

**UNITED WAY OF PIERCE COUNTY**

Audited Financial Statements

December 31, 2022 and 2021

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Audited Financial Statements

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**INDEPENDENT AUDITOR'S REPORT** ..... 1-2

**AUDITED FINANCIAL STATEMENTS**

Statements of Financial Position.....3

Statements of Activities ..... 4-7

Statements of Functional Expenses..... 8-9

Statements of Cash Flows ..... 10-11

Notes to Financial Statements..... 12-24



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## Independent Auditor's Report

Board of Directors  
United Way of Pierce County  
Tacoma, Washington

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of United Way of Pierce County (the "Organization"), which comprise the statement of financial position as of December 31, 2022, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Other Matter 2021 Financial Statements Audited by Another Auditor***

The financial statements for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on May 23, 2022.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

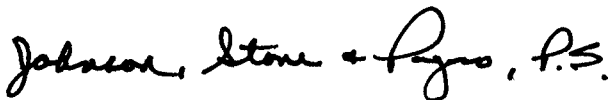
***Auditor's Responsibilities for the Audit of the Financial Statements***

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

  
JOHNSON, STONE & PAGANO, P.S.

May 19, 2023

AUDITED FINANCIAL STATEMENTS

**UNITED WAY OF PIERCE COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,675,812	\$ 3,258,111
Promises receivable, less allowance for uncollectible	1,947,252	2,151,459
Prepaid expenses	159,932	159,682
Investments	<u>961,880</u>	<u>922,127</u>
<b>Total Current Assets</b>	6,744,876	6,491,379
Property, plant and equipment, net	2,303,197	2,463,201
<b>OTHER ASSETS</b>		
Long-term promises receivable	562,046	498,667
Long-term investments, net of current portion	5,164,981	6,175,012
Other	<u>83,000</u>	<u>83,000</u>
<b>Total Other Assets</b>	<u>5,810,027</u>	<u>6,756,679</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 14,858,100</u></b>	<b><u>\$ 15,711,259</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 61,387	\$ 66,742
Agency funds payable	183,874	191,636
Grants payable	<u>          </u>	<u>495,000</u>
<b>Total Current Liabilities</b>	245,261	753,378
<b>NET ASSETS</b>		
Without donor restrictions		
Board-designated	9,072,479	9,423,837
Undesignated	<u>2,394,898</u>	<u>2,213,403</u>
<b>Total Net Assets without Donor Restrictions</b>	11,467,377	11,637,240
With donor restrictions	<u>3,145,462</u>	<u>3,320,641</u>
<b>Total Net Assets</b>	<u>14,612,839</u>	<u>14,957,881</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 14,858,100</u></b>	<b><u>\$ 15,711,259</u></b>

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

**UNITED WAY OF PIERCE COUNTY**

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Gross campaign results (21-22 campaign)	\$ 1,833,553		\$ 1,833,553
Release of 21-22 campaign from restriction	708,248	\$ (708,248)	
Less donor designations	(697,498)		(697,498)
Less provisions for uncollectibles	(141,992)		(141,992)
<b>Net Campaign Revenue (release) 21-22 Campaign</b>	<b>1,702,311</b>	<b>(708,248)</b>	<b>994,063</b>
Gross campaign results (22-23 campaign)		820,899	820,899
Less donor designations		(131,698)	(131,698)
Less provisions for uncollectible		(18,692)	(18,692)
<b>Net Campaign Revenue (22-23 Campaign)</b>		<b>670,509</b>	<b>670,509</b>
100 -Year Anniversary Campaign	1,144,182	667,445	1,811,627
Grants and contracts	1,470,959	157,179	1,628,138
Collection of 20-21 campaign over previously estimated uncollectibles	13,011		13,011
Designations from other United Ways	2,230		2,230
Other public support	401		401
Event income	74,282	47,500	121,782
Designation fees collected	49,181		49,181
Gifts-in-kind donations	281,728		281,728
Program income - Betye Martin Baker Human Service Center	332,285		332,285
Net assets released from restriction	969,320	(969,320)	
<b>Total Revenues, net</b>	<b>6,039,890</b>	<b>(134,935)</b>	<b>5,904,955</b>

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

**UNITED WAY OF PIERCE COUNTY**

STATEMENTS OF ACTIVITIES (Continued)

Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>EXPENDITURES</b>			
Community program services			
Gross funds awarded and designated	\$ 2,019,088		\$ 2,019,088
Less donor designations	(697,498)		(697,498)
<b>Net Funds Awarded</b>	1,321,590		1,321,590
Gifts-in-kind distributed to community nonprofits	278,665		278,665
Community Impact	800,006		800,006
Betye Martin Baker Human Service Center	363,733		363,733
2-1-1 HelpLine	1,029,409		1,029,409
Gifts-in-kind program expenses	50,692		50,692
Volunteer engagement	119,418		119,418
<b>Total Community Program Services</b>	3,963,513		3,963,513
Supporting services			
Management and general	450,194		450,194
Fundraising	883,030		883,030
Marketing and community education, including in-kind advertising	103,764		103,764
Dues for national and state United Way organizations	95,461		95,461
<b>Total Supporting Services</b>	1,532,449		1,532,449
<b>Total Expenditures</b>	5,495,962		5,495,962
Nonoperating items			
Employee retention credit	227,731		227,731
Investment loss, net	(941,522)	\$ (40,244)	(981,766)
<b>Total Nonoperating Items</b>	(713,791)	(40,244)	(754,035)
<b>CHANGE IN NET ASSETS</b>	(169,863)	(175,179)	(345,042)
<b>Net Assets at Beginning of Year</b>	11,637,240	3,320,641	14,957,881
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 11,467,377</u>	<u>\$ 3,145,462</u>	<u>\$ 14,612,839</u>

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



**UNITED WAY OF PIERCE COUNTY**

STATEMENTS OF ACTIVITIES (Continued)

Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Gross campaign results (20-21 campaign)	\$ 2,055,583	\$ 49,062	\$ 2,104,645
Release of 20-21 campaign from restriction	813,113	(813,113)	
Less donor designations	(787,762)		(787,762)
Less provisions for uncollectibles	<u>(144,000)</u>		<u>(144,000)</u>
<b>Net Campaign Revenue (release) 20-21 Campaign</b>	1,936,934	(764,051)	1,172,883
Gross campaign results (21-22 campaign)		870,366	870,366
Less donor designations		(142,366)	(142,366)
Less provisions for uncollectible		<u>(19,752)</u>	<u>(19,752)</u>
<b>Net Revenues (21-22 campaign)</b>		<u>708,248</u>	<u>708,248</u>
100 -Year Anniversary Campaign	818,050	977,288	1,795,338
Grants	1,901,485	218,247	2,119,732
Collection of 19-20 campaign over previously estimated uncollectibles	42,014		42,014
Designations from other United Ways	1,058		1,058
Other public support	58,000		58,000
Event income	55,000	10,000	65,000
Designation fees collected	60,374		60,374
Gifts-in-kind donations	194,652		194,652
Program income - Betye Martin Baker Human Service Center	311,068		311,068
Net assets released from restriction	<u>533,308</u>	<u>(533,308)</u>	
<b>Total Revenues, net</b>	5,911,943	616,424	6,528,367

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

**UNITED WAY OF PIERCE COUNTY**

STATEMENTS OF ACTIVITIES (Continued)

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>EXPENDITURES</b>			
Community program services			
Gross funds awarded and designated	\$ 2,782,471		\$ 2,782,471
Less donor designations	<u>(787,762)</u>		<u>(787,762)</u>
<b>Net Funds Awarded</b>	1,994,709		1,994,709
Gifts-in-kind distributed to community nonprofits	193,772		193,772
Community Impact	754,328		754,328
Betye Martin Baker Human Service Center	366,163		366,163
2-1-1 HelpLine	868,989		868,989
Gifts-in-kind program expenses	43,787		43,787
Volunteer engagement	<u>110,691</u>		<u>110,691</u>
<b>Total Community Program Services</b>	4,332,439		4,332,439
Supporting services			
Management and general	446,387		446,387
Fundraising	789,123		789,123
Marketing and community education, including in-kind advertising	98,710		98,710
Dues for national and state United Way organizations	<u>70,555</u>		<u>70,555</u>
<b>Total Supporting Services</b>	<u>1,404,775</u>		<u>1,404,775</u>
<b>Total Expenditures</b>	5,737,214		5,737,214
Nonoperating items			
Gain on extinguishment of Paycheck Protection Program note payable	330,797		330,797
Investment income, net	<u>763,042</u>	<u>\$ 53,007</u>	<u>816,049</u>
<b>Total Nonoperating Items</b>	<u>1,093,839</u>	<u>53,007</u>	<u>1,146,846</u>
<b>CHANGE IN NET ASSETS</b>	1,268,568	669,431	1,937,999
<b>Net Assets at Beginning of Year</b>	<u>10,368,672</u>	<u>2,651,210</u>	<u>13,019,882</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 11,637,240</u>	<u>\$ 3,320,641</u>	<u>\$ 14,957,881</u>

