UNITED WAY OF PIERCE COUNTY

Audited Financial Statements

December 31, 2025 and 2024

UNITED WAY OF PIERCE COUNTY

Audited Financial Statements

December 31, 2025 and 2024

JOHNSON STONE & PAGANO, P.S.
CERTIFIED PUBLIC ACCOUNTANTS
1501 Regents Blvd., Suite 100
Fircrest, WA 98466-6060

Independent Auditor's Report

Board of Directors
United Way of Pierce County
Tacoma, Washington

Opinion
We have audited the financial statements of United Way of Pierce County (the "Organization"), which comprise the statements of financial position as of December 31, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 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 ("U.S. GAAP").

Basis for Opinion
We conducted our audits 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 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 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.

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.

JOHNSON, STONE & PAGANO, P.S.
Fircrest, Washington

May 21, 2026

AUDITED FINANCIAL STATEMENTS

UNITED WAY OF PIERCE COUNTY

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,473,428	$ 3,050,165
Pledges receivable, less provision for uncollectible	739,630	1,146,733
Prepaid expenses and other current assets	217,485	228,433
Investments	549,068	796,619
Total Current Assets	3,979,611	5,221,950
PROPERTY, PLANT AND EQUIPMENT, net	2,268,380	2,104,632
OTHER ASSETS		
Long-term pledges receivable	13,933	175,094
Long-term investments, net	11,121,861	10,164,869
Other	83,000	83,000
Total Other Assets	11,218,794	10,422,963
TOTAL ASSETS	$ 17,466,785	$ 17,749,545
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 188,464	$ 255,719
Gift assistance to individuals		297,300
Agency funds payable	183,572	172,796
Total Current Liabilities	372,036	725,815
NET ASSETS		
Without donor restrictions		
Board-designated	13,135,796	11,962,893
Undesignated	1,810,976	2,268,638
Total Net Assets Without Donor Restrictions	14,946,772	14,231,531
With donor restrictions	2,147,977	2,792,199
Total Net Assets	17,094,749	17,023,730
TOTAL LIABILITIES AND NET ASSETS	$ 17,466,785	$ 17,749,545

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

UNITED WAY OF PIERCE COUNTY

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Gross campaign results (24-25 campaign)	$ 1,036,916		$ 1,036,916
Release of 23-24 campaign from restriction	721,097	$ (721,097)	
Less donor designations	(489,754)		(489,754)
Less provisions for uncollectible	(89,597)		(89,597)
Net Campaign Revenue (Release) 24-25 Campaign	1,178,662	(721,097)	457,565
Gross campaign results (25-26 campaign)		1,044,543	1,044,543
Less donor designations		(169,234)	(169,234)
Less provisions for uncollectible		(24,847)	(24,847)
Net Campaign Revenue 25-26 Campaign		850,462	850,462
100-year anniversary campaign	4,710		4,710
Grants and contracts	3,013,249	564,263	3,577,512
Collection of prior year campaign over previously estimated uncollectibles	25,112		25,112
Designations from other United Ways	1,304		1,304
Other public support	277,808		277,808
Event income	99,979		99,979
Designation fees collected	30,535		30,535
In-kind advertising	12,958		12,958
Gifts-in-kind donations	116,460		116,460
Program income - Betye Martin Baker Human Service Center	353,500		353,500
Net assets released from restriction	1,422,040	(1,422,040)	
Total Revenues, net	6,536,317	(728,412)	5,807,905

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

UNITED WAY OF PIERCE COUNTY

STATEMENTS OF ACTIVITIES (Continued)

Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
EXPENDITURES			
Community program services			
Gross funds awarded and designated	$ 2,076,420		$ 2,076,420
Less donor designations	(489,754)		(489,754)
Net Funds Awarded	1,586,666		1,586,666
Gifts-in-kind distributed to community nonprofits	117,578		117,578
Community Impact	2,159,178		2,159,178
Betye Martin Baker Human Service Center	540,262		540,262
2-1-1 HelpLine/Access Pierce	1,103,400		1,103,400
Gifts-in-kind program expenses	45,274		45,274
Volunteer engagement	175,154		175,154
Total Community Program Services	5,727,512		5,727,512
Supporting services			
Management and general	571,689		571,689
Fundraising	814,359		814,359
Marketing and community education, including in-kind advertising	132,056		132,056
Dues for national and state United Way organizations	88,963		88,963
Total Supporting Services	1,607,067		1,607,067
Total Expenditures	7,334,579		7,334,579
Nonoperating items			
Investment income, net	1,551,137	$ 84,190	1,635,327
Loss on disposal of equipment	(37,634)		(37,634)
Total Nonoperating Items	1,513,503	84,190	1,597,693
CHANGE IN NET ASSETS	715,241	(644,222)	71,019
Net Assets at Beginning of Year	14,231,531	2,792,199	17,023,730
NET ASSETS AT END OF YEAR	$ 14,946,772	$ 2,147,977	$ 17,094,749

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

UNITED WAY OF PIERCE COUNTY

STATEMENTS OF ACTIVITIES (Continued)

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Gross campaign results (23-24 campaign)	$ 1,423,397		$ 1,423,397
Release of 22-23 campaign from restriction	547,205	$ (547,205)	
Less donor designations	(533,155)		(533,155)
Less provisions for uncollectible	(110,206)		(110,206)
Net Campaign Revenue (Release) 23-24 Campaign	1,327,241	(547,205)	780,036
Gross campaign results (24-25 campaign)		870,303	870,303
Less donor designations		(128,197)	(128,197)
Less provisions for uncollectible		(21,009)	(21,009)
Net Revenues 24-25 Campaign		721,097	721,097
100-year anniversary campaign	10,209	15,824	26,033
Grants and contracts	3,379,435	962,385	4,341,820
Collection of prior year campaign over previously estimated uncollectibles	101,746		101,746
Designations from other United Ways	1,007		1,007
Other public support	9,142		9,142
Event income	90,500	10,000	100,500
Designation fees collected	39,800		39,800
In-kind advertising	7,775		7,775
Gifts-in-kind donations	141,334		141,334
Program income - Betye Martin Baker Human Service Center	341,742		341,742
Net assets released from restriction	1,504,398	(1,504,398)	
Total Revenues, net	6,954,329	(342,297)	6,612,032

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

UNITED WAY OF PIERCE COUNTY

STATEMENTS OF ACTIVITIES (Continued)

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
EXPENDITURES			
Community program services			
Gross funds awarded and designated	$ 3,225,560		$ 3,225,560
Less donor designations	(533,155)		(533,155)
Net Funds Awarded	2,692,405		2,692,405
Gifts-in-kind distributed to community nonprofits	141,834		141,834
Community Impact	1,406,061		1,406,061
Betye Martin Baker Human Service Center	503,599		503,599
2-1-1 HelpLine/Access Pierce	1,033,385		1,033,385
Gifts-in-kind program expenses	49,783		49,783
Volunteer engagement	155,338		155,338
Total Community Program Services	5,982,405		5,982,405
Supporting services			
Management and general	531,025		531,025
Fundraising	908,828		908,828
Marketing and community education, including in-kind advertising	124,625		124,625
Dues for national and state United Way organizations	71,248		71,248
Total Supporting Services	1,635,726		1,635,726
Total Expenditures	7,618,131		7,618,131
Nonoperating items			
Investment income, net	1,083,991	$ 63,722	1,147,713
Total Nonoperating Items	1,083,991	63,722	1,147,713
CHANGE IN NET ASSETS	420,189	(278,575)	141,614
Net Assets at Beginning of Year	13,811,342	3,070,774	16,882,116
NET ASSETS AT END OF YEAR	$ 14,231,531	$ 2,792,199	$ 17,023,730

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

UNITED WAY OF PIERCE COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2025 with Comparative Totals for 2024

