

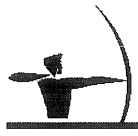
**UNITED WAY OF
SAN JOAQUIN COUNTY
(A Nonprofit Corporation)**

FINANCIAL REPORT

June 30, 2025 and 2024

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B O W M A N

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
United Way of San Joaquin County
Stockton, California

Opinion

We have audited the accompanying financial statements of the United Way of San Joaquin County, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of San Joaquin County 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the United Way of San Joaquin County 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 the United Way of San Joaquin County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the United Way of San Joaquin County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Way of San Joaquin County's ability to continue as a going concern for a reasonable period of time.

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

Bowman & Company, LLP

Stockton, California
October 29, 2025

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,431,773	\$ 1,959,699
Cash held for others - fiscal sponsor funds	570,574	814,476
Accounts receivable	170,349	159,081
Campaign pledges receivable, net of allowance	347,022	365,568
Short-term investments	130,192	121,323
Prepaid expenses	1,656	5,470
Total current assets	<u>3,651,566</u>	<u>3,425,617</u>
PROPERTY AND EQUIPMENT, at cost	82,582	74,457
Less accumulated depreciation	<u>(56,918)</u>	<u>(48,785)</u>
	<u>25,664</u>	<u>25,672</u>
OTHER ASSETS		
Right-of-use assets - operating, net	377,568	439,106
Right-of-use assets - financing, net	12,382	20,637
Deposit	8,530	8,530
Total other assets	<u>398,480</u>	<u>468,273</u>
Total assets	<u>\$ 4,075,710</u>	<u>\$ 3,919,562</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 81,207	\$ 89,285
Accounts payable - related party	12,697	-
Accrued liabilities	156,642	121,434
Fiscal sponsor liability	542,107	806,741
Deferred revenue	26,685	36,599
Designations payable	379,772	397,687
Lease liabilities -operating, current portion	63,454	60,267
Lease liabilities -financing, current portion	8,727	8,476
Total current liabilities	<u>1,271,291</u>	<u>1,520,489</u>

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION (Cont.)

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
LONG-TERM LIABILITIES		
Lease liabilities -operating, less current portion	334,560	398,014
Lease liabilities -financing, less current portion	<u>3,717</u>	<u>12,446</u>
Total long-term liabilities	<u>338,277</u>	<u>410,460</u>
NET ASSETS		
Without donor restrictions	1,920,246	1,867,290
Without donor restrictions - Board designated	130,192	121,323
With donor restrictions	<u>415,704</u>	<u>- -</u>
Total net assets	<u>2,466,142</u>	<u>1,988,613</u>
 Total liabilities and net assets	 <u>\$ 4,075,710</u>	 <u>\$ 3,919,562</u>

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
PUBLIC SUPPORT			
CAMPAIGN RESULTS			
Employee	\$ 948,744	\$ --	\$ 948,744
Alexis de Tocqueville Society	185,000	--	185,000
Gross campaign revenue	1,133,744	--	1,133,744
Donor designations	(482,996)	--	(482,996)
Provision for uncollectible pledges	(114,923)	--	(114,923)
Net campaign revenue	535,825	--	535,825
 OTHER SUPPORT			
Special events, net of expenses of \$102,851	102,979	--	102,979
 TOTAL PUBLIC SUPPORT	638,804	--	638,804
 OTHER REVENUE			
Grant income	145,501	1,049,672	1,195,173
Administrative fees	334,067	--	334,067
Service fees	22,094	--	22,094
Miscellaneous revenue	63,350	--	63,350
Interest and dividend income	61,854	--	61,854
Net assets released from restriction	633,968	(633,968)	--
Total other revenue	1,260,834	415,704	1,676,538
 Total contributed revenue and other support	\$ 1,899,638	\$ 415,704	\$ 2,315,342

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

STATEMENT OF ACTIVITIES (Cont.)