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

**UNITED WAY OF PIERCE COUNTY**

**STATEMENTS OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2022 with Comparative Totals for 2021

	Community Program Services							Support Services						Total	
	Net Funds Distributed to Community Nonprofits	Gifts-in-kind Distributed to Community Nonprofits	Community Impact	Betye Martin Baker Human Service Center	2-1-1 HelpLine	Gifts-in-kind Program Expenses	Volunteer Engagement	Total Community Program Services	Management and General	Fundraising	Marketing and Community Education, Including In-kind Advertising	Dues for National and State United Way Organizations	Total Supporting Services	2022	2021
<b>COMPENSATION AND RELATED EXPENSES</b>															
Salaries and wages			\$ 541,411		\$ 691,915	\$ 34,288	\$ 76,080	\$ 1,343,694	\$ 261,769	\$ 605,999	\$ 73,606		\$ 941,374	\$ 2,285,068	\$ 2,062,529
Employee health and retirement benefits			72,401		130,658	2,997	13,938	219,994	52,531	87,460	7,092		147,083	367,077	357,558
Payroll taxes			33,961		44,659	2,574	5,586	86,780	19,036	42,441	2,308		63,785	150,565	139,280
<b>Total Compensation and Related Expenses</b>			647,773		867,232	39,859	95,604	1,650,468	333,336	735,900	83,006		1,152,242	2,802,710	2,559,367
Professional fees and contract services			16,175		108,659			124,834	62,835	19,760	11,506		94,101	218,935	231,943
Supplies			17,834		5,987	392	14,419	38,632	4,889	12,023	674		17,586	56,218	25,374
Telephone, fax and internet			2,308		5,972	532	532	9,344	3,305	2,501	377		6,183	15,527	16,427
Postage and shipping			99		38	28	26	191	1,027	14,404			15,431	15,622	9,809
Occupancy			4,603	\$ 198,367	9,205	2,964	1,023	216,162	3,647	6,392	767		10,806	226,968	220,345
Equipment rental and software support			41,333		24,679	922	6,906	73,840	16,356	18,840	1,583		36,779	110,619	96,859
Printing publications and awards			5,003		865	198	76	6,142	2,226	14,574	5,178		21,978	28,120	36,362
Auto allowances and travel			4,265		927	2,514	269	7,975	4,325	5,356			9,681	17,656	4,860
Conferences, events and meetings			54,552		830		61	55,443	6,298	42,260			48,558	104,001	61,751
Dues			2,650		560	3,069		6,279	2,028	6,985			9,013	15,292	11,473
In-kind advertising											238		238	238	184
Miscellaneous			43		121			164	7,917	317			8,234	8,398	23,810
Depreciation			3,368	165,366	4,334	214	502	173,784	2,005	3,718	435		6,158	179,942	179,614
United Way dues												\$ 95,461	95,461	95,461	70,555
Gifts-in-kind distributed to community nonprofits		\$ 278,665						278,665						278,665	193,772
Net funds distributed to community nonprofits	\$ 1,321,590							1,321,590						1,321,590	1,994,709
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,321,590</b>	<b>\$ 278,665</b>	<b>\$ 800,006</b>	<b>\$ 363,733</b>	<b>\$ 1,029,409</b>	<b>\$ 50,692</b>	<b>\$ 119,418</b>	<b>\$ 3,963,513</b>	<b>\$ 450,194</b>	<b>\$ 883,030</b>	<b>\$ 103,764</b>	<b>\$ 95,461</b>	<b>\$ 1,532,449</b>	<b>\$ 5,495,962</b>	<b>\$ 5,737,214</b>

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

**UNITED WAY OF PIERCE COUNTY**

STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

Year Ended December 31, 2021

	Community Program Services						Support Services						Total Supporting Services	Total
	Net Funds Distributed to Community Nonprofits	Gifts-in-kind Distributed to Community Nonprofits	Community Impact	Betye Martin Baker Human Service Center	2-1-1 HelpLine	Gifts-in-kind Program Expenses	Volunteer Engagement	Total Community Program Services	Management and General	Fundraising	Marketing and Community Education, Including In-kind Advertising	Dues for National and State United Way Organizations		
<b>COMPENSATION AND RELATED EXPENSES</b>														
Salaries and wages			\$ 451,650		\$ 610,779	\$ 32,543	\$ 81,963	\$ 1,176,935	\$ 245,169	\$ 570,999	\$ 69,426		\$ 885,594	\$ 2,062,529
Employee health and retirement benefits			65,283		127,556	2,713	13,436	208,988	49,706	92,377	6,487		148,570	357,558
Payroll taxes			27,995		43,387	2,465	6,174	80,021	17,940	39,143	2,176		59,259	139,280
<b>Total Compensation and Related Expenses</b>			544,928		781,722	37,721	101,573	1,465,944	312,815	702,519	78,089		1,093,423	2,559,367
Professional fees and contract services			93,964		38,316			132,280	84,618	1,000	14,045		99,663	231,943
Supplies			5,316		4,349	259	361	10,285	3,939	10,880	270		15,089	25,374
Telephone, fax and internet			2,200		6,628	545	545	9,918	3,364	2,814	331		6,509	16,427
Postage and shipping			381		826	61	76	1,344	1,572	6,839	54		8,465	9,809
Occupancy			3,936	\$ 200,797	6,465	586	728	212,512	2,757	4,520	556		7,833	220,345
Equipment rental and software support			32,616		25,033	879	6,739	65,267	14,744	14,879	1,969		31,592	96,859
Printing publications and awards			5,341		597	14	27	5,979	2,134	25,488	2,761		30,383	36,362
Auto allowances and travel			1,528		97	2,214	91	3,930	39	891			930	4,860
Conferences, events and meetings			44,225		264			44,489	7,069	10,193			17,262	61,751
Dues			2,875		612	1,308		4,795	1,219	5,459			6,678	11,473
In-kind advertising											184		184	184
Miscellaneous			13,564		101		44	13,709	10,073	28			10,101	23,810
Depreciation			3,454	165,366	3,979	200	507	173,506	2,044	3,613	451		6,108	179,614
United Way dues												\$ 70,555	70,555	70,555
Gifts-in-kind distributed to community nonprofits		\$ 193,772						193,772						193,772
Net funds distributed to community nonprofits	\$ 1,994,709							1,994,709						1,994,709
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,994,709</b>	<b>\$ 193,772</b>	<b>\$ 754,328</b>	<b>\$ 366,163</b>	<b>\$ 868,989</b>	<b>\$ 43,787</b>	<b>\$ 110,691</b>	<b>\$ 4,332,439</b>	<b>\$ 446,387</b>	<b>\$ 789,123</b>	<b>\$ 98,710</b>	<b>\$ 70,555</b>	<b>\$ 1,404,775</b>	<b>\$ 5,737,214</b>