	Community Program Services								Supporting Services						
	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/ Access Pierce	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	Total 2025	Total 2024
COMPENSATION AND RELATED EXPENSES															
Salaries and wages			$ 817,954		$ 724,089	$ 32,448	$ 89,777	$ 1,664,268	$ 329,953	$ 555,243	$ 84,096		$ 969,292	$ 2,633,560	$ 2,478,363
Employee health and retirement benefits			139,143		181,838	3,167	18,194	342,342	61,842	90,005	10,005		161,852	504,194	377,914
Payroll taxes			60,713		51,249	2,395	6,766	121,123	21,014	41,066	2,739		64,819	185,942	171,918
Total Compensation and Related Expenses			1,017,810		957,176	38,010	114,737	2,127,733	412,809	686,314	96,840.0		1,195,963	3,323,696	3,028,195
Professional fees and contract services			95,294		53,717	654		149,665	88,961	3,961	7,465		100,387	250,052	502,374
Individual development accounts			695,288					695,288						695,288	20,000
Supplies			117,575		4,877	453	47,857	170,762	5,796	12,792	272		18,860	189,622	199,897
Telephone, fax and internet			6,996		18,597	724	713	27,030	4,212	3,677	583		8,472	35,502	19,575
Postage and shipping			148		164	34	34	380	1,293	6,170	12		7,475	7,855	9,883
Occupancy			6,861	$ 367,220	9,879	549	823	385,332	3,058	6,037	823		9,918	395,250	370,498
Equipment rental and software support			81,892		54,297	1,129	7,535	144,853	17,239	25,522	1,993		44,754	189,607	117,817
Printing publications and awards			11,055		1,852	50		12,957	2,716	27,756	10,879		41,351	54,308	65,704
Auto allowances and travel			15,790		76	3,208	2,399	21,473	8,430	4,483			12,913	34,386	40,158
Conferences, events and meetings			103,485				717	104,202	10,496	31,310			41,806	146,008	131,841
Dues			2,800		585	375		3,760	2,857	4,758			7,615	11,375	12,094
In-kind advertising											12,958		12,958	12,958	7,775
Miscellaneous					42			42	12,714				12,714	12,756	9,252
Depreciation			4,184	173,042	2,138	88	339	179,791	1,108	1,579	231		2,918	182,709	177,581
United Way dues												$ 88,963	88,963	88,963	71,248
Gifts-in-kind distributed to community nonprofits		$ 117,578						117,578						117,578	141,834
Net funds distributed to community nonprofits	$ 1,586,666							1,586,666						1,586,666	2,692,405
TOTAL FUNCTIONAL EXPENSES	$ 1,586,666	$ 117,578	$ 2,159,178	$ 540,262	$ 1,103,400	$ 45,274	$ 175,154	$ 5,727,512	$ 571,689	$ 814,359	$ 132,056	$ 88,963	$ 1,607,067	$ 7,334,579	$ 7,618,131

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, 2024

	Community Program Services								Supporting Services					
	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/ Access Pierce	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	Total 2024
COMPENSATION AND RELATED EXPENSES														
Salaries and wages			$ 615,172		$ 692,360	$ 38,064	$ 87,133	$ 1,432,729	$ 318,321	$ 649,227	$ 78,086		$ 1,045,634	$ 2,478,363
Employee health and retirement benefits			73,716		143,599	3,979	14,557	235,851	54,528	79,094	8,441		142,063	377,914
Payroll taxes			43,703		48,618	2,861	6,624	101,806	23,000	44,578	2,534		70,112	171,918
Total Compensation and Related Expenses			732,591		884,577	44,904	108,314	1,770,386	395,849	772,899	89,061		1,257,809	3,028,195
Professional fees and contract services			325,639		82,574			408,213	60,122	23,849	10,190		94,161	502,374
Individual development accounts			20,000					20,000						20,000
Supplies			140,571		6,138	316	36,860	183,885	6,281	9,255	476		16,012	199,897
Telephone, fax and internet			4,867		6,332	613	615	12,427	3,677	3,053	418		7,148	19,575
Postage and shipping			207		276	41	35	559	1,768	7,534	22		9,324	9,883
Occupancy			6,026	$ 338,233	10,539	670	1,339	356,807	4,317	8,370	1,004		13,691	370,498
Equipment rental and software support			41,011		29,695	1,005	7,452	79,163	16,404	20,356	1,894		38,654	117,817
Printing publications and awards			22,752		539			23,291	3,211	25,757	13,445		42,413	65,704
Auto allowances and travel			14,964		7,520	1,954	258	24,696	11,253	4,209			15,462	40,158
Conferences, events and meetings			90,244		1,606		13	91,863	13,571	26,407			39,978	131,841
Dues			3,050		585	135		3,770	3,951	4,373			8,324	12,094
In-kind advertising											7,775		7,775	7,775
Miscellaneous			51					51	9,077	124			9,201	9,252
Depreciation			4,088	165,366	3,004	145	452	173,055	1,544	2,642	340		4,526	177,581
United Way dues												$ 71,248	71,248	71,248
Gifts-in-kind distributed to community nonprofits		$ 141,834						141,834						141,834
Net funds distributed to community nonprofits	$ 2,692,405							2,692,405						2,692,405
TOTAL FUNCTIONAL EXPENSES	$ 2,692,405	$ 141,834	$ 1,406,061	$ 503,599	$ 1,033,385	$ 49,783	$ 155,338	$ 5,982,405	$ 531,025	$ 908,828	$ 124,625	$ 71,248	$ 1,635,726	$ 7,618,131

