

**United Cerebral Palsy of Central
Pennsylvania**

Financial Statements and Supplementary
Information

Years Ended June 30, 2025 and 2024
with Independent Auditor's Reports

MaherDuessel

The logo for MaherDuessel features the company name in a serif font. The word "Maher" is in black, and "Duessel" is in blue. Below the text is a horizontal bar that is black on the left and blue on the right, matching the color scheme of the text.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

YEARS ENDED JUNE 30, 2025 AND 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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.

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 March 6, 2026 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.

Maheer Duessel

Harrisburg, Pennsylvania
March 6, 2026

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

Assets	2025	2024
Current assets:		
Cash and cash equivalents	\$ 7,848,755	\$ 5,146,601
Investments	22,562,544	13,358,722
Accounts receivable	6,462,100	11,344,594
Prepaid expenses	846,951	598,461
Other assets	3,910	6,967
Inventory	1,128	1,493
Total current assets	37,725,388	30,456,838
Property and equipment:		
Land	820,889	781,189
Buildings	4,531,282	4,245,269
Furniture and fixtures	86,022	77,462
Leasehold improvements	443,881	431,436
Office equipment	288,348	288,348
Vehicles	898,482	640,024
	7,068,904	6,463,728
Less: accumulated depreciation	2,969,450	2,600,799
Net property and equipment	4,099,454	3,862,929
Right-of-use asset operating	1,660,062	1,927,614
Right-of-use asset finance	426,633	372,439
Total Assets	\$43,911,537	\$36,619,820

(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, 2025 AND 2024
(Continued)

	2025	2024
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 532,622	\$ 455,796
Accrued payroll costs	2,382,626	1,890,729
Accrued paid time off	304,716	204,489
Deferred revenue	18,064	16,674
Operating leases	562,728	507,759
Finance leases	144,715	106,884
Long-term debt, current portion	89,088	78,401
Total Current Liabilities	4,034,559	3,260,732
Operating leases	1,220,562	1,511,662
Finance leases	293,500	249,988
Long-term debt, net of current portion	456,336	552,782
Total Liabilities	6,004,957	5,575,164
Net Assets:		
Without donor restrictions		
Undesignated	31,248,108	25,114,635
Board-designated	6,045,380	5,452,440
	37,293,488	30,567,075
With donor restrictions	613,092	477,581
Total Net Assets	37,906,580	31,044,656
Total Liabilities and Net Assets	\$ 43,911,537	\$36,619,820

(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, 2025

	Without donor restrictions	With donor restrictions	Total
Support and Revenue:			
Public support:			
Special events	\$ 199,700	\$ -	\$ 199,700
United Way	17,474	-	17,474
Contributions	272,734	-	272,734
Government funding contracts	-	186,138	186,138
Foundation grants	3,445	-	3,445
Released from restriction	115,753	(115,753)	-
Total public support	609,106	70,385	679,491
Revenue:			
Program revenue:			
Government funding contracts	60,537,783	-	60,537,783
Other contracted funding	411,629	-	411,629
Client fees	354,678	-	354,678
Released from restriction	-	-	-
Total program revenue	61,304,090	-	61,304,090
Other revenue:			
Interest	744,957	-	744,957
Dividends	106,807	7,918	114,725
Realized gains	-	-	-
Unrealized gains	534,592	57,208	591,800
Gain on disposal	89,786	-	89,786
Other income	67,646	-	67,646
Total other revenue	1,543,788	65,126	1,608,914
Total support and revenue	63,456,984	135,511	63,592,495
Expenses:			
Program	51,551,649	-	51,551,649
Management and general	5,009,011	-	5,009,011
Fundraising	169,911	-	169,911
Total expenses	56,730,571	-	56,730,571
Change in Net Assets	6,726,413	135,511	6,861,924
Net Assets:			
Beginning of year	30,567,075	477,581	31,044,656
End of year	\$ 37,293,488	\$ 613,092	\$ 37,906,580