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

**UNITED WAY OF PIERCE COUNTY**

**STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from donors and grantors	\$ 5,849,663	\$ 5,362,802
Cash received from tenants	332,285	311,068
Cash paid to agencies	(1,329,352)	(2,093,030)
Cash paid to employees and related employee benefits	(2,805,840)	(2,559,367)
Cash paid to suppliers	<u>(1,456,078)</u>	<u>(337,344)</u>
<b>Net Cash Provided by Operating Activities</b>	590,678	684,129
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	(19,938)	(17,119)
Purchase of investments	(379,670)	(1,093,476)
Proceeds from investment sales	<u>226,631</u>	<u>813,438</u>
<b>Net Cash Used by Investing Activities</b>	<u>(172,977)</u>	<u>(297,157)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	417,701	386,972
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>3,258,111</u>	<u>2,871,139</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 3,675,812</u>	<u>\$ 3,258,111</u>

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

**UNITED WAY OF PIERCE COUNTY**

**STATEMENTS OF CASH FLOWS (Continued)**

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (345,042)	\$ 1,937,999
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	179,942	179,614
Discount on pledges	33,838	
Allowance for bad debt	(3,068)	
Gain on extinguishment of Paycheck Protection Program note payable		(330,797)
Investment (income) loss, net	1,123,317	(545,194)
Changes in assets and liabilities		
Contributions receivable less allowance for uncollectible	110,058	(930,700)
Prepaid expenses	(250)	(34,238)
Accounts payable and accrued expenses and agency funds payable	(13,117)	(87,555)
Grants payable	<u>(495,000)</u>	<u>495,000</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 590,678</u>	<u>\$ 684,129</u>

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

## UNITED WAY OF PIERCE COUNTY

### NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

#### **NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

##### ***Nature of Activities***

United Way of Pierce County (the "Organization") is a Washington not-for-profit 501(c)3 corporation organized for the purposes of assessing human service needs, developing financial resources from the public and private sectors, and investing those financial resources in urgent community human service needs in Pierce County, Washington, with an overarching vision of breaking the cycle of poverty for children and families. The Organization has a bold goal: Together, with other community agencies, we will lift 15,000 households out of poverty, one household at a time, by 2028. In support of this bold goal, the Organization houses the 2-1-1 information and referral program and is the backbone for the Centers for Strong Families model in 8 locations across Pierce County. Other programs listed on the statements of functional expenses support our poverty reduction work.

##### ***Basis of Presentation***

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting. Consequently, revenue and gains are recognized when earned, and expenses and losses are recognized when incurred.

Net assets and statements of activities, specifically revenue and nonoperating items, are classified based on the existence or absence of donor-imposed restrictions. The Organization's net assets and changes therein are classified into two categories:

##### ***Net Assets without Donor Restrictions***

Net assets that are not subject to donor-imposed restrictions and represent expendable funds that are available for support to the Organization's operations. Certain of these amounts have been designated by the Board of Directors to be utilized for various programs.

##### ***Net Assets with Donor Restrictions***

Net assets consisting of contributions that have been restricted by the donor for specific purposes or are not available for use until a specific time. Also included in this category are net assets subject to donor-imposed restrictions that are to be maintained in perpetuity.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between net assets with donor restrictions and net assets without donor restrictions. Donor restricted revenues whose restrictions are met in the same reporting period as the contribution recorded, are reported within without donor restrictions.

