	100,031
Thereafter	175,325
	<u>\$ 631,183</u>

8. Bank Line of Credit

The Organization has an unsecured line of credit with PNC Bank, N.A., in the amount of \$1,600,000, with interest at 8.50%. The line expires on May 31, 2025. There were no borrowings so there was no balance due on the line as of June 30, 2024 and 2023.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

9. Net Assets

Net assets at June 30, 2024 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
UCP:			
Endowment net assets:			
Funds invested in perpetuity for which income is expendable to support the following (see Note 5):			
Glenn Hoffman Endowment Fund, UCP programs	\$ -	\$ 282,330	\$ 282,330
William Schultz Endowment Fund, UCP programs	-	21,564	21,564
Schmidt Endowment Fund, UCP programs	-	15,756	15,756
The Murphy IDEA Endowment Fund, UCP programs	-	18,978	18,978
Jeffrey Cooper Healthy Lifestyles	-	6,424	6,424
Designated by the Board of Directors to function as an endowment	5,452,440	-	5,452,440
Total endowment net assets	5,452,440	345,052	5,797,492
Net assets restricted by donors for:			
Consumer Community Participants Fund	-	2,129	2,129
Childhood Program Fund	-	19,329	19,329
Nicholas Mancini Dolson Memorial Fund, use restriction for the maintenance and improvement of playground equipment at the Capital Area Children's Center.	-	86,171	86,171
Temporarily restricted fund	-	24,900	24,900
Total donor-restricted net assets	-	132,529	132,529
Undesignated net assets	25,114,635	-	25,114,635
Total net assets	\$ 30,567,075	\$ 477,581	\$ 31,044,656

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Net assets at June 30, 2023 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
UCP:			
Endowment net assets:			
Funds invested in perpetuity for which income is expendable to support the following (see Note 5):			
Glenn Hoffman Endowment Fund, UCP programs	\$ -	\$ 247,816	\$ 247,816
William Schultz Endowment Fund, UCP programs	-	18,929	18,929
Schmidt Endowment Fund, UCP programs	-	13,831	13,831
The Murphy IDEA Endowment Fund, UCP programs	-	16,659	16,659
Jeffrey Cooper Healthy Lifestyles	-	5,639	5,639
Designated by the Board of Directors to function as an endowment	4,842,460	-	4,842,460
Total endowment net assets	4,842,460	302,874	5,145,334
Net assets restricted by donors for:			
Consumer Community Participants Fund	-	1,855	1,855
Childhood Program Fund	-	16,842	16,842
Nicholas Mancini Dolson Memorial Fund, use restriction for the maintenance and improvement of playground equipment at the Capital Area Children's Center.	-	75,083	75,083
Restricted for purpose fund	-	24,900	24,900
Total donor-restricted net assets	-	118,680	118,680
Undesignated net assets	18,155,759	-	18,155,759
Total net assets	\$ 22,998,219	\$ 421,554	\$ 23,419,773

10. The Office of Development Programs Funding and Special Funding

Special funding provided by the Office of Developmental Programs (ODP), is considered conditional contributions due to the inclusion of recognition barriers and the right-of-return. The contribution is recognized when barriers are met. Barriers are considered to be substantially met when allowable expenses or allowable losses are incurred. Management intends to fully comply with these required barriers. Total revenue recognized under the ODP program totaled \$263,749 and \$100,863, respectively, as of years ended June 30, 2024 and

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

2023. Funds received which have not yet been earned are recorded as a refundable advance liability. There were no refundable advances at June 30, 2024 and 2023.

The Organization received a conditional contribution in the amount of \$984,472 from ODP as a one-time supplemental payment for the year ended June 2024. These funds include barriers and a right-of-return and are required to be spent on workforce recovery efforts. All barriers were met as of June 30, 2024.

11. Leases

The Organization's operating leases consist primarily of real estate leases. One lease term includes a one-year extension, available at the Organization's option, which it is reasonably certain to exercise. Discount rates for the operating leases utilize the risk-free rate in lieu of its incremental borrowing rate. The Organization's finance leases consist primarily of vehicle leases. Discount rates for financing leases are at the risk-free rate.