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:			
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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:			
<hr/>			
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:			
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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 FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Expenses	Management and General	Fundraising	Total
Employee Compensation:				
Salaries	\$ 39,699,774	\$ 2,862,348	\$ 38,108	\$ 42,600,230
Payroll taxes	3,101,550	219,331	2,909	3,323,790
Employee benefits	3,191,882	868,809	5,333	4,066,024
Total employee compensation	<u>45,993,206</u>	<u>3,950,488</u>	<u>46,350</u>	<u>49,990,044</u>
Operating expenses:				
Occupancy	1,463,534	158,864	5,472	1,627,870
Transportation	677,697	108,695	287	786,679
Professional fees	289,005	295,757	1,419	586,181
Supplies	301,486	37,987	2,451	341,924
Consumer expenditures	1,543,176	-	-	1,543,176
Communications	243,703	39,690	12,603	295,996
Information technology	438,332	170,222	7,540	616,094
Equipment rental and repairs	155,451	61,433	1,378	218,262
Conferences	59,004	20,217	-	79,221
Subscriptions and publications	11,683	58,961	470	71,114
Affiliate dues	-	30,750	-	30,750
Other	36,641	47,424	90,545	174,610
Depreciation	338,731	28,523	1,396	368,650
Total operating expenses	<u>5,558,443</u>	<u>1,058,523</u>	<u>123,561</u>	<u>6,740,527</u>
Total functional expenses	<u>\$ 51,551,649</u>	<u>\$ 5,009,011</u>	<u>\$ 169,911</u>	<u>\$ 56,730,571</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	<u>38,720,371</u>	<u>3,372,403</u>	<u>61,471</u>	<u>42,154,245</u>
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	<u>5,261,826</u>	<u>834,025</u>	<u>140,733</u>	<u>6,236,584</u>
Total functional expenses	<u>\$ 43,982,197</u>	<u>\$ 4,206,428</u>	<u>\$ 202,204</u>	<u>\$ 48,390,829</u>

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, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Change in net assets	\$ 6,861,924	\$ 7,624,883
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	(591,800)	(625,569)
Amortization of finance ROU asset	139,566	233,401
Amortization of operating ROU asset	466,042	429,640
Depreciation	368,650	321,283
Gain on disposal	(89,786)	(8,349)
(Increase) decrease in assets:		
Accounts receivable	4,882,494	(5,629,985)
Prepaid expenses	(248,490)	(270,190)
Other assets	3,057	(2,044)
Inventory	365	5,706
Increase (decrease) in liabilities:		
Accounts payable	76,826	98,654
Accrued payroll costs	491,897	200,985
Accrued paid time off	100,227	70,701
Refundable advance	-	-
Lease liability operating	(437,515)	(437,538)
Finance lease interest	32,813	25,592
Deferred revenue	1,390	(6,362)
Total adjustments	5,195,736	(5,594,075)
Net cash and cash equivalents provided by (used in) operating activities	12,057,660	2,030,808
Cash Flows From Investing Activities:		
Purchase of investments	(10,894,743)	(5,541,868)
Proceeds from sales of investments	2,282,721	3,642,820
Purchase of property and equipment	(515,390)	(473,074)
Net cash provided by (used in) investing activities	(9,127,412)	(2,372,122)
Cash Flows From Financing Activities:		
Repayments of principal on mortgages	(85,759)	(82,349)
Payments on finance leases	(142,335)	(275,481)
Net cash provided by (used in) financing activities	(228,094)	(357,830)
Net Increase (Decrease) in Cash and Cash Equivalents	2,702,154	(699,144)
Cash and Cash Equivalents:		
Beginning of year	5,146,601	5,845,745
End of year	\$ 7,848,755	\$ 5,146,601
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 23,387	\$ 26,791

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, 2025 AND 2024

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, 2025 AND 2024

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, 2025 AND 2024

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.

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

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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 lease 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. Property and equipment are capitalized if they have an initial individual cost of more than \$5,000. Depreciation is provided using the straight-line method based on the following estimated useful lives of the assets:

Buildings	5 - 30 years
Furniture and fixtures	5 years
Leasehold improvements	3 - 10 years
Office equipment	5 years
Vehicles	5 years

Total depreciation expense for the years ended June 30, 2025 and 2024, amounted to \$368,650 and \$321,283, 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

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

billings that the Organization has a commitment by the consumer or agency to pay and management believes such receivables are fully collectible.

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, 2025 and 2024, 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, 2025 and 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.

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 \$304,093 and \$229,061 for the years ended June 30, 2025 and 2024, 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.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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 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, which was received in 2025.

