

Reports of Independent Auditors and
Financial Statements with Supplementary Information



June 30, 2025 and 2024

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Report of Independent Auditors

The Board of Directors
United Way of the Bay Area DBA United Way Bay Area

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Way of the Bay Area DBA United Way Bay Area (UWBA, or the Organization) which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, 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 UWBA as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UWBA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UWBA'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 UWBA'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2026 on our consideration of UWBA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UWBA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UWBA's internal control over financial reporting and compliance.

Baker Tilly US, LLP

San Francisco, California

March 30, 2026

Financial Statements

United Way of the Bay Area DBA United Way Bay Area
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 1,688,518	\$ 324,432
Pledges receivable, net	833,619	1,529,749
Grants and contracts receivable, net	4,587,135	8,554,397
Investments	13,934,130	17,631,501
Prepays and other assets	1,014,559	1,039,417
Furniture, equipment, and leasehold improvements, net	177,799	239,764
Operating right-of-use lease asset	1,937,325	2,291,282
Total assets	\$ 24,173,085	\$ 31,610,542
LIABILITIES AND NET ASSETS		
LIABILITIES		
Operating payables and accruals	\$ 1,153,797	\$ 1,385,646
Donor designations and allocations payable	1,051,973	983,590
Line of credit	-	3,330
Accrued vacation and related costs	456,697	399,283
Operating lease liability, net	2,134,246	2,439,856
Liabilities to beneficiaries from split interest agreements	15,227	15,227
Total liabilities	4,811,940	5,226,932
NET ASSETS		
Without donor restrictions:		
Undesignated	1,722,142	6,929,021
Board-designated	6,211,714	5,613,352
Total net assets without donor restrictions	7,933,856	12,542,373
With donor restrictions	11,427,289	13,841,238
Total net assets	19,361,145	26,383,611
Total liabilities and net assets	\$ 24,173,085	\$ 31,610,543

See accompanying notes.

United Way of the Bay Area DBA United Way Bay Area
Statements of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support:			
Gross campaign results	\$ 3,300,163	\$ 22,952	\$ 3,323,115
Less donor designations	<u>(1,009,872)</u>	<u>-</u>	<u>(1,009,872)</u>
Campaign revenue	2,290,291	22,952	2,313,243
Less provision for uncollectible pledges	<u>(134,081)</u>	<u>-</u>	<u>(134,081)</u>
Net campaign revenue	<u>2,156,210</u>	<u>22,952</u>	<u>2,179,162</u>
Grants	-	4,347,238	4,347,238
Other contributions	1,969,843	2,779,830	4,749,673
Contributions in-kind	1,014,356	-	1,014,356
Planned gifts and bequests	367,024	32,599	399,623
Net assets released from restrictions	<u>10,257,179</u>	<u>(10,257,179)</u>	<u>-</u>
Total public support	15,764,612	(3,074,560)	12,690,052
Service fees and earned income	210,939	-	210,939
Investment income, net	196,564	243,878	440,442
Net realized and unrealized gain on investments	<u>581,234</u>	<u>416,733</u>	<u>997,967</u>
Total public support and revenue	<u>16,753,349</u>	<u>(2,413,949)</u>	<u>14,339,400</u>
ALLOCATIONS AND EXPENSES			
Program services:			
Gross funds awarded/allocated to agencies	6,674,355	-	6,674,355
Economic Success	5,158,821	-	5,158,821
Safety Net	2,570,517	-	2,570,517
Impact Strategies	1,207,293	-	1,207,293
Other Impact	522,872	-	522,872
Donor designations	<u>(1,009,872)</u>	<u>-</u>	<u>(1,009,872)</u>
Total program services	<u>15,123,986</u>	<u>-</u>	<u>15,123,986</u>
Support services:			
Management and general	2,464,630	-	2,464,630
Fundraising	<u>3,773,251</u>	<u>-</u>	<u>3,773,251</u>
Total support services	<u>6,237,881</u>	<u>-</u>	<u>6,237,881</u>
Total allocations and expenses	<u>21,361,867</u>	<u>-</u>	<u>21,361,867</u>
CHANGE IN NET ASSETS	(4,608,518)	(2,413,949)	(7,022,467)
NET ASSETS, beginning of year	<u>12,542,374</u>	<u>13,841,238</u>	<u>26,383,612</u>
NET ASSETS, end of year	<u>\$ 7,933,856</u>	<u>\$ 11,427,289</u>	<u>\$ 19,361,145</u>

See accompanying notes.