The components of lease expense were as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 540,875	\$ 436,935
Short-term lease cost	151,870	286,872
Finance lease cost:		
Amortization of ROU assets	233,401	204,154
Interest on lease liabilities	<u>25,592</u>	<u>6,591</u>
Total finance lease costs	<u>\$ 258,993</u>	<u>\$ 210,745</u>

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Other information related to leases was as follows as of June 30, 2024:

Supplemental cash flows information

Cash paid for amounts included in the measurement of lease liabilities:

	2024	2023
Operating cash flows from operating leases	\$ 465,728	\$ 363,262
Financing cash flows from financing leases	249,322	212,094
Operating cash flows from finance leases	25,592	6,591

Right-of-use assets obtained in exchange for lease obligations:

Operating leases	229,619	-
Finance leases	47,937	323,936

Weighted average remaining lease term:

Operating leases	4.59	5.56
Financing leases	4.46	3.83

Weighted average discount rate:

Operating leases	3.06%	2.34%
Financing leases	3.40%	2.91%

Future maturities of lease liabilities are presented in the following table for the year ended June 30:

	Year Ending June 30,	Operating Leases	Finance Leases
	2025	\$ 587,416	\$ 118,049
	2026	479,393	89,480
	2027	408,604	87,537
	2028	369,859	77,509
	2029	265,977	9,889
	Thereafter	52,867	-
Total future minimum lease payments		2,164,116	382,464
Less: present value discount		(144,695)	(25,592)
Total lease obligations		\$ 2,019,421	\$ 356,872

12. Dues

The Organization pays dues to national and state affiliates. National dues for the years ended June 30, 2024 and 2023 were \$25,000 and \$25,000, respectively.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

13. Pension Plan

All employees of the Plan Sponsor are eligible to participate in the Plan upon hire. There is no minimum age or years of eligible service an employee must meet to become a participant in the Plan for purposes of making elective deferrals. Participants eligible to receive an employer match must have attained the age of 18 and completed one year of service (12 months). Employees may elect to defer from their pretax annual compensation up to the federal annual limit. The Organization contributes 50% of the first 4% of compensation that an eligible participant contributes to the plan. The Organization's contributions to the plan totaled \$240,177 and \$226,922, respectively, for the years ended June 30, 2024 and 2023.

14. Government Funding Contracts

The Organization receives a significant portion of its revenue under grants and contracts with governmental agencies. For the years ended June 30, 2024 and 2023, approximately 96% and 96% of total support and revenue was earned under contracts with the following governmental agencies:

	<u>2024</u>	<u>2023</u>
County Intellectual Disability (ID) Programs	\$ 947,929	\$ 758,955
PA Office of Developmental Programs:		
MH/ID Waiver	51,777,185	43,595,881
County Early Intervention:		
Cumberland-Perry	191,161	211,033
Dauphin	296,430	317,927
York-Adams	19,106	12,465
Lebanon	106,340	95,969
Franklin/Fulton	5,474	6,801
Office of Vocational Rehabilitation	255,397	202,889
Other	160,499	84,476
	<u>\$ 53,759,521</u>	<u>\$ 45,286,396</u>

A significant reduction in the level of governmental revenue, if this were to occur, may have an effect on the Organization's programs and activities.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

15. Contingencies

Under the terms of the government funding contracts as noted in Note 14, the programs may be subject to additional audits by state agencies. Under such audits, costs may be questioned as not being appropriate expenditures under the terms of the contracts, which could result in reimbursement to the grantors. Management believes disallowances from these audits, if any, would be immaterial.

16. Availability and Liquidity

The following represents the Organization's financial assets available to meet general expenditure for the years ended June 30, 2024 and 2023:

	2024	2023
Financial assets at year-end:		
Cash	\$ 5,146,601	\$ 5,845,745
Investments	13,358,722	10,834,105
Accounts receivable	11,344,594	5,714,609
Total financial assets	29,849,917	22,394,459
Less amounts not available to be used within one year		
Board-designated endowment	5,452,440	4,842,460
Net assets with donor restrictions	477,581	421,554
Total amount not available to be used within one year	5,930,021	5,264,014
Financial assets available to meet general expenditures over the next twelve months	\$ 23,919,896	\$ 17,130,445

The Organization has investments, including endowments that have donor-restricted purposes, as well as certain assets that have been designated by its Board of Directors to function as endowments (i.e., quasi-endowment). These investments are not considered

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

available for general expenditure within the next year and thus are not reflected in the amounts above. However, certain investments could be made available, if necessary.