## UNITED WAY OF PIERCE COUNTY

### NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

#### NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### *Basis of Presentation (Continued)*

Net assets with donor restrictions: The Organization has the following net assets with donor restrictions as of December 31, which are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Campaign results, net	\$ 670,509	\$ 708,248
Poverty reduction	1,159,707	1,635,105
Time restricted	<u>1,315,246</u>	<u>977,288</u>
Total Net Assets with Donor Restriction	\$ <u>3,145,462</u>	\$ <u>3,320,641</u>

Campaign results, net includes designations to the Organization's programs totaling \$209,095 and \$234,111 for the years ended December 31, 2022 and 2021, respectively.

Net assets released from restrictions during the years ended December 31 are as follows:

	<u>2022</u>	<u>2021</u>
Donor restrictions satisfied		
Release from prior campaign	\$ 708,248	\$ 813,113
Poverty reduction	<u>969,320</u>	<u>533,308</u>
Total Net Assets Released from Restrictions	\$ <u>1,677,568</u>	\$ <u>1,346,421</u>

##### *Use of Estimates*

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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### *Cash and Cash Equivalents*

For purposes of reporting cash flows, the Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash in depository institution accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.



## UNITED WAY OF PIERCE COUNTY

### NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

#### **NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Promises Receivable***

Donors typically pay total promises in installments over a 12-month period. The commencement date of payments will vary among donors; therefore, promises are usually collected within an 18-month cycle (campaign collection cycle). Unconditional promises to give that are expected to be collected within the campaign collection cycle are recorded at their net realizable value. Conditional promises to give are not included as support until such time as the conditions are substantially met and both the timing and the value of the promise are known with reasonable certainty.

All promises receivable are due within one campaign collection cycle. Allowances are provided by campaign year based on amounts estimated to be uncollectible, which are based on past collection experience. The allowance for uncollectibles for the current and prior year campaigns was estimated at approximately \$161,000 and \$164,000 at December 31, 2022 and 2021, respectively.

##### ***Property, Plant and Equipment***

Expenditures for fixed-asset additions in excess of \$1,000 are capitalized at cost; the fair value of donated equipment is similarly capitalized. Depreciation is calculated on the straight-line based on estimated useful lives of five to 10 years for equipment and 15 to 40 years for building and improvements. Contributed property and equipment are recorded at fair value at the date of donation.

##### ***Investments***

Investments in mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value, with gains and losses included on the statements of activities. Fair values are generally based on trading values on the open market.

Interest and other investment income are reported in the period earned as increases in net assets without donor restrictions unless the use of the assets is limited by donor-imposed restriction, in which case they are reported as increases in donor-restricted net assets. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is donor restricted by explicit donor stipulation or law.

##### ***Grant Payable***

United Way was selected to carry out Tacoma's guaranteed income demonstration, called GRIT (Growing Resilience in Tacoma). The program is the natural evolution of work already being undertaken in our community to dismantle poverty. GRIT will provide 110 families facing poverty a monthly stipend of \$500 for 12 months. Participants were randomly selected from a pool of qualified individuals.

## UNITED WAY OF PIERCE COUNTY

### NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

#### **NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Designated Funds Awarded***

Donors may designate their gifts to specific nonprofit agencies. The nonprofit agencies are required to provide the Organization with documentation of their tax-exempt status and verify Patriot Act compliance. The collection of these designated funds awarded and paid to donor-specified agencies are transactions in which the Organization is acting as an agent. These transactions are not reported on the statements of activities as revenue and expenses but are included in total campaign results as a reduction to gross campaign results. Amounts collected related to donor-specified agencies and held at year-end are reported as agency funds payable.

##### ***Support and Revenue***

Gifts of cash and other assets are recognized at fair value based on the consideration specified in the pledge or grant agreement and is recorded at the time of the pledge or grant related to unconditional contributions, in accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958. As defined in Topic 958, each transaction is evaluated to determine if it is an exchange transaction or a contribution and for distinguishing between conditional and unconditional contributions. Gifts of cash and other assets are presented as donor-designated support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and reported on the statements of activities as net assets released from restriction.

The 22-23 campaign was in progress at December 31, 2022 and includes estimated designations totaling \$131,698. The portion of these designations not yet paid out are included in agency funds payable in the accompanying financial statements. The majority of the designated funds from the 21-22 campaign were paid out at December 31, 2022.

The 21-22 campaign was in progress at December 31, 2021 and includes estimated designations totaling \$142,366. The portion of these designations not yet paid out are included in agency funds payable in the accompanying financial statements. The majority of the designated funds from the 20-21 campaign were paid out at December 31, 2021.

In honor of the Organization's 100-year anniversary, it is in the process of running a capital style fundraising campaign, with some donors giving multi-year gifts. The intent of the campaign is to raise resources for United Way programs and supportive operations. The campaign kicked off in 2020 and will conclude in 2023. Revenue raised in 2022 was \$1,845,465 and was \$1,795,338 for 2021. Those gifts pledged beyond one year are recorded with donor restrictions on the statement of activities of \$1,315,246 and \$977,288 at December 31, 2022 and 2021, respectively, due to the time restriction of when the actual money will be received.