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES			
Program Services			
Allocation and designations			
Allocation and designations	\$ 812,897	\$ --	\$ 812,897
Less donor designations	(482,996)	--	(482,996)
Net allocations and designations	329,901	--	329,901
Resource distribution	254,088	--	254,088
Total program services	583,989	--	583,989
Supporting services			
Resource development	866,889	--	866,889
Operating	395,805	--	395,805
United Way Worldwide dues	22,143	--	22,143
Total supporting services	1,284,837	--	1,284,837
Total expenses	1,868,826	--	1,868,826
Change in net assets from operations	30,812	415,704	446,516
Nonoperating activities			
Unrealized and realized investment gains, net	8,869	--	8,869
Change in net assets	39,681	415,704	455,385
NET ASSETS, BEGINNING OF YEAR	1,988,613	--	1,988,613
NET ASSETS, END OF YEAR	\$ 2,028,294	\$ 415,704	\$ 2,443,998

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
PUBLIC SUPPORT			
CAMPAIGN RESULTS			
Employee	\$ 1,002,188	\$ --	\$ 1,002,188
Alexis de Tocqueville Society	153,357	--	153,357
Gross campaign revenue	<u>1,155,545</u>	--	<u>1,155,545</u>
Donor designations	(468,930)	--	(468,930)
Provision for uncollectible pledges	<u>(82,084)</u>	--	<u>(82,084)</u>
Net campaign revenue	<u>604,531</u>	--	<u>604,531</u>
OTHER SUPPORT			
Special events, net of expenses of \$64,917	<u>82,608</u>	--	<u>82,608</u>
TOTAL PUBLIC SUPPORT	<u>687,139</u>	--	<u>687,139</u>
OTHER REVENUE			
Grant income	6,939	696,929	703,868
Administrative fees	306,933	--	306,933
Service fees	38,908	--	38,908
Miscellaneous revenue	57,693	--	57,693
Interest and dividend income	55,848	--	55,848
Net assets released from restriction	<u>789,829</u>	<u>(789,829)</u>	<u>--</u>
Total other revenue	<u>1,256,150</u>	<u>(92,900)</u>	<u>1,163,250</u>
Total contributed revenue and other support	\$ <u>1,943,289</u>	\$ <u>(92,900)</u>	\$ <u>1,850,389</u>

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

STATEMENT OF ACTIVITIES (Cont.)

Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
EXPENSES			
Program Services			
Allocation and designations			
Allocation and designations	\$ 922,617	\$ --	\$ 922,617
Less donor designations	(468,930)	--	(468,930)
Net allocations and designations	<u>453,687</u>	<u>--</u>	<u>453,687</u>
Resource distribution	<u>208,617</u>	<u>--</u>	<u>208,617</u>
Total program services	<u>662,304</u>	<u>--</u>	<u>662,304</u>
Supporting services			
Resource development	711,750	--	711,750
Operating	306,790	--	306,790
United Way Worldwide dues	<u>11,259</u>	<u>--</u>	<u>11,259</u>
Total supporting services	<u>1,029,799</u>	<u>--</u>	<u>1,029,799</u>
Total expenses	<u>1,692,103</u>	<u>--</u>	<u>1,692,103</u>
Change in net assets from operations	<u>251,186</u>	<u>(92,900)</u>	<u>158,286</u>
Nonoperating activities			
Unrealized and realized investment gains (losses), net	<u>7,737</u>	<u>--</u>	<u>7,737</u>
Change in net assets	<u>258,923</u>	<u>(92,900)</u>	<u>166,023</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,729,690</u>	<u>92,900</u>	<u>1,822,590</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,988,613</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 1,988,613</u></u>