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

UNITED WAY OF PIERCE COUNTY

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donors and grantors	$ 5,854,387	$ 7,212,415
Cash received from tenants	354,662	345,015
Cash paid to agencies	(1,575,890)	(2,682,250)
Cash paid to employees and related employee benefits	(3,327,474)	(2,979,849)
Cash paid to suppliers	(2,425,448)	(1,236,607)
Net Cash Provided (Used) by Operating Activities	(1,119,763)	658,724
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(384,091)	(140,533)
Purchase of investments	(304,969)	(1,585,936)
Proceeds from investment sales	1,232,086	308,319
Net Cash Provided (Used) by Investing Activities	543,026	(1,418,150)
Net Change in Cash and Cash Equivalents	(576,737)	(759,426)
Cash and Cash Equivalents at Beginning of Year	3,050,165	3,809,591
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,473,428	$ 3,050,165

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, 2025 and 2024

	2025	2024
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	$ 71,019	$ 141,614
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	182,709	177,581
Loss on disposal of equipment	37,634	
Discount on pledges		7,172
Amortization of discount on pledges	(4,710)	(15,824)
Allowance for bad debt	92,219	(110,206)
Reinvested dividends and interest	(587,261)	(427,123)
Unrealized and realized gain on investments	(1,049,297)	(704,438)
Changes in assets and liabilities		
Pledges receivable less provision for uncollectible	480,755	1,193,940
Prepaid expenses and other current assets	10,948	(37,715)
Accounts payable, accrued expenses, gift assistance and agency funds payable	(353,779)	433,723
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (1,119,763)	$ 658,724

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

UNITED WAY OF PIERCE COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

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 / Access Pierce information and referral program and is the backbone for the Centers for Strong Families model in 8 locations across Pierce County. In 2025, the 2-1-1 program was renamed **Access Pierce**, with services continuing as before and with enhanced support for individuals. 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 basis of 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 of 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. Expiration 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.

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

***Basis of Presentation** (Continued)*
The Organization has the following net assets with donor restrictions as of December 31, which are available for the following purposes:

	2025	2024
Campaign results, net	$ 850,462	$ 721,097
Poverty reduction	1,206,432	1,655,635
Time restricted	91,083	415,467
Total Net Assets with Donor Restriction	$ 2,147,977	$ 2,792,199

Campaign results, net includes designations to the Organization's programs totaling $220,186 and $169,589 for the years ended December 31, 2025 and 2024, respectively.

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

	2025	2024
Donor restrictions satisfied		
Release from prior campaign	$ 721,097	$ 547,205
Poverty reduction	1,422,040	1,504,398
Total Net Assets Released from Restrictions	$ 2,143,137	$ 2,051,603

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 and cash equivalents.