Additionally, the Organization maintains a \$1,600,000 line of credit, as discussed in Note 8. The line expires on May 31, 2025.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

SUPPLEMENTARY INFORMATION

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

SCHEDULE OF CONTRACT AND OTHER EXPENSES

YEAR ENDED JUNE 30, 2024

	Early Intervention					
	Physical Therapy	Speech Therapy	Occupational Therapy	Special Education	Family Support Services	Total Early Intervention Program
Expenses:						
Employee compensation:						
Salaries	\$ 162,797	\$ 73,189	\$ 122,700	\$ 136,307	\$ 87,164	\$ 582,157
Payroll taxes	12,679	5,832	9,420	10,415	6,727	45,073
Employee benefits	9,750	4,819	12,728	12,655	3,190	43,142
Total employee compensation	185,226	83,840	144,848	159,377	97,081	670,372
Operating expenses:						
Occupancy	3,166	3,042	3,009	2,876	4,524	16,617
Transportation	3,017	60	6,064	6,096	184	15,421
Professional fees	1,568	1,663	1,328	975	1,257	6,791
Supplies	183	22	810	393	5,033	6,441
Consumer expenditures	-	-	-	-	353,390	353,390
Communications	3,586	1,661	1,533	1,542	5,722	14,044
Information Technology	7,320	6,292	6,399	4,744	14,848	39,603
Equipment rental and repairs	8,577	588	2,491	746	2,682	15,084
Conferences	-	-	455	466	-	921
Subscriptions and publications	100	100	100	195	-	495
Other	-	208	-	119	2,706	3,033
Depreciation	1,463	1,980	1,462	1,201	1,876	7,982
Total operating expenses	28,980	15,616	23,651	19,353	392,222	479,822
Allocated expenses, administration	14,987	9,508	12,899	13,201	29,801	80,396
Total expenses	\$ 229,193	\$ 108,964	\$ 181,398	\$ 191,931	\$ 519,104	\$ 1,230,590

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

SCHEDULE OF CONTRACT AND OTHER EXPENSES

YEAR ENDED JUNE 30, 2024

(Continued)

	Residential Home Services	Community Participation Support	Home Based Services	Respite Services
Expenses:				
Employee compensation:				
Salaries	\$ 6,191,976	\$ 2,627,654	\$ 344,003	\$ 13,421
Payroll taxes	472,984	194,862	21,719	1,101
Employee benefits	877,014	314,597	32,949	1,152
Total employee compensation	<u>7,541,974</u>	<u>3,137,113</u>	<u>398,671</u>	<u>15,674</u>
Operating expenses:				
Occupancy	476,855	599,846	6,937	200
Transportation	287,878	389,820	28,085	346
Professional fees	62,552	22,300	2,874	231
Supplies	214,393	38,170	2,966	1,132
Consumer expenditures	2,827	500	-	12
Communications	92,886	39,645	1,999	144
Information Technology	110,266	60,339	9,040	1,617
Equipment rental and repairs	47,850	31,512	665	5,872
Conferences	989	75	-	-
Other	3,643	1,742	2	-
Depreciation	162,404	79,108	1,859	-
Total operating expenses	<u>1,462,543</u>	<u>1,263,057</u>	<u>54,427</u>	<u>9,554</u>
Allocated expenses, administration	<u>819,688</u>	<u>451,553</u>	<u>60,626</u>	<u>4,650</u>
Total expenses	<u><u>\$ 9,824,205</u></u>	<u><u>\$ 4,851,723</u></u>	<u><u>\$ 513,724</u></u>	<u><u>\$ 29,878</u></u>

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

SCHEDULE OF CONTRACT AND OTHER EXPENSES

YEAR ENDED JUNE 30, 2024

(Continued)

	Independent Living Technology	RAC	AT Reutilization	Employment Services
Expenses:				
Employee compensation:				
Salaries	\$ 4,785	\$ 127,880	\$ 13,728	\$ 180,355
Payroll taxes	374	8,914	1,029	14,015
Employee benefits	391	25,632	2,205	21,790
Total employee compensation	5,550	162,426	16,962	216,160
Operating expenses:				
Occupancy	1,243	11,741	5,690	9,601
Transportation	27	19	714	6,199
Professional fees	69	908	134	2,877
Supplies	6	285	14	455
Consumer expenditures	2,692	12,671	-	-
Communications	43	6,596	102	4,453
Information Technology	464	2,221	551	12,086
Equipment rental and repairs	735	3,326	2,665	1,886
Conferences	-	33,257	-	-
Subscriptions and publications	-	10,443	-	-
Other	-	-	-	3
Depreciation	303	-	1,280	3,976
Total operating expenses	5,582	81,467	11,150	41,536
Allocated expenses, administration	831	17,260	2,257	24,254
Total expenses	\$ 11,963	\$ 261,153	\$ 30,369	\$ 281,950

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

SCHEDULE OF CONTRACT AND OTHER EXPENSES

YEAR ENDED JUNE 30, 2024

(Continued)