## UNITED WAY OF PIERCE COUNTY

### NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

#### NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### *Functional Expense Cost Allocation*

Salaries and payroll-related costs are allocated to the various supporting and program services based on time and effort. These allocations are reviewed annually and changed as applicable to reflect changes in the activities of the Organization and its personnel. Non-personnel costs, other than depreciation and amortization, are allocated based on full-time employee equivalents. General depreciation and amortization are spread to each functional area based on total costs for each program or supporting area with the exception of the Betye Martin Baker Human Service Center building where it is applied directly to that program.

##### *Federal Income Taxes*

No provision for income taxes has been made in the financial statements since the Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

##### *Subsequent Events*

The management of the Organization evaluated for subsequent events and transactions for potential recognition and disclosure through May 19, 2023, the date the financial statements were available to be issued.

#### NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date are noted below. The Organization has a reserve policy target to maintain available cash to meet a minimum of three months of normal operating expenses. At December 31, 2022, the Organization had no long-term obligations, and the cash flow at year-end was sufficient to meet its current liabilities.

Liquidity consists of the following at December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,675,812	\$ 3,258,111
Current investments	961,880	922,127
Promises receivable	<u>1,947,252</u>	<u>2,151,459</u>
Financial Assets Available to Meet Cash Needs for General Expenses Within One Year	\$ <u>6,548,944</u>	\$ <u>6,331,697</u>
Monthly expenditures, less depreciation and in-kind	\$ <u>421,984</u>	\$ <u>446,970</u>

## UNITED WAY OF PIERCE COUNTY

### NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

#### NOTE 2 - LIQUIDITY AND AVAILABILITY (Continued)

Financial assets available to meet cash needs for general expenses within one year over liabilities ratio is 15.1 and 14.2 for December 31, 2022 and 2021, respectively.

In addition, as of December 31, 2022 and 2021, the Organization had an additional \$5,698,790 and \$6,064,875, respectively, in board-designated endowments, classified as long-term investments, which is available for general expenditures with board approval.

#### NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable consist of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Amounts due in less than one year	\$ 2,107,936	\$ 2,315,211
Amounts due in 1 year to 5 years	595,884	498,667
Less allowance for uncollectible pledges	160,684	163,752
Less unamortized discount	<u>33,838</u>	<u>          </u>
Pledges Receivable, net	\$ <u>2,509,298</u>	\$ <u>2,650,126</u>

Amortization of discounts on pledge receivables for the year ended December 31, 2022 was \$33,838. There was no discount for the year ended December 31, 2021.

#### NOTE 4 - RENTAL INCOME

The Organization has entered into noncancelable leases with the building's tenants. Lease terms vary from 1 to 10 years, with options to extend up to 5 years, and maturity dates through 2025. The Organization is responsible for all taxes, repairs and maintenance related directly to the building, the costs of which may be passed through to the tenants. Approximate future minimum rental receipts under the leases are as follows:

Years ending December 31, 2023	\$ 278,510
2024	270,399
2025	268,996
2026	<u>10,183</u>
Total	\$ <u>828,088</u>

**UNITED WAY OF PIERCE COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2022 and 2021

**NOTE 4 - RENTAL INCOME (Continued)**

Rental income earned totaled \$309,739 and \$287,985 for the years ended December 31, 2022 and 2021, respectively, and is included in program income on the accompanying statements of activities. Revenue under these rental agreements is based on the consideration specified in the agreement and is recorded monthly, as the services are provided in accordance with the authoritative guidance. Tenants that have signed lease agreements with the Organization, requiring monthly rental payments as of December 31, 2022 are as follows:

Child Care Aware	\$ 3,743
Children's Museum of Tacoma	20,104
Violent Crime Victim Services	769
First 5 Fundamentals	<u>663</u>
 Total Monthly Rent	 \$ <u>25,279</u>

**NOTE 5 - INVESTMENTS**

Investments carried at fair value at December 31 consist of the following: fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset or liability and a fair value hierarchy that prioritizes the information used to develop those assumptions. Level 1 inputs are based on quoted market prices in active markets for identical assets or liabilities; Level 2 inputs are based primarily on observable market-based inputs or unobservable inputs that are corroborated by market data; and Level 3 inputs are valued using unobservable inputs that are not corroborated by market data. Valuation techniques utilized to determine fair value are consistently applied.