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

Cash and Cash Equivalents (continued)

The Organization maintains its cash in depository institution accounts subject to insurance by the Federal Deposit Insurance Corporation ("FDIC"), as well as in investment accounts subject to insurance by the Securities Investor Protection Corporation ("SIPC"). The FDIC and SIPC provide basic coverage up to $250,000 and $500,000, respectively. The Organization had amounts exceeding the FDIC and SIPC insured limit at various times during the years ended December 31, 2025 and 2024. Management believes the Organization is subject to minimal risk as it places its cash with high credit quality financial institutions. At December 31, 2025, the Organization's cash balances at these institutions exceeded the FDIC insured amounts by $1,317,084 and the SIPC insured amounts by $405,994.

Pledges 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 pledges receivable are due within one campaign collection cycle. Provisions are provided by campaign year based on amounts estimated to be uncollectible, which are based on past collection experience. The provision for uncollectibles for the current and prior year campaigns was estimated at approximately $114,000 and $131,000 at December 31, 2025 and 2024, respectively.

Property, Plant and Equipment

Expenditures for fixed-asset additions in excess of $2,000 are capitalized at cost; the fair value of donated equipment is similarly capitalized. Depreciation is calculated on the straight-line method based on estimated useful lives of 5 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.

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 25-26 campaign was in progress at December 31, 2025 and includes estimated designations totaling $137,705. The portion of these designations not yet paid out are included in agency funds payable in the accompanying financial statements.

The 24-25 campaign was in progress at December 31, 2024 and includes estimated designations totaling $107,747. 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 24-25 campaign were paid out at December 31, 2024.

In honor of the Organization's 100-year anniversary, the Organization ran 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 concluded in 2023. There was no revenue raised in 2025. Revenue raised in 2024 was $10,209. Those gifts pledged beyond one year are recorded with donor restrictions on the statement of activities of $13,933 and $175,094 at December 31, 2025 and 2024, respectively, due to the time restriction of when the actual money will be received.

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 21, 2026, 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, 2025 and 2024, 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:

	2025	2024
Cash and cash equivalents	$ 2,473,428	$ 3,050,165
Current investments	549,068	796,619
Pledges receivable, net	739,630	1,146,733
Financial Assets Available to Meet Cash Needs for General Expenses Within One Year	$ 3,762,126	$ 4,993,517
Monthly Expenditures, Less Depreciation and In-kind	$ 609,820	$ 619,229

NOTE 2 - LIQUIDITY AND AVAILABILITY (Continued)

Financial assets available to meet cash needs for general expenses within one year over liabilities ratio is 6.2 and 8.1 for December 31, 2025 and 2024, respectively.

In addition, as of December 31, 2025 and 2024, the Organization had an additional $9,974,682 and $8,757,014, 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:

	2025	2024
Amounts due in less than one year	$ 854,074	$ 1,277,948
Amounts due in 1 year to 5 years	13,933	186,976
	868,007	1,464,924
Less provision for uncollectible pledges	114,444	131,215
Less unamortized discount		11,882
Pledges Receivable, net	$ 753,563	$ 1,321,827

Amortization of discounts on pledge receivables for the years ended December 31, 2025 and 2024 was $4,710 and $15,824, respectively.

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 2030. 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, 2026	$ 276,969
2027	269,984
2028	270,922
2029	277,695
2030	284,637
Total	$ 1,380,207

NOTE 4 - RENTAL INCOME (Continued)

Rental income earned totaled $331,864 and $320,707 for the years ended December 31, 2025 and 2024, 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, 2025 are as follows:

Children's Museum of Tacoma	$ 21,588
Girls on the Run Westsound	780
First 5 Fundamentals	700
Total Monthly Rent	$ 23,068

NOTE 5 - SELF INSURANCE

The Organization is a member of the 501(c) Agencies Trust (the "Trust"). The Trust facilitates the utilization by member agencies of the reimbursement financing method of meeting obligations under Washington State Unemployment Insurance Statutes. As of December 31, 2025 and 2024, the Organization had deposits on hand with the Trust of $70,640 and $93,449, respectively. The amounts are reported with prepaid expenses and other current assets in the statements of financial position. Any liability associated with outstanding unemployment claims cannot be reasonably estimated and, therefore, no amounts have been accrued as of December 31, 2025 and 2024.