	Agency with Choice	Agency with Choice Vendor Services	320 Assistive Technology	Fundraising	Investment
Expenses:					
Employee compensation:					
Salaries	\$ 23,154,265	\$ -	\$ 125,241	\$ 53,619	\$ -
Payroll taxes	1,839,396	-	9,522	4,082	-
Employee benefits	1,293,661	-	17,568	3,770	-
Total employee compensation	<u>26,287,322</u>	<u>-</u>	<u>152,331</u>	<u>61,471</u>	<u>-</u>
Operating expenses:					
Occupancy	240,069	-	17,573	6,104	-
Transportation	25,027	-	2,245	605	-
Professional fees	122,309	-	1,409	375	-
Supplies	6,135	-	3,869	7,272	-
Consumer expenditures	-	1,034,081	15,124	-	-
Communications	17,799	-	47,330	16,027	-
Information Technology	152,174	-	5,470	6,264	-
Equipment rental and repairs	46,708	-	2,541	1,094	-
Conferences	798	-	6,442	-	-
Subscriptions and publications	5,598	-	-	170	-
Affiliate dues	-	-	-	-	-
Advertising	-	-	-	-	-
Other	8,622	6,259	-	123,936	7,539
Depreciation	16,005	-	4,831	1,510	-
Total operating expenses	<u>641,244</u>	<u>1,040,340</u>	<u>106,834</u>	<u>163,357</u>	<u>7,539</u>
Allocated expenses, administration	<u>2,807,971</u>	<u>51,412</u>	<u>20,624</u>	<u>14,457</u>	<u>373</u>
Total expenses	<u>\$ 29,736,537</u>	<u>\$ 1,091,752</u>	<u>\$ 279,789</u>	<u>\$ 239,285</u>	<u>\$ 7,912</u>

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

SCHEDULE OF CONTRACT AND OTHER EXPENSES

YEAR ENDED JUNE 30, 2024

(Continued)

	MANAGEMENT & GENERAL				Totals
	Community Relations	Management	Human Resources	Administration	
Expenses:					
Employee compensation:					
Salaries	93,629	803,433	524,115	1,244,653	\$ 36,084,914
Payroll taxes	6,841	50,170	39,537	84,987	2,794,606
Employee benefits	15,345	96,977	292,352	236,179	3,274,724
Total employee compensation	115,815	950,580	856,004	1,565,819	42,154,244
Operating expenses:					
Occupancy	5,309	17,486	26,509	103,749	1,545,529
Transportation	452	2,113	1,186	22,159	782,296
Professional fees	1,018	5,173	108,247	99,680	436,947
Supplies	1,002	959	10,145	20,626	313,870
Consumer expenditures	-	-	-	-	1,421,297
Communications	21,987	803	5,826	25,993	295,677
Information Technology	8,466	5,399	14,644	113,925	542,529
Equipment rental and repairs	1,285	1,383	10,708	28,526	201,840
Conferences	-	8,041	1,115	1,692	53,330
Subscriptions and publications	2,615	353	2,721	46,849	69,244
Affiliate dues	-	-	-	25,000	25,000
Other	968	224	11,403	60,368	227,742
Depreciation	1,840	3,989	7,349	28,848	321,284
Total operating expenses	44,942	45,923	199,853	577,415	6,236,585
Allocated expenses, administration	(160,757)	(996,503)	(1,055,857)	(2,143,235)	-
Total expenses	\$ -	\$ -	\$ -	\$ -	\$ 48,390,829

**United Cerebral Palsy
of Central Pennsylvania**

Independent Auditor's Report
in Accordance with
Government Auditing Standards

Year Ended June 30, 2024

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

**Board of Directors
United Cerebral Palsy of Central Pennsylvania**

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 United Cerebral Palsy of Central Pennsylvania, which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the United Cerebral Palsy of Central Pennsylvania’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 United Cerebral Palsy of Central Pennsylvania’s internal control. Accordingly, we do not express an opinion on the effectiveness of the United Cerebral Palsy of Central Pennsylvania’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 United Cerebral Palsy of Central Pennsylvania’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.

Board of Directors
United Cerebral Palsy of Central Pennsylvania
Independent Auditor’s Report on Internal Control over Financial Reporting
and on Compliance and Other Matters

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the United Cerebral Palsy of Central Pennsylvania’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 United Cerebral Palsy of Central Pennsylvania’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 United Cerebral Palsy of Central Pennsylvania’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mahe Duessel

Harrisburg, Pennsylvania
February 27, 2025