In addition to the fee for service rate received, the Organization is also eligible for a Pay-for-Performance Initiative (P4P) through DHS, whereby additional lump sum payments are received based upon specified criteria achieved as determined by DHS. The P4P funding is recorded as revenue upon notification from DHS, as the performance obligations related to the initiative were met based upon the prior performance of services provided to consumers. As of June 30, 2025, the Organization recorded \$148,180 of P4P payments as part of government funding contracts revenue on the statement of activities.

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.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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 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

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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.

Pending Accounting Standards Updates

The Financial Accounting Standard Board (FASB) has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of these updates on the financial statements.

ASU 2025-05, “*Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*,” is effective for fiscal years beginning after December 15, 2025. The amendments in this update provide for a practical expedient and accounting policy election when estimating expected credit losses on current accounts receivable and/or current contract assets arising from transactions under Topic 606, including those assets acquired in a transaction accounted for under Topic 805, Business Combinations.

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.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

3. Concentrations of Credit Risk

Cash and cash equivalents with a bank balance of \$8,440,798 and \$5,512,887 at June 30, 2025 and 2024, respectively, consist of \$750,512 and \$500,254 of deposits that are insured by the Federal Deposit Insurance Corporation (FDIC) at June 30, 2025 and 2024, respectively and \$7,690,285 and \$5,012,633 of checking account and money market account deposits held in brokerage accounts that are not covered by FDIC insurance at June 30, 2025 and 2024, respectively.

Certain investments are held in certificates of deposit. For the years ended June 30, 2025 and 2024, \$4,268,562 and \$2,119,526, respectively, of these investments were held in a Certificate of Deposit Account Registry Service (CDARS) program, which is fully protected by FDIC insurance.

4. Accounts Receivable

Accounts receivable balances derived from providing services are as follows:

	At July 1, 2023	At June 30, 2024	At June 30, 2025
State government	\$ 5,001,833	\$ 10,689,952	\$ 5,882,853
Other government	376,454	426,144	224,101
Non-government	<u>336,322</u>	<u>228,498</u>	<u>355,146</u>
Total accounts receivable	<u>\$ 5,714,609</u>	<u>\$ 11,344,594</u>	<u>\$ 6,462,100</u>

Through December 31, 2025, approximately 99% of the accounts receivable balance at June 30, 2025 has been collected.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

5. Investments

Investments consisted of the following at June 30:

	2025	2024
Mutual funds:		
Equity mutual funds		
Large blend	\$ 3,070,302	\$ 2,732,593
Mid blend	721,682	624,376
Small blend	766,729	699,671
International	254,917	225,539
Fixed income mutual funds		
Short-term bond	323,724	314,664
Intermediate-term bond	1,390,355	1,242,286
Certificates of deposit	8,010,985	4,250,153
U.S. Treasury notes	7,944,670	3,190,260
Total	\$ 22,483,364	\$ 13,279,542

An investment held by the Organization in the amount of \$31,680 and \$31,680, respectively, as of June 30, 2025 and 2024, 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.

An investment held by the Organization in the amount of \$47,500 and \$47,500, respectively, as of June 30, 2025 and 2024 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).

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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.

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.

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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.

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

	2025	2024
Balance as of July 1	\$ 345,052	\$ 302,874
Interest and dividends	7,918	9,393
Unrealized/realized gains (losses)	44,119	48,725
Releases to board-designated Endowment	(26,715)	(15,940)
Balance as of June 30	<u>\$ 370,374</u>	<u>\$ 345,052</u>

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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

	2025	2024
Balance as of July 1	\$ 5,452,440	\$ 4,842,460
Interest and dividends	98,778	106,577
Realized/unrealized gains	506,769	528,715
Released from restriction	26,715	15,940
Expenses	(39,322)	(41,252)
Balance as of June 30	\$ 6,045,380	\$ 5,452,440

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, 2025 and 2024, the Organization made principal payments of \$86,181 and \$82,311, respectively.

Future principal payments on the promissory note are as follows:

Year Ending June 30,	Amount
2026	\$ 89,088
2027	92,439
2028	96,127
2029	100,031
2030	104,059
Thereafter	63,680
	\$ 545,424

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

8. Bank Line of Credit

The Organization has an unsecured line of credit with PNC Bank, N.A., in the amount of \$3,000,000, with interest at 7.50%. The line expires on May 31, 2026. There were no borrowings so there was no balance due on the line as of June 30, 2025 and 2024.