NOTE 6 - 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.

NOTE 6 - INVESTMENTS (Continued)

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

	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025				
Investments				
Corporate bonds	$ 1,340,563		$ 1,340,563	
Mutual funds	10,330,366	$ 10,330,366		
	$ 11,670,929	$ 10,330,366	$ 1,340,563	$
December 31, 2024				
Investments				
Corporate bonds	$ 1,880,868		$ 1,880,868	
Mutual funds	9,080,620	$ 9,080,620		
	$ 10,961,488	$ 9,080,620	$ 1,880,868	$

Included in total investments are board-designated funds totaling $9,974,682 and $8,757,014 at December 31, 2025 and 2024, 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 7 - PROPERTY, PLANT AND EQUIPMENT

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

	2025	2024
Land	$ 618,300	$ 618,300
Building	6,527,356	6,167,809
Furniture and equipment	427,452	718,418
	7,573,108	7,504,527

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	2025	2024
	$ 5,304,728	$ 5,540,427
Less accumulated depreciation	2,268,380	1,964,100
Construction in progress		140,532
Property, Plant and Equipment, net	$ 2,268,380	$ 2,104,632

Depreciation expense for the years ended December 31, 2025 and 2024 is $182,709 and $177,581, respectively.

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, 2025 and 2024, totaled $117,279 and $100,040, 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 $23,352 and $22,557 for the years ended December 31, 2025 and 2024, 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, 2025 and 2024, those sponsorships totaled $99,979 and $100,500, respectively. In addition, local media have provided advertising on a pro bono basis totaling $12,958 and $7,775 as of December 31, 2025 and 2024, 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.

NOTE 9 - CONTRIBUTED GOODS AND SERVICES (Continued)

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.

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 of Directors has designated the following as of December 31:

	2025	2024
Betye Martin Baker Human Service Center	$ 2,968,479	$ 2,972,286
Community Impact	163,372	201,222
Endowment	9,974,682	8,757,014
Equipment	29,263	32,371
Total Board-designated Net Assets	$ 13,135,796	$ 11,962,893

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. It's 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.

UNITED WAY OF PIERCE COUNTY

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 11 - ENDOWMENT (Continued)

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 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:

	Without Donor Restrictions		With Donor Restrictions for Perpetual Duration	Total
	Undesignated	Board-Designated		
December 31, 2025				
Donor restricted			$ 504,779	$ 504,779
Board designated		$ 9,974,682		9,974,682
	$	$ 9,974,682	$ 504,779	$ 10,479,461
December 31, 2024				
Donor restricted			$ 426,084	$ 426,084
Board designated		$ 8,757,014		8,757,014
	$	$ 8,757,014	$ 426,084	$ 9,183,098

NOTE 11 - ENDOWMENT (Continued)

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

	Without Donor Restrictions		With Donor Restrictions for Perpetual Duration	Total
	Undesignated	Board-Designated		
December 31, 2025				
Endowment Net Assets at Beginning of Year		$ 8,757,014	$ 426,084	$ 9,183,098
Net additions and withdrawals		(260,675)		(260,675)
Investment income and net depreciation (realized and unrealized)		1,478,343	78,695	1,557,038
Endowment Net Assets at End of Year	$	$ 9,974,682	$ 504,779	$ 10,479,461
December 31, 2024				
Endowment Net Assets at Beginning of Year		$ 7,917,342	$ 370,669	$ 8,288,011
Net additions and withdrawals		(195,682)		(195,682)
Investment income and net depreciation (realized and unrealized)		1,035,354	55,415	1,090,769
Endowment Net Assets at End of Year	$	$ 8,757,014	$ 426,084	$ 9,183,098

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, 2025 and 2024, the Organization did not have any funds with deficiencies.

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, to offset administrative and fundraising costs or for such other purposes as the Board of Directors 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 of Directors may decide to use these funds for current operations or to 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.