

UNITED WAY OF SNOHOMISH COUNTY

Financial Statements
June 30, 2025 and 2024

Table of Contents

	Page
Independent Auditor's Report	1 and 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	8-14

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Snohomish County
Everett, Washington

Opinion

We have audited the accompanying financial statements of United Way of Snohomish County (the Organization, a nonprofit organization), 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 Organization 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 Organization's 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 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.

Amanda O'Rourke, CPA
Matt Smith, CPA
Claire Chow, CPA
Jason Mallon, CPA
Andrew Van Ness, CPA



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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Greenwood Ohlund

Seattle, Washington
January 28, 2026

UNITED WAY OF SNOHOMISH COUNTY

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	\$ 2,601,947	\$ 480,705
Investments	26,147	110,828
Contributions receivable, net	43,398	300,478
Prepaid expenses and other assets	43,869	71,848
Property held for sale	-	2,399,833
Total current assets	2,715,361	3,363,692
Investments Held for Endowment	1,204,752	1,068,844
Property and Equipment, net	-	6,320
Other Assets	47,011	47,011
Total assets	\$ 3,967,124	\$ 4,485,867
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 33,371	\$ 29,028
Accrued payroll and related	32,636	39,431
Designations payable	-	58,403
Mortgage payable	-	1,833,826
Total liabilities	66,007	1,960,688
Net Assets		
Without donor restrictions	3,344,219	1,863,269
With donor restrictions	556,898	661,910
Total net assets	3,901,117	2,525,179
Total liabilities and net assets	\$ 3,967,124	\$ 4,485,867

See accompanying notes to financial statements.

UNITED WAY OF SNOHOMISH COUNTY

STATEMENTS OF ACTIVITIES For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Campaign contributions, net of donor designations of \$0 and \$129,797, respectively	\$ 509,254	\$ -	\$ 509,254	\$ 578,423	\$ 167,835	\$ 746,258
Other contributions	156,688	-	156,688	180,882	-	180,882
Employee Retention Tax Credit	128,517	-	128,517			
Rental income	69,669	-	69,669	140,322	-	140,322
Investment return	71,944	62,823	134,767	80,917	34,001	114,918
Other income	1,756	-	1,756	6,177	-	6,177
Net assets released from restrictions	167,835	(167,835)	-	244,624	(244,624)	-
Total support and revenue	1,105,663	(105,012)	1,000,651	1,231,345	(42,788)	1,188,557
Expenses						
Program services	360,049	-	360,049	359,402	-	359,402
Management and general	612,817	-	612,817	791,528	-	791,528
Fundraising	148,907	-	148,907	224,310	-	224,310
Total expenses	1,121,773	-	1,121,773	1,375,240	-	1,375,240
Change in net assets before gain on sale of building	(16,110)	(105,012)	(121,122)	(143,895)	(42,788)	(186,683)
Gain on Sale of Building	1,497,060	-	1,497,060	-	-	-
Change in net assets	1,480,950	(105,012)	1,375,938	(143,895)	(42,788)	(186,683)
Net Assets, beginning of year	1,863,269	661,910	2,525,179	2,007,164	704,698	2,711,862
Net Assets, end of year	\$ 3,344,219	\$ 556,898	\$ 3,901,117	\$ 1,863,269	\$ 661,910	\$ 2,525,179

See accompanying notes to financial statements.

UNITED WAY OF SNOHOMISH COUNTY

STATEMENT OF FUNCTIONAL EXPENSES For the Years Ended June 30, 2025 and 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Gross funds awarded and designated	\$ 216,377	\$ -	\$ -	\$ 216,377	\$ 307,139	\$ -	\$ -	\$ 307,139
Less: donor designations	-	-	-	-	(129,797)	-	-	(129,797)
Net funds awarded	216,377	-	-	216,377	177,342	-	-	177,342
Salaries, taxes and benefits	97,809	276,494	79,896	454,199	113,117	363,069	131,970	608,156
Professional fees	-	179,661	397	180,058	9,290	155,112	-	164,402
Occupancy	26,176	73,996	21,382	121,554	30,423	97,647	35,493	163,563
Depreciation and amortization	9,382	26,521	7,664	43,567	19,733	63,339	23,022	106,094
Miscellaneous	2,841	16,322	13,376	32,539	3,004	11,973	3,517	18,494
Insurance	4,513	12,757	3,686	20,956	3,736	11,992	4,359	20,087
Software and subscriptions	-	4,709	13,120	17,829	-	25,971	10,000	35,971
United Way Worldwide dues	-	13,522	-	13,522	-	17,489	-	17,489
Equipment and maintenance	2,062	5,828	1,684	9,574	1,539	4,939	1,795	8,273
Processing fees	-	-	6,975	6,975	-	-	12,734	12,734
Telephone	889	2,514	727	4,130	1,218	3,908	1,420	6,546
Events	-	493	-	493	-	813	-	813
Bad debt	-	-	-	-	-	35,276	-	35,276
Total expenses	\$ 360,049	\$ 612,817	\$ 148,907	\$ 1,121,773	\$ 359,402	\$ 791,528	\$ 224,310	\$ 1,375,240