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	Program services			Supporting Services			Total supporting services	Total
	Allocation and designation	Resource distribution	Total program services	Resource development	Operating	Fundraising		
Salaries	\$ --	\$ 126,158	\$ 126,158	\$ 430,423	\$ 185,527	\$ --	\$ 615,950	\$ 742,108
Employee benefits	--	16,156	16,156	55,119	23,758	--	78,877	95,033
Payroll taxes	--	9,950	9,950	33,947	14,633	--	48,580	58,530
Other employee expenses	--	2,489	2,489	8,492	3,660	--	12,152	14,641
Total salaries and fringe	--	154,753	154,753	527,981	227,578	--	755,559	910,312
Allocation and designation	329,901	--	329,901	--	--	--	--	329,901
Professional fees	--	32,287	32,287	110,157	47,482	--	157,639	189,926
Occupancy	--	18,626	18,626	63,548	27,392	--	90,940	109,566
Special events - supplies	--	--	--	--	--	62,640	62,640	62,640
Supplies	--	12,943	12,943	44,158	19,033	--	63,191	76,134
Equipment rental	--	7,758	7,758	26,469	11,410	--	37,879	45,637
Special events - other	--	--	--	--	--	40,211	40,211	40,211
Travel	--	5,259	5,259	17,943	7,734	--	25,677	30,936
Sponsorship fees	--	4,256	4,256	14,521	6,259	--	20,780	25,036
Advertising	--	3,934	3,934	13,423	5,786	--	19,209	23,143
Membership dues	--	3,210	3,210	10,953	4,722	--	15,675	18,885
Training	--	2,878	2,878	9,820	4,233	--	14,053	16,931
Telephone	--	1,942	1,942	6,625	2,856	--	9,481	11,423
Insurance	--	1,712	1,712	5,839	2,517	--	8,356	10,068
Depreciation	--	1,383	1,383	4,717	2,033	--	6,750	8,133
Bank fees	--	1,177	1,177	4,014	1,730	--	5,744	6,921
Community events	--	1,066	1,066	3,636	1,567	--	5,203	6,269
Postage	--	646	646	2,205	950	--	3,155	3,801
Miscellaneous	--	258	258	880	380	--	1,260	1,518
United Way Worldwide dues	--	--	--	--	22,143	--	22,143	22,143
Total expenses	329,901	254,088	583,989	866,889	395,805	102,851	1,365,545	1,949,534
Direct special event expenses	--	--	--	--	--	(102,851)	(102,851)	(102,851)
Total expenses	\$ 329,901	\$ 254,088	\$ 583,989	\$ 866,889	\$ 395,805	\$ --	\$ 1,262,694	\$ 1,846,683

See Notes to Financial Statements.

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	Program services			Supporting Services			Total supporting services	Total
	Allocation and designation	Resource distribution	Total program services	Resource development	Operating	Fundraising		
Salaries	\$ --	\$ 104,904	\$ 104,904	\$ 357,908	\$ 154,270	\$ --	\$ 512,178	\$ 617,082
Employee benefits	--	11,293	11,293	38,531	16,608	--	55,139	66,432
Payroll taxes	--	10,185	10,185	34,748	14,978	--	49,726	59,911
Other employee expenses	--	1,748	1,748	5,962	2,570	--	8,532	10,280
Total salaries and fringe	--	128,130	128,130	437,149	188,426	--	625,575	753,705
Allocation and designation	453,687	--	453,687	--	--	--	--	453,687
Professional fees	--	26,318	26,318	89,792	38,703	--	128,495	154,813
Occupancy	--	17,194	17,194	58,662	25,286	--	83,948	101,142
Special events - supplies	--	--	--	--	--	81,658	81,658	81,658
Special events - other	--	--	--	--	--	58,475	58,475	58,475
Supplies	--	8,890	8,890	30,331	13,074	--	43,405	52,295
Equipment rental	--	6,165	6,165	21,032	9,065	--	30,097	36,262
Travel	--	4,790	4,790	16,343	7,044	--	23,387	28,177
Sponsorship fees	--	4,046	4,046	13,804	5,950	--	19,754	23,800
Membership dues	--	2,372	2,372	8,093	3,489	--	11,582	13,954
Advertising	--	2,018	2,018	6,886	2,969	--	9,855	11,873
Community events	--	1,852	1,852	6,319	2,724	--	9,043	10,895
Insurance	--	1,714	1,714	5,849	2,522	--	8,371	10,085
Depreciation	--	1,466	1,466	5,001	2,155	--	7,156	8,622
Bank fees	--	1,066	1,066	3,636	1,567	--	5,203	6,269
Telephone	--	1,005	1,005	3,429	1,478	--	4,907	5,912
Training	--	718	718	2,448	1,055	--	3,503	4,221
Postage	--	493	493	1,681	725	--	2,406	2,899
Miscellaneous	--	380	380	1,295	558	--	1,853	2,233
United Way Worldwide dues	--	--	--	--	11,259	--	11,259	11,259
Total expenses	453,687	208,617	662,304	711,750	318,049	140,133	1,169,932	1,832,236
Direct special event expenses	--	--	--	--	--	(140,133)	(140,133)	(140,133)
Total expenses	\$ 453,687	\$ 208,617	\$ 662,304	\$ 711,750	\$ 318,049	\$ --	\$ 1,029,799	\$ 1,692,103

See Notes to Financial Statements.