9. Net Assets

Net assets at June 30, 2025 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	\$ -	\$ 303,051	\$ 303,051
William Schultz Endowment Fund, UCP programs	-	23,146	23,146
Schmidt Endowment Fund, UCP programs	-	16,912	16,912
The Murphy IDEA Endowment Fund, UCP programs	-	20,370	20,370
Jeffrey Cooper Healthy Lifestyles	-	6,895	6,895
Designated by the Board of Directors to function as an endowment	6,045,380	-	6,045,380
Total endowment net assets	6,045,380	370,374	6,415,754
Net assets restricted by donors for:			
Consumer Community Participants Fund	-	2,388	2,388
Childhood Program Fund	-	21,679	21,679
Nicholas Mancini Dolson Memorial Fund, use restriction for the maintenance and improvement of playground equipment at the Capital Area Children's Center.	-	96,651	96,651
ODP ARPA grant funding - training services	-	97,100	97,100
Temporarily restricted fund	-	24,900	24,900
Total donor-restricted net assets	-	242,718	242,718
Undesignated net assets	31,248,108	-	31,248,108
Total net assets	\$ 37,293,488	\$ 613,092	\$ 37,906,580

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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
ODP ARPA funding - training services	-	-	-
Restricted for purpose 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, 2025 AND 2024

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 \$345,782 and \$263,749, respectively, as of years ended June 30, 2025 and 2024. Funds received which have not yet been earned are recorded as a refundable advance liability. There were no refundable advances at June 30, 2025 and 2024.

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>2025</u>	<u>2024</u>
Operating lease cost	\$ 577,831	\$ 540,875
Short-term lease cost	121,697	151,870
Finance lease cost:		
Amortization of ROU assets	\$ 139,566	\$ 233,401
Interest on lease liabilities	<u>32,813</u>	<u>25,592</u>
Total finance lease costs	<u>\$ 172,379</u>	<u>\$ 258,993</u>

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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

Supplemental cash flows information

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

	2025	2024
Operating cash flows from operating leases	\$ 502,322	\$ 465,728
Operating cash flows from finance leases	109,522	249,322
Financing cash flows from finance leases	32,813	25,592

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

Operating leases	297,357	229,619
Finance leases	185,429	47,937

Weighted average remaining lease terms:

Operating leases	4.09	4.59
Finance leases	3.49	4.46

Weighted average discount rate:

Operating leases	3.25%	3.06%
Finance leases	3.83%	3.40%

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
	2026	\$ 562,728	\$ 131,935
	2027	490,056	137,288
	2028	439,332	129,985
	2029	331,977	54,207
	2030	120,301	16,721
	Thereafter	-	892
Total future minimum lease payments		1,944,394	471,028
Less: present value discount		(161,104)	(32,813)
Total lease obligations		\$ 1,783,290	\$ 438,215

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

12. Dues

The Organization pays dues to national and state affiliates. National dues for the years ended June 30, 2025 and 2024 were \$30,750 and \$25,000, respectively.

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. Effective January 1, 2025, the Organization contributes 50% of the first 8% of compensation that an eligible participant contributes to the plan. The Organization's contributions to the plan totaled \$370,945 and \$240,177, respectively, for the years ended June 30, 2025 and 2024.

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, 2025 and 2024, approximately 95% and 96% of total support and revenue was earned under contracts with the following governmental agencies:

	<u>2025</u>	<u>2024</u>
County Intellectual Disability (ID) Programs	\$ 849,012	\$ 947,929
PA Office of Developmental Programs:		
MH/ID Waiver	58,764,915	51,777,185
County Early Intervention:		
Cumberland-Perry	215,584	191,161
Dauphin	249,009	296,430
York-Adams	32,227	19,106
Lebanon	112,740	106,340
Franklin/Fulton	9,693	5,474
Office of Vocational Rehabilitation	279,850	255,397
Other	24,753	160,499
	<u>\$ 60,537,783</u>	<u>\$ 53,759,521</u>

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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.

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash	\$ 7,848,755	\$ 5,146,601
Investments	22,562,544	13,358,722
Accounts receivable	<u>6,462,100</u>	<u>11,344,594</u>
Total financial assets	36,873,399	29,849,917
Less amounts not available to be used within one year:		
Board designated endowment	6,045,380	5,452,440
Net assets with donor restrictions	<u>613,092</u>	<u>477,581</u>
Total amount not available to be used within one year	<u>6,658,472</u>	<u>5,930,021</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 30,214,927</u>	<u>\$ 23,919,896</u>

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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 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 \$3,000,000 line of credit, as discussed in Note 8. The line expires on May 31, 2026.