See accompanying notes to financial statements.

UNITED WAY OF SNOHOMISH COUNTY

STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from donors	\$ 1,051,539	\$ 948,826
Cash received from tenants	69,669	140,322
Cash received from interest and other	35,713	31,112
Cash paid to employees	(460,994)	(617,246)
Cash paid to vendors	(309,752)	(459,625)
Cash paid to students for scholarships	(274,780)	(160,431)
Cash paid for interest	(65,556)	(100,704)
Net cash flows from operating activities	45,839	(217,746)
Cash Flows from Investing Activities		
Purchases of investments	(30,702)	(111,886)
Sales of investments	80,285	800,000
Net proceeds from sale of building	3,859,646	-
Net cash flows from investing activities	3,909,229	688,114
Cash Flows from Financing Activity		
Repayments of mortgage payable	(1,833,826)	(54,945)
Net change in cash and cash equivalents	2,121,242	415,423
Cash and Cash Equivalents, beginning of the year	480,705	65,282
Cash and Cash Equivalents, end of the year	\$ 2,601,947	\$ 480,705

See accompanying notes to financial statements.

UNITED WAY OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Organization

United Way of Snohomish County (the Organization) is a local not-for-profit organization with the mission of transforming lives by bringing people, resources, and strategy together to solve our community's toughest challenges. Working together, the Board of Directors (the Board), other volunteers, and staff employ multiple strategies to achieve the Organization's mission. The Board oversees all aspects of the Organization, including approval of funding decisions. Resources are directed to programs, initiatives, and services that demonstrate positive outcomes and are aligned with the Organization's impact areas. The Organization is primarily funded through workplace and individual giving campaigns and grants and support from local businesses, foundations and, other government and private funders. The Organization focuses their funds awarded, community impact and investment on:

The Imagination Library – Dolly Parton's Imagination Library is a book gifting program that mails free, high-quality books to children from birth to age five, no matter their family's income. The Organization began partnership with the program in January of 2023. This initiative is dedicated to fostering a love for reading among children from birth to age five. By offering the Dolly Parton Imagination Library to kids in our community, the Organization aims to inspire a lifelong love for reading from the very beginning of a child's journey. We hope to enhance early learning experiences, nurture creativity, and promote the building blocks of literacy through high-quality books.

Best Dental Help – The Organization has partnered with Best Dental Help, a mobile dental clinic operating in Washington State. Best Dental Help visits elementary schools to teach students about the importance of dental care, offer check-ups, and place sealants on children whose families have opted for care.

Angel of the Winds Lactation Pod – Since September 2023, The Organization has been the proud sponsor of the nursing pod located at Angel of the Winds Arena. The lactation pod is a freestanding, mobile suite for mothers to pump or breastfeed in public places or while at work. This specific pod is located on the main level at Angel of the Winds Arena, which sees approximately 500,000 individuals each year.

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 certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and report information regarding its financial position and activities according to two classes of net assets, depending on the existence and nature of donor restrictions: without donor restrictions and with donor restrictions.

UNITED WAY OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. The Board of Directors has designated certain net assets without donor restrictions for the following purposes at June 30:

	2025	2024
Quasi-endowment – Impact	\$ 513,607	\$ 455,666
Quasi-endowment – Sustaining	134,247	119,103
	<u>\$ 647,854</u>	<u>\$ 574,769</u>

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time, or net assets that have perpetual donor-imposed restrictions (endowments). Net assets with donor restrictions that are temporary in nature are transferred to net assets without donor restrictions as expenditures are incurred for the restricted purposes or as the time restrictions are met. Contributions and investment returns are reported as without donor restrictions if the donor restrictions are met within the same year the contribution, or the investment return, is earned.