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 477,529	\$ 166,023
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	8,134	8,623
Amortization of operating and financing of right-of-use assets	69,793	68,448
Unrealized and realized (gains) losses on investments, net	(4,166)	(4,102)
Changes in assets and liabilities:		
(Increase) decrease in:		
Cash held for others - fiscal sponsor funds	243,902	(202,680)
Accounts receivable	(11,268)	(31,719)
Pledges receivable	18,546	(18,706)
Prepaid expenses	3,814	94
(Decrease) increase in:		
Accounts payable	(8,078)	45,894
Accounts payable - related party	12,697	(13,318)
Accrued liabilities	35,208	48,792
Fiscal sponsor liability	(264,634)	195,813
Designations payable	(17,915)	(136,462)
Deferred revenue	(9,914)	10,000
Lease liabilities - operating	(60,267)	(57,928)
Net cash provided by (used in) operating activities	<u>493,381</u>	<u>78,772</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(4,703)	(3,635)
Purchase of property and equipment	(8,126)	--
Net cash provided by (used in) investing activities	<u>(12,829)</u>	<u>(3,635)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on right-of-use asset - financing lease	(8,478)	(8,232)
Net cash provided by (used in) financing activities	<u>(8,478)</u>	<u>(8,232)</u>
Net increase (decrease) in cash and cash equivalents	472,074	66,905
Cash and cash equivalents, beginning of year	<u>1,959,699</u>	<u>1,892,794</u>
Cash and cash equivalents, end of year	<u>\$ 2,431,773</u>	<u>\$ 1,959,699</u>

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

The United Way of San Joaquin County (the Organization), is a California non-profit corporation, founded in 1926 and governed by a volunteer Board of Directors. The Organization's main purpose includes assessing on a continual basis, the community's need for human services, developing financial resources to meet human service needs of the community, maximizing resources available to agencies for services aimed at the most urgent current needs of the community, developing community support for the entire Organization through a systematic communications program which both speaks and listens to the community, managing the Organization's operations effectively, and offering assistance to agencies wishing to improve their management skills, and financially managing and disbursing resources in accordance with directions and intent of donors, or, in the absence of directions, as the Organization may deem best for the promotion of any or all of the foregoing purposes.

The mission of United Way of San Joaquin County is to improve the lives of people by mobilizing the caring power of communities.

United Way of San Joaquin County envisions a community where the generosity of individuals and business is coupled with the services provided by community organizations to improve people's lives.

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United State of America (GAAP) and with the financial statement standards of United Way Worldwide. United Way Worldwide standards are required for membership and comply with Financial Accounting Standards Board (FASB) Accounting Standard Codification for not-for-profit organizations.

Basis of presentation:

The Organization is required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions:

Net assets without donor restrictions are those net assets presently available for use by the Organization at the discretion of management and the Board of Directors.

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Net assets with donor restrictions:

Donor restricted net assets are subject to stipulations imposed by donors and grantors that can be fulfilled by actions of the Organization or that expire by the passage of time.

Cash and cash equivalents:

For the purposes of the statements of cash flow, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization does not consider cash held for others to be cash and cash equivalents.

Cash held for others – fiscal sponsor funds San Joaquin Pride Center (PC), End It Alliance (EIA), Good Government (GG), Concrete Development (CD), Health Force Partners (HF), The Eleanor Project (TEP), United Veterans Council (VC), and Call to Move (CTM). United Way of San Joaquin County has contracted with HF, TEP, VC, and CTM to provide fiscal management of community contributions to the Organizations from both the public and private sector.

Concentrations of credit risk:

At June 30, 2025 and 2024, the Organization had amounts deposited in financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) insured limits in certain financial institutions. Cash deposits in excess of the FDIC insured amounts (\$250,000) in separate named accounts within one institution may represent a credit risk.

United Way of San Joaquin County is dependent upon contributions from corporate and individual donors to support its program services. The level of such contributions can be affected by economic conditions. In addition, the choice on the part of some donors to designate their gifts to specific agencies can result in reduced funding available for distributions and allocations. A decrease in undesignated contributions could adversely affect the Organization's ability to provide services and to allocate funds to its designated agencies.