Fair values of assets measured on a recurring basis are as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2022</u>				
Investments				
Corporate bonds	\$ 961,880		\$ 961,880	
Mutual funds	<u>5,164,981</u>	<u>\$ 5,164,981</u>	_____	_____
	<u>\$ 6,126,861</u>	<u>\$ 5,164,981</u>	<u>\$ 961,880</u>	\$ _____

**UNITED WAY OF PIERCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

**NOTE 5 - INVESTMENTS (Continued)**

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>December 31, 2021</u>				
Investments				
Corporate bonds	\$ 922,127		\$ 922,127	
Mutual funds	<u>6,175,012</u>	<u>\$ 6,175,012</u>	_____	_____
	<u>\$ 7,097,139</u>	<u>\$ 6,175,012</u>	<u>\$ 922,127</u>	<u>\$ _____</u>

Included in total investments are board-designated funds totaling \$5,698,791 and \$6,064,875 at December 31, 2022 and 2021, respectively.

Investments are classified based on the intent of management. Bonds are expected to be used to fund operations and can be sold at any time. Mutual funds are intended to be held long term.

**NOTE 6 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 618,300	\$ 618,300
Building	6,167,809	6,167,809
Furniture and equipment	<u>802,986</u>	<u>785,953</u>
	7,589,095	7,752,062
Less accumulated depreciation	<u>5,285,898</u>	<u>5,108,861</u>
Property, Plant and Equipment, net	<u>\$ 2,303,197</u>	<u>\$ 2,463,201</u>

Depreciation expense for the years ended December 31, 2022 and 2021 is \$179,942 and \$179,614, respectively.

## **UNITED WAY OF PIERCE COUNTY**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2022 and 2021

#### **NOTE 7 - PAYCHECK PROTECTION PROGRAM NOTE PAYABLE**

The Organization applied for the Paycheck Protection Program ("PPP") loan from Union Bank and received funding of \$330,797 on May 7, 2020. The loan is guaranteed by the U.S. Small Business Administration. The Organization applied for forgiveness of the amount due on this loan in an amount equal to the sum of qualified payroll costs and payment on covered loan interest. On July 2, 2021, the Organization received approval from the U.S. Small Business Administration for a total of \$334,603 of principal and accrued interest. The Organization recorded the forgiveness in gain on extinguishment of Paycheck Protection Program note payable of \$330,797 on the accompanying statements of activities.

#### **NOTE 8 - RETIREMENT PLAN**

The Organization sponsors a 403(b) defined contribution plan for its eligible employees. The Organization currently contributes, at a minimum, 5% of each employee's base salary. Annual matching contributions of up to 20% of employee contributions are made at management's discretion. Matching contributions made by the Organization for the years ended December 31, 2022 and 2021, totaled \$112,021 and \$107,269, respectively.

#### **NOTE 9 - CONTRIBUTED GOODS AND SERVICES**

The Organization operates a gifts-in-kind program that accepts donations of products from businesses and individuals. These products are then given by the Organization to other not-for-profit agencies that can benefit by their use. Gifts of new items from retail stores are valued at fair value. Gifts from individuals are valued at thrift store value.

Employees of local companies participating in the United Way Campaign Executives Program volunteered 560 hours, valued at \$19,527 for the years ended December 31, 2022 and 2021, respectively, based on rates established by Independent Sector, a research firm. These volunteers assist the Organization mainly during the annual fund drive in the fall of each year. These services are not recognized in the accompanying financial statements because they do not meet recognition criteria.

The Organization receives sponsorships from corporations to fund special events and campaign executive costs. For the years ended December 31, 2022 and 2021, those sponsorships totaled \$121,782 and \$65,000, respectively. In addition, local media have provided advertising on a pro bono basis totaling \$238 and \$184 as of December 31, 2022 and 2021, respectively. The costs associated with the donated advertising are included on the statements of functional expenses, in marketing and community education, although no donor funds were expended to provide these goods and services as these items were donated.

A substantial number of other volunteers and corporations have donated time and services to the Organization. No amounts have been reflected in the financial statements for donated services since no objective basis is available to measure the value of these services.

## UNITED WAY OF PIERCE COUNTY

### NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

#### NOTE 10 - NET ASSETS

The Organization's governance has directed that net assets without restrictions be further classified as either designated or undesignated. The Organization's board has designated the following as of December 31:

	<u>2022</u>	<u>2021</u>
Betye Martin Baker Human Service Center	\$ 3,182,953	\$ 3,213,716
Community Impact	150,000	105,490
Endowment	5,698,791	6,064,875
Equipment	<u>40,835</u>	<u>39,756</u>
Total Board-designated Net Assets	\$ <u>9,072,479</u>	\$ <u>9,423,837</u>

The Betye Martin Baker Human Service Center is the Organization's building, including land, net of depreciation, and its vision, from inception in 1995, is to provide a home to other nonprofits who can benefit by reduced rent; thus, putting more money into their mission. Equipment is the Organization's office furniture and equipment, net after depreciation, used to support the Organization's work.

Community Impact and endowment net assets are reserved for future investments in current and future poverty reduction strategies as well as basic needs.