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.

17. Subsequent Event

In November 2025, the Organization purchased a building with cash in the amount of \$450,000. The building is to be used for administrative office spaces.

SUPPLEMENTARY INFORMATION

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

SCHEDULE OF CONTRACT AND OTHER EXPENSES

YEAR ENDED JUNE 30, 2025

	Early Intervention		
	Early Intervention	Family Support Services	Total Early Intervention Program
Expenses:			
Employee compensation:			
Salaries	\$ 559,529	\$ 109,103	\$ 668,632
Payroll taxes	43,076	8,259	51,335
Employee benefits	48,125	4,255	52,380
Total employee compensation	<u>650,730</u>	<u>121,617</u>	<u>772,347</u>
Operating expenses:			
Occupancy	12,209	4,387	16,596
Transportation	20,726	17	20,743
Professional fees	5,128	1,098	6,226
Supplies	1,691	6,513	8,204
Consumer expenditures	-	188,565	188,565
Communications	6,758	5,158	11,916
Information Technology	33,475	18,251	51,726
Equipment rental and repairs	14,899	4,511	19,410
Conferences	1,149	-	1,149
Subscriptions and publications	398	-	398
Other	35	-	35
Depreciation	4,681	1,230	5,911
Total operating expenses	<u>101,149</u>	<u>229,730</u>	<u>330,879</u>
Allocated expenses, administration	<u>53,913</u>	<u>21,984</u>	<u>75,897</u>
Total expenses	<u>\$ 805,792</u>	<u>\$ 373,331</u>	<u>\$ 1,179,123</u>

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

SCHEDULE OF CONTRACT AND OTHER EXPENSES

YEAR ENDED JUNE 30, 2025

(Continued)

	Residential Home Services	Community Participation Support	Home Based Services	Respite Services
Expenses:				
<hr/>				
Employee compensation:				
Salaries	\$ 7,418,659	\$ 2,846,732	\$ 391,572	\$ 26,968
Payroll taxes	563,908	216,804	29,946	2,052
Employee benefits	987,279	387,867	31,602	2,864
	<hr/>			
Total employee compensation	8,969,846	3,451,403	453,120	31,884
	<hr/>			
Operating expenses:				
Occupancy	569,112	536,090	6,234	132
Transportation	301,980	271,329	36,642	10
Professional fees	117,755	19,987	2,142	134
Supplies	215,701	30,137	3,792	1,401
Consumer expenditures	-	-	-	-
Communications	110,645	37,745	2,097	151
Information Technology	108,900	59,575	11,054	115
Equipment rental and repairs	40,556	33,668	3,767	-
Conferences	2,561	-	-	-
Subscriptions and publications	460	-	-	-
Other	5,328	2,844	9	-
Depreciation	235,254	66,349	1,423	-
	<hr/>			
Total operating expenses	1,708,252	1,057,724	67,160	1,943
	<hr/>			
Allocated expenses, administration	963,713	426,067	49,725	3,053
	<hr/>			
Total expenses	<u>\$ 11,641,811</u>	<u>\$ 4,935,194</u>	<u>\$ 570,005</u>	<u>\$ 36,880</u>

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

SCHEDULE OF CONTRACT AND OTHER EXPENSES

YEAR ENDED JUNE 30, 2025

(Continued)

	Independent Living Technology	RAC	AT Reutilization	Employment Services
Expenses:				
<hr/>				
Employee compensation:				
Salaries	\$ 5,563	\$ 140,762	\$ 17,140	\$ 202,219
Payroll taxes	377	9,553	1,186	15,432
Employee benefits	330	29,440	3,243	28,525
	<hr/>			
Total employee compensation	6,270	179,755	21,569	246,176
	<hr/>			
Operating expenses:				
Occupancy	17	10,217	4,892	8,644
Transportation	-	62	2,700	4,797
Professional fees	41	825	108	1,841
Supplies	22	136	-	273
Consumer expenditures	1,708	-	-	-
Communications	24	7,281	89	3,280
Information Technology	418	2,672	442	11,640
Equipment rental and repairs	1,113	1,749	3,721	1,187
Conferences	48	50,853	-	-
Subscriptions and publications	-	10,810	-	-
Other	-	-	-	16
Depreciation	13	2,607	1,208	2,550
	<hr/>			
Total operating expenses	3,404	87,212	13,160	34,228
	<hr/>			
Allocated expenses, administration	523	19,367	2,617	24,601
	<hr/>			
Total expenses	\$ 10,197	\$ 286,334	\$ 37,346	\$ 305,005
	<hr/> <hr/>			