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Accounts receivable:

The Organization's accounts receivables are mainly from administrative fees and grant agreements. The amounts due represent services performed under written contractual agreements. Management has assessed the collectability of these accounts receivable and deems them fully collectible as of June 30, 2025 and 2024.

Campaign pledges:

An annual fundraising campaign is conducted each fall to obtain donations and pledges to fund the subsequent year's operations. Accordingly, a receivable is recorded at year-end for outstanding campaign pledges with an allowance for amounts estimated to be uncollectible. Substantially all of the pledges receivable at June 30, 2025 and 2024 are from corporations and individuals.

Donor designated pledges are accounted for as a liability until dispensed to the designated agency. Those amounts are not accounted for as revenue by United Way of San Joaquin County but are reported as part of campaign revenue from which the amounts are then deducted to arrive at total contributions.

Investments:

As required by the Accounting for Certain Investments Held by Not-for-Profit Organizations topic of the FASB Accounting Standards Codification, the Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair market value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Realized gain and losses that result from sales or maturities of securities during the year are calculated on an adjusted cost basis and are reflected in the accompanying statements of activities and changes in net assets. Marketable securities received as donations are recorded at fair value at the date of donation, and are generally sold as soon as practical after receipt.

Fair value of financial instruments:

The carrying amounts of financial instruments, including cash and cash equivalents, prepaid expenses, accounts receivable, pledges receivable, accounts payable, designations payable, fiscal sponsor liability, accrued liabilities and deferred revenue approximate fair value because of the short maturity of those financial instruments.

UNITED WAY OF SAN JOAQUIN COUNTY
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Property and equipment:

Property and equipment is shown at either the cost at the date of purchase or the estimated market values at the date of gift. It is the Organization's policy to capitalize computers in excess of \$1,000 and all other expenditures in excess of \$2,500. Depreciation is determined using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building improvements	9
Furniture and equipment	5-7

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the property may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying value amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. During the years ended June 30, 2025 and 2024, there were no impairment losses recognized.

Right-of-use assets and lease liabilities

The Organization has implemented new guidance issued by the Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 842 Leases. The Organization recognizes a lease asset, called a right-of-use asset, and a lease liability for all leases with a term longer than one year. Leases are classified as either financing or operating leases in the statements of financial position. The Organization elected to apply ASC 842 prospectively. Results for periods beginning prior to July 1, 2022 continue to be reported on the Organization's historical accounting treatment.

The Organization recognizes a right-of-use asset at cost, which comprises the initial amount of the lease liability plus any initial payments and initial direct costs. The right-of-use asset is amortized using the straight-line method over the earlier of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is evaluated periodically for impairment losses.

The Organization recognizes a lease liability measured at the present value of the scheduled lease payments at the commencement date and reduced using a risk-free discount rate comparable with that of the lease term.

The Organization has elected not to recognize right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases of low-value assets. These lease payments are recognized as an expense over the lease term.

UNITED WAY OF SAN JOAQUIN COUNTY
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NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Revenue recognition:

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions. Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as satisfaction of restrictions on net assets with donor restrictions.

Donated goods and services:

Donated materials and equipment are reflected as contributions in the financial statements at their estimated fair value at date of receipt. The Organization will recognize the fair value of donated services if the services meet the recognition criteria which include: a) requiring specialized skills; b) provided by someone with those skills and c) would have to be purchased if they were not donated. Although the Organization receives a significant amount of contributed time from volunteers, this time does not meet the recognition criteria. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements since no objective basis is available to measure the value of such services.

Allocation of expenses:

The majority of expenses can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among program and supporting services classifications on the basis of cost allocations using estimates made by the Organization's management. The expenses that are allocated include salaries and employee related expenses, supplies, occupancy, equipment rental, contributed nonfinancial assets, travel, insurance, telephone, postage and training. This is consistent with the standards for allocation of functional expenses in accordance with GAAP and United Way Worldwide.

Advertising:

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. Advertising expenses for the years ended June 30, 2025 and 2024 were \$23,143 and \$11,873, respectively.