#### NOTE 11 - ENDOWMENT

The Organization's endowment consists of two individual funds established to support programs intended to continue to provide support for human service needs in the community. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

##### *Interpretation of Relevant Law*

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") adopted by the 2009 Washington legislature as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted



**UNITED WAY OF PIERCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

**NOTE 11 - ENDOWMENT** (Continued)

endowment fund that is not classified in donor-restricted net assets is classified as donor-restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the State of Washington in its enacted version of UPMIFA. 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 endowment 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 composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>		<u>With Donor</u>	
	<u>Undesignated</u>	<u>Board-</u>	<u>Restrictions</u>	
		<u>Designated</u>	<u>for Perpetual</u>	<u>Total</u>
			<u>Duration</u>	
<u>December 31, 2022</u>				
Donor restricted			\$ 325,131	\$ 325,131
Board designated	_____	\$ <u>5,698,791</u>	_____	<u>5,698,791</u>
	\$ _____	\$ <u>5,698,791</u>	\$ <u>325,131</u>	\$ <u>6,023,922</u>
<u>December 31, 2021</u>				
Donor restricted			\$ 372,560	\$ 372,560
Board designated	_____	\$ <u>6,064,875</u>	_____	<u>6,064,875</u>
	\$ _____	\$ <u>6,064,875</u>	\$ <u>372,560</u>	\$ <u>6,437,435</u>

**UNITED WAY OF PIERCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

**NOTE 11 - ENDOWMENT (Continued)**

Changes in endowment net assets for the years ended December 31:

	<u>Without Donor Restrictions</u> <u>Undesignated</u>	<u>Board- Designated</u>	<u>With Donor Restrictions for Perpetual Duration</u>	<u>Total</u>
<u>December 31, 2022</u>				
Endowment Net Assets at Beginning of Year		\$ 6,064,875	\$ 372,560	\$ 6,437,435
Net additions and withdrawals		575,438	(7,185)	568,253
Investment loss and net depreciation (realized and unrealized)	_____	<u>(941,522)</u>	<u>(40,244)</u>	<u>(981,766)</u>
Endowment Net Assets at End of Year	\$ _____	\$ <u>5,698,791</u>	\$ <u>325,131</u>	\$ <u>6,023,922</u>
<u>December 31, 2021</u>				
Endowment Net Assets at Beginning of Year		\$ 5,295,762	\$ 319,553	\$ 5,615,315
Net additions		6,071		6,071
Investment income and net appreciation (realized and unrealized)	_____	<u>763,042</u>	<u>53,007</u>	<u>816,049</u>
Endowment Net Assets at End of Year	\$ _____	\$ <u>6,064,875</u>	\$ <u>372,560</u>	\$ <u>6,437,435</u>

***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 requires the Organization to retain as a fund of perpetual duration. Deficiencies, should they occur, would be the result of unfavorable market fluctuations that occurred shortly after the investment of new donor-restricted contributions and continued appropriation for certain programs that were deemed prudent by the Board of Directors. At December 31, 2022 and 2021, the Organization did not have any funds with deficiencies.

## UNITED WAY OF PIERCE COUNTY

### NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

#### **NOTE 11 - ENDOWMENT (Continued)**

##### ***Return Objectives and Risk Parameters***

The Organization has adopted investment policies for endowment assets with a primary objective to provide a dependable source of inflation-adjusted income and to ensure a total return (yield plus capital appreciation) necessary to preserve and enhance (in real dollar terms) the principal of the endowment. Under this policy, as recommended by the finance committee and approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce appropriate results while assuming a moderate level of investment risk.

##### ***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 of equities, fixed-income securities, and cash held in money market funds to achieve its long-term return objectives within prudent risk constraints.

##### ***Spending Policy and How the Investment Objectives Relate to Spending Policy***

###### ***Board-designated Endowments***

The board-designated endowment fund is established in perpetuity. The principal of the board-designated endowment fund will remain intact and only the earnings will be used for funding. Such funding may include programs, or to offset administrative and fundraising costs, or for such other purposes as the board may determine consistent with this policy. However, in the event of a natural disaster, funding reversal or similar unexpected situation, principal may be moved from the board-designated endowment to support operating expenses or to honor commitments made to fund local programs. The Organization may spend up to 4.5% of the endowment fund average fair value over the prior 16 quarters, calculated each September 30 in the year prior to the calendar year the distribution is planned.

These investments are classified as long term, as the intent is to hold the investments; although, the board may decide to use these funds for current operations or provide emergency funding in the future.

###### ***Donor-restricted Endowments***

The spending policy for donor-restricted endowments varies according to the restrictions stipulated in the underlying agreement.

#### **NOTE 12 - SUBSEQUENT EVENTS**

United Way of Pierce County's application for employee retention credits related to the year ended December 31, 2022 were approved in 2023. A receivable in the amount of \$227,731 is recorded in promises receivable with the offset recorded in nonoperating grant revenue at December 31, 2022.