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

SCHEDULE OF CONTRACT AND OTHER EXPENSES

YEAR ENDED JUNE 30, 2025

(Continued)

	Agency with Choice	Agency with Choice Vendor Services	320 Assistive Technology	Fundraising	Investment
Expenses:					
Employee compensation:					
Salaries	\$ 27,692,855	\$ -	\$ 134,127	\$ 38,108	\$ -
Payroll taxes	2,189,659	-	9,707	2,909	-
Employee benefits	1,624,837	-	21,535	5,333	-
Total employee compensation	<u>31,507,351</u>	<u>-</u>	<u>165,369</u>	<u>46,350</u>	<u>-</u>
Operating expenses:					
Occupancy	291,433	-	15,247	5,472	-
Transportation	34,126	-	4,410	287	-
Professional fees	137,800	-	1,097	1,419	-
Supplies	6,113	-	34,975	2,451	-
Consumer expenditures	-	1,339,299	13,604	-	-
Communications	17,977	-	40,600	12,603	-
Information Technology	168,222	-	12,417	7,540	-
Equipment rental and repairs	39,756	-	5,484	1,378	-
Conferences	598	-	3,796	-	-
Subscriptions and publications	15	-	-	470	-
Other	21,024	89	-	90,545	7,296
Depreciation	17,874	-	4,113	1,396	-
Total operating expenses	<u>734,938</u>	<u>1,339,388</u>	<u>135,743</u>	<u>123,561</u>	<u>7,296</u>
Allocated expenses, administration	<u>3,569,755</u>	<u>68,045</u>	<u>20,937</u>	<u>9,421</u>	<u>523</u>
Total expenses	<u>\$ 35,812,044</u>	<u>\$ 1,407,433</u>	<u>\$ 322,049</u>	<u>\$ 179,332</u>	<u>\$ 7,819</u>

UNITED CEREBRAL PALSY OF CENTRAL PENNSYLVANIA

SCHEDULE OF CONTRACT AND OTHER EXPENSES

YEAR ENDED JUNE 30, 2025

(Continued)

	MANAGEMENT & GENERAL				Totals
	Community Relations	Management	Human Resources	Administration	
Expenses:					
Employee compensation:					
Salaries	\$ 154,545	\$ 884,117	\$ 549,966	\$ 1,428,265	\$ 42,600,230
Payroll taxes	11,592	55,618	43,550	120,162	3,323,790
Employee benefits	21,979	123,846	465,896	279,068	4,066,024
Total employee compensation	<u>188,116</u>	<u>1,063,581</u>	<u>1,059,412</u>	<u>1,827,495</u>	<u>49,990,044</u>
Operating expenses:					
Occupancy	4,888	15,578	23,378	119,909	1,627,839
Transportation	897	2,771	762	105,163	786,679
Professional fees	1,080	43,369	108,155	144,233	586,212
Supplies	731	1,126	9,276	27,586	341,924
Consumer expenditures	-	-	-	-	1,543,176
Communications	11,899	703	8,123	30,863	295,996
Information Technology	11,152	6,279	14,769	149,173	616,094
Equipment rental and repairs	5,041	5,586	7,366	48,480	218,262
Conferences	-	19,870	277	69	79,221
Subscriptions and publications	-	1,086	1,948	55,927	71,114
Affiliate dues	-	-	-	30,750	30,750
Other	-	3,061	3,103	41,260	174,610
Depreciation	1,429	3,400	6,305	18,818	368,650
Total operating expenses	<u>37,117</u>	<u>102,829</u>	<u>183,462</u>	<u>772,231</u>	<u>6,740,527</u>
Allocated expenses, administration	<u>(225,233)</u>	<u>(1,166,410)</u>	<u>(1,242,874)</u>	<u>(2,599,727)</u>	<u>-</u>
Total expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,730,571</u>

**United Cerebral Palsy
of Central Pennsylvania**

Independent Auditor's Report
in Accordance with
Government Auditing Standards

Year Ended June 30, 2025

**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, 2025 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 March 6, 2026.

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
March 6, 2026