UNITED WAY OF SAN JOAQUIN COUNTY
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NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Income taxes:

The Organization is exempt from federal income taxes under IRC Sec. 501(c)(3) and state income tax under Section 23701(d) of the California Revenue and Taxation Code. The Organization is classified by the Internal Revenue Service as an other-than-private foundation. Accordingly, no provision for federal or state income taxes is made in the accompanying financial statements. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three to four years after they were filed.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events:

Management has evaluated subsequent events through October 29, 2025, the date on which the financial statements were available to be issued and determined no events or transactions have occurred that require recognition or disclosure in the financial statements.

Note 2. Availability and Liquidity

The Organization's financial assets available for general expenditures, that is without donor or other restrictions limiting their use, within one year of the statement of financial position date are as follows at June 30:

Financial assets at year end:	2025	2024
Cash and cash equivalents	\$ 2,431,773	\$ 1,959,699
Accounts receivable	170,349	159,081
Pledges receivable, net of allowance	347,022	365,568
Short-term investments	130,192	121,323
Total financial assets	<u>3,079,336</u>	<u>2,605,671</u>
Net assets with donor restrictions	<u>(415,704)</u>	<u>--</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 2,663,632</u>	<u>\$ 2,605,671</u>

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. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

UNITED WAY OF SAN JOAQUIN COUNTY
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NOTES TO FINANCIAL STATEMENTS

Note 3. Fiscal Sponsor Funds

Fiscal Sponsor funds are held by the Organization on behalf of other entities and are disbursed only upon instructions from such entities. The amounts of fiscal sponsor funds held for other parties and not commingled by the United Way of San Joaquin totaled \$570,574 and \$814,476 as of June 30, 2025 and 2024, respectively, and are reflected in both current assets and current liabilities in the statement of financial position.

Note 4. Campaign Pledges Receivable and Allowance for Uncollectible Pledges

Pledges receivable consist of unconditional promises to give by donors and are recorded at net realizable value. The fair value of pledges receivable is estimated by discounting the future cash flows by the amount of the provisions for uncollectible pledges. Pledges receivable are net of provisions for uncollectible pledges. The provision for uncollectible pledges is computed based on a percentage of total campaign year pledges based on historical experience and current economic status. For the years ended June 30, 2025 and 2024, all pledges receivable were due within one year.

The pledges per campaign year consisted of the following at June 30:

	2025	2024
Pledges receivable	\$ 423,022	\$ 435,568
Allowance for uncollectible pledges	<u>(76,000)</u>	<u>(70,000)</u>
Net pledges receivable	\$ <u>347,022</u>	\$ <u>365,568</u>

Note 5. Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 – quoted prices in active markets for identical investments.

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – significant unobservable inputs (including the Organization's own assumptions in determining fair value investments).

UNITED WAY OF SAN JOAQUIN COUNTY
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NOTES TO FINANCIAL STATEMENTS

Note 5. Fair Value Measurements (Cont.)

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The beneficial interest in assets of community foundation are deemed to be Level 2 within the valuation. There are no level 1 or 3 valuations.

	(Level 2) Fair Market Value 2025	(Level 2) Fair Market Value 2024
Equity Securities (Community Foundation)	\$ 130,192	\$ 121,323
	<u>\$ 130,192</u>	<u>\$ 121,323</u>

Note 6. Property and Equipment

Property and equipment and the related accumulated depreciation consisted of the following at June 30:

	2025	2024
Building improvements	\$ 20,000	\$ 20,000
Furniture and equipment	62,582	54,457
Less accumulated depreciation	<u>(56,918)</u>	<u>(48,785)</u>
Total	<u>\$ 25,664</u>	<u>\$ 25,672</u>

UNITED WAY OF SAN JOAQUIN COUNTY
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NOTES TO FINANCIAL STATEMENTS

Note 7. Right-of-use assets and lease liabilities

The Organization leases office space under non-cancellable operating leases. The components of these operating leases were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Right-of-use assets - operating	\$ 558,208	\$ 558,208
Accumulated amortization of right-of-use assets	<u>(180,640)</u>	<u>(119,102)</u>
Right-of-use assets - operating, net	<u>\$ 377,568</u>	<u>\$ 439,106</u>