Net assets with donor restrictions consist of the following at June 30:

	2025	2024
Net assets restricted for future periods	\$ -	\$ 167,835
Net assets with endowment restrictions		
Unappropriated earnings	227,000	164,177
Perpetual restrictions	<u>329,898</u>	<u>329,898</u>
Total net assets with endowment restrictions	<u>556,898</u>	<u>494,075</u>
	<u>\$ 556,898</u>	<u>\$ 661,910</u>

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents (including those held within the Organization's investment pool). At times, balances exceed federally insured limits; however, the Organization does not believe it is exposed to any significant credit risk.

Investments

Investments in debt and equity securities are stated at fair value using Level 1 inputs in the fair value hierarchy (observable market inputs such as quoted prices in active markets for identical assets). Investment return consists of interest and dividends and realized and unrealized gains and losses, net of external investment fees, and is reflected in the statements of activities.

UNITED WAY OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

Investments are composed of the following at June 30:

	2025	2024
Money market funds	\$ 90,737	\$ 313,812
Common stock	376,979	282,601
Equity mutual funds	347,713	137,049
Fixed income	415,470	446,210
	<u>\$ 1,230,899</u>	<u>\$ 1,179,672</u>

Investments are presented in the statements of financial position as follows at June 30:

	2025	2024
Investments held for endowment	\$ 1,204,752	\$ 1,068,844
Investments	26,147	110,828
	<u>\$ 1,230,899</u>	<u>\$ 1,179,672</u>

Investments held by the Organization for the endowment are intended to support long-term operating activities and, therefore, are classified as a noncurrent assets on the statements of financial position.

Contributions Receivable

Contributions receivable consist of unconditional promises to give from donors. Contributions receivable due within one year are recorded at net realizable value. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions receivable. The allowance for uncollectible receivables was \$5,910 and \$45,404 at June 30, 2025 and 2024, respectively.

At June 30, 2024, 45% of contributions receivable were due from one donor. There were no concentrations of contributions receivable at June 30, 2025.

Property and Equipment and Property Held for Sale

Property and equipment are carried at cost if purchased or, if donated, at fair value at the date of donation. The Organization capitalizes property and equipment with a cost or fair value of more than \$5,000 and a useful life in excess of one year. Depreciation of is computed using the straight-line method based on the estimated useful lives of 38 years for buildings and five to ten years for furniture and equipment.

UNITED WAY OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

Property and equipment consist of the following at June 30:

	2025	2024
Building	\$ -	\$ 3,646,461
Furniture and equipment	-	125,968
Software	-	91,102
	-	3,863,531
Less: Accumulated depreciation	-	(1,877,378)
	-	1,986,153
Land	-	420,000
	\$ -	\$ 2,406,153

The Organization's building and related land were placed for sale in November 2023, and the sale closed in December 2024 with a gross sale price of \$4,200,000. This resulted in a gain on sale of \$1,497,060 and is reported in the statement of activities for the year ended June 30, 2025. All property and equipment held at June 30, 2024 was transferred to the new owner in relation to this sale. The Organization's mortgage was repaid in full from the proceeds.

Property and equipment is presented as follows in the statements of financial position at June 30:

	2025	2024
Property held for sale	\$ -	\$ 2,399,833
Property and equipment, net	-	6,320
	\$ -	\$ 2,406,153

Designations Payable

The Organization acts as an agent for certain donations received. These donations are recognized as a liability in the statements of financial position until the disbursement is made. As an agent, the Organization does not recognize revenue or expense related to designated activity.

Contribution and Grant Revenue Recognition

The Organization recognizes contributions (including grants from government agencies) when a cash or noncash gift is received or pledged, provided the pledge is unconditional. Conditional contributions, that is, those with a measurable performance-related barrier or other measurable barrier and a right of return, are recognized as revenue when the conditions have been substantially met.

Contribution revenue (including campaign contributions) representing 12% and 21% of total support and revenue were earned from one donor during the years ended June 30, 2025 and 2024, respectively.