The components of the operating lease liabilities were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Operating lease liabilities for office space, monthly payments ranging from \$2,683 to \$3,250 and lease termination date of February 2031.	\$ 398,014	\$ 458,281
Less current portion	<u>(63,454)</u>	<u>(60,267)</u>
Lease liabilities - operating, less current portion	<u>\$ 334,560</u>	<u>\$ 398,014</u>

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term in years	5.62	6.62
Weighted-average discount rate	2.33%	2.33%

Aggregate maturities of the operating lease liabilities are as follows for the years ending June 30:

2026	\$ 71,842
2027	72,861
2028	74,656
2029	75,701
2030	77,522
Thereafter	<u>52,147</u>
	424,729
Less present value discount	<u>(26,715)</u>
	<u>\$ 398,014</u>

UNITED WAY OF SAN JOAQUIN COUNTY
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NOTES TO FINANCIAL STATEMENTS

Note 7. Right-of-use assets and lease liabilities (Cont.)

The Organization leases a copier under a non-cancellable finance lease. The components of this finance lease was as follows at June 30:

	<u>2025</u>	<u>2024</u>
Right-of-use assets - finance	\$ 37,147	\$ 37,147
Accumulated amortization of right-of-use assets	<u>(24,765)</u>	<u>(16,510)</u>
Right-of-use assets - finance, net	<u><u>\$ 12,382</u></u>	<u><u>\$ 20,637</u></u>

The components of the finance lease liability were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Finance lease liability for copier, monthly payments of \$747 and lease termination date of December 2026.	\$ 12,444	\$ 20,922
Less current portion	<u>(8,727)</u>	<u>(8,476)</u>
Lease liabilities - finance, less current portion	<u><u>\$ 3,717</u></u>	<u><u>\$ 12,446</u></u>

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term in years	1.5	2.5
Weighted-average discount rate	2.95%	2.95%

Aggregate maturities of the finance lease liabilities are as follows for the years ending June 30:

2026	\$ 8,959
2027	<u>3,731</u>
	12,690
Less present value discount	<u>(246)</u>
	<u><u>\$ 12,444</u></u>

UNITED WAY OF SAN JOAQUIN COUNTY
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NOTES TO FINANCIAL STATEMENTS

Note 8. Net Assets

Net assets with donor restrictions were as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Specific purpose:		
Pathways Community Hub	<u>\$ 415,704</u>	<u>\$ --</u>

Net assets with donor restrictions were released from restriction as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
The NEST	\$ 267,466	\$ 255,802
CalEITC	80,000	300,000
Pathways Grant	60,000	10,000
NCO Funding	56,000	3,200
Alliance for Wellness	50,000	--
Listening Behavioral Health	35,000	--
CA First Job	32,500	--
FASFA	25,000	--
EFSP Grant	17,759	9,237
UWW Grant	10,000	--
Connected Community Network (CCN)	--	92,900
Next Gen to Service	--	50,000
Farmers Grant	--	40,690
Kaiser Permanente	--	25,000
Health Leads Grant (CCN)	--	3,000
Fidelity Grant	243	--
	<u>\$ 633,968</u>	<u>\$ 789,829</u>

UNITED WAY OF SAN JOAQUIN COUNTY
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NOTES TO FINANCIAL STATEMENTS

Note 9. Designations Payable

Designations payable are pledges which are pledged to specific agencies. The income and expense related to the designations are not recognized by the Organization. For the years ended June 30, 2025 and 2024, all designations payable were due within one year.

Note 10. Related Parties

United Way of San Joaquin County renews memberships with an affiliate. Annually, as part of the membership renewal, a membership investment must be made. The amount is calculated as a percentage of the prior year's campaign revenue. During the years ended June 30, 2025 and 2024, the Organization incurred and paid a membership investment of \$22,143 and \$11,259, respectively. The Organization's Board of Directors and employees have made contributions, unconditional promises to give and pledges totaling \$5,806 and \$30,045, respectively, for the years ended June 30, 2025 and 2024.

Note 11. Retirement Plans

The Organization implemented a Simple IRA Plan on June 19, 2015. Effective June 1, 2015, the Organization will make an employer-based matching contribution equal to the eligible participant's salary reduction not to exceed 3% of the participant's salary. The Organization's contribution for the years ended June 30, 2025 and 2024 was \$15,125 and \$10,906, respectively.