UNITED WAY OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

During the year ended June 30, 2025, the Organization met the conditions for and received an Employee Retention Tax Credit from the Internal Revenue Service totaling \$128,517. Revenue from government agencies is subject to audit, which could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. During the years ended June 30, 2025 and 2024, no such adjustments were made.

Rental Income

Rental income is recognized on the straight-line basis over the term of the lease.

The Organization leased a portion of its building to a local not-for profit entity during the years ended June 30, 2025 and 2024. The lease required monthly payments under a noncancelable agreement which was terminated upon sale of the building. Rental income recognized for the years ended June 30, 2025 and 2024, was \$69,669 and \$140,322, respectively, and is reported in the statements of activities.

Contributed Services

Generally accepted accounting principles provide that services contributed by professionals and craftsmen that require specialized skills and would normally need to be purchased should be recognized as in-kind income and expense. Contributed services that do not require specialized skills are not recognized. The Organization receives many hours of volunteer services each year; however, these services are not included in these financial statements, as they do not meet the accounting criteria for recognition.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. Directly identifiable expenses are charged to program and support services. Expenses related to more than one function are charged to programs and support services based on the activity in each respective function and benefits derived. Salaries, taxes and benefits are allocated based on time and effort. Indirect costs (including professional fees, occupancy and depreciation and amortization) are allocated based on department percentage of expenses and square footage.

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

Reclassifications

Certain prior year balances have been reclassified in order to conform to the current year presentation.

Subsequent Events

The Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was January 28, 2026.

UNITED WAY OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 2 – Liquidity and Availability of Resources

The Organization has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board has approved reserve and endowment policies that require three months of annual grants and three months of operating expenses to be maintained. Spending of these funds requires Board approval. To manage liquidity, excess cash is invested in cash equivalents and in accordance with the Organization's investment policy. The Organization's cash flows have seasonal variations during the year attributable to the annual campaign and timing of payments received on pledges from donors.

The following financial assets held by the Organization could readily be made available within one year of the statement of financial position to meet general expenditures at June 30:

	2025	2024
Financial assets		
Cash and cash equivalents	\$ 2,601,947	\$ 480,705
Contributions receivable, net	43,398	300,478
Investments	1,230,899	1,179,672
Property held for sale	-	2,399,833
	3,876,244	4,360,688
Less: Amounts not available for general use within one year		
Investments held for endowment	(1,204,752)	(1,068,844)
	<u>\$ 2,671,492</u>	<u>\$ 3,291,844</u>

Note 3 – Endowment

The Organization's endowments consist of three funds; a board-designated quasi-endowment and the Organization's permanently restricted Impact and Sustaining Funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies as net assets with perpetual donor restrictions, the original value of gifts donated to the donor-restricted endowment. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with donor restrictions for purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA and the Organization's spending policy.

UNITED WAY OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund,
- 2) The purposes of the Organization and the donor-restricted endowment fund,
- 3) General economic conditions,
- 4) The possible effect of inflation and deflation,
- 5) The expected total return from income and the appreciation of investments,
- 6) Other resources of the Organization, and
- 7) The investment policies of the Organization.

Endowment net assets consist of the following:

		With Donor Restrictions		
	Without Donor Restrictions	Unappropriated Endowment Earnings	Perpetual	Total
Endowment net assets, June 30, 2023	\$ 1,000,807	\$ 130,176	\$ 329,898	\$ 1,460,881
Investment return	73,962	34,001	-	107,963
Appropriations for expenditure	(500,000)	-	-	(500,000)
Endowment net assets, June 30, 2024	574,769	164,177	329,898	1,068,844
Investment return	73,085	62,823	-	135,908
Appropriations for expenditure	-	-	-	-
Endowment net assets, June 30, 2025	\$ 647,854	\$ 227,000	\$ 329,898	\$ 1,204,752

Return Objectives and Risk Parameters – The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Organization must hold in perpetuity or for donor-specified periods as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average real rate of return of approximately 6% to 9% annually. Actual returns in any given year may vary from this amount.

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

UNITED WAY OF SNOHOMISH COUNTY

NOTES TO FINANCIAL STATEMENTS

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Organization has a policy of appropriating for distribution each year a maximum of 4% of the endowment fund balance. The fund balance is defined as the average of the prior three year end fair value balances of the fund. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of 2% to 5% annually after its planned payouts. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Funds With Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There was no such deficiency as of June 30, 2025 or 2024.