United Way of the Bay Area DBA United Way Bay Area
Statements of Activities and Changes in Net Assets
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support:			
Gross campaign results	\$ 4,166,599	\$ 53,404	\$ 4,220,003
Less donor designations	<u>(731,231)</u>	<u>-</u>	<u>(731,231)</u>
Campaign revenue	3,435,368	53,404	3,488,772
Less provision for uncollectible pledges	<u>(494,530)</u>	<u>-</u>	<u>(494,530)</u>
Net campaign revenue	<u>2,940,838</u>	<u>53,404</u>	<u>2,994,242</u>
Grants	-	3,903,226	3,903,226
Other contributions	3,847,571	5,519,000	9,366,571
Contributions in-kind	1,314,568	-	1,314,568
Planned gifts and bequests	1,850,000	-	1,850,000
Net assets released from restrictions	<u>6,380,635</u>	<u>(6,380,635)</u>	<u>-</u>
Total public support	16,333,612	3,094,995	19,428,607
Service fees and earned income	176,487	72,800	249,287
Investment income, net	117,631	177,776	295,407
Net realized and unrealized gain on investments	<u>744,917</u>	<u>447,541</u>	<u>1,192,458</u>
Total public support and revenue	<u>17,372,647</u>	<u>3,793,112</u>	<u>21,165,759</u>
ALLOCATIONS AND EXPENSES			
Program services:			
Gross funds awarded/allocated to agencies	5,691,235	-	5,691,235
Economic Success	6,018,504	-	6,018,504
Safety Net	3,428,383	-	3,428,383
Impact Strategies	1,342,168	-	1,342,168
Other Impact	515,714	-	515,714
Donor designations	<u>(731,231)</u>	<u>-</u>	<u>(731,231)</u>
Total program services	<u>16,264,773</u>	<u>-</u>	<u>16,264,773</u>
Support services:			
Management and general	2,578,196	-	2,578,196
Fundraising	<u>3,823,671</u>	<u>-</u>	<u>3,823,671</u>
Total support services	<u>6,401,867</u>	<u>-</u>	<u>6,401,867</u>
Total allocations and expenses	<u>22,666,640</u>	<u>-</u>	<u>22,666,640</u>
CHANGE IN NET ASSETS BEFORE PENSION-RELATED CHANGES	(5,293,993)	3,793,112	(1,500,881)
PENSION-RELATED CHANGES OTHER THAN NET PERIODIC PENSION COST	<u>(439,842)</u>	<u>-</u>	<u>(439,842)</u>
CHANGE IN NET ASSETS	(5,733,835)	3,793,112	(1,940,723)
NET ASSETS, beginning of year	<u>18,276,209</u>	<u>10,048,126</u>	<u>28,324,335</u>
NET ASSETS, end of year	<u>\$ 12,542,374</u>	<u>\$ 13,841,238</u>	<u>\$ 26,383,612</u>

See accompanying notes.

United Way of the Bay Area DBA United Way Bay Area
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services						Support Services				Total
	Funds Awarded/ Allocated to Agencies	Economic Success	Safety Net	Impact Strategies	Other Impact	Donor Designations	Total Program Services	Management and General	Fundraising	Total Support Services	
ALLOCATIONS AND EXPENSES											
Salaries and benefits	\$ -	\$ 3,682,545	\$ 1,039,600	\$ 797,205	\$ 392,083	\$ -	\$ 5,911,433	\$ 1,691,278	\$ 1,673,909	\$ 3,365,187	\$ 9,276,620
Professional services	-	672,911	1,205,042	248,415	46,803	-	2,173,171	421,573	1,245,737	1,667,310	3,840,481
Supplies	-	28,608	17,496	850	26,765	-	73,719	1,762	51,740	53,502	127,221
Technology and communication	-	175,364	54,001	51,733	13,613	-	294,711	103,297	251,518	354,815	649,526
Postage, warehouse, and delivery	-	2,744	802	405	1,255	-	5,206	1,368	3,171	4,539	9,745
Occupancy	-	124,174	27,034	25,538	8,072	-	184,818	102,350	150,114	252,464	437,282
Insurance	-	18,285	4,233	3,999	1,264	-	27,781	16,028	23,507	39,535	67,316
Furniture, equipment, and leasehold improvements	-	2,157	2,899	472	149	-	5,677	1,890	2,773	4,663	10,340
Media and printing	-	189,647	32,915	959	1,623	-	225,144	157	116,002	116,159	341,303
Travel	-	72,714	24,906	11,270	10,249	-	119,139	11,122	47,076	58,198	177,337
Conference, training, and meetings	-	64,798	31,412	32,775	10,988	-	139,973	5,179	34,814	39,993	179,966
Bank, interest, merchant, and other fees	-	46,018	10,654	10,065	3,211	-	69,948	40,337	61,950	102,287	172,235
Miscellaneous	-	(1,034)	(300)	(84)	1,321	-	(97)	(1,137)	(744)	(1,881)	(1,978)
Dues and subscriptions	-	54,781	114,010	18,199	3,740	-	190,730	47,416	79,403	126,819	317,549
Depreciation	-	25,109	5,813	5,492	1,736	-	38,150	22,010	32,281	54,291	92,441
Total	-	5,158,821	2,570,517	1,207,293	522,872	-	9,459,503	2,464,630	3,773,251	6,237,881	15,697,384
Allocations/awards/designations	1,009,872	4,422,942	754,189	-	487,352	(1,009,872)	5,664,483	-	-	-	5,664,483
TOTAL ALLOCATIONS AND EXPENSES	\$ 1,009,872	\$ 9,581,763	\$ 3,324,706	\$ 1,207,293	\$ 1,010,224	\$ (1,009,872)	\$ 15,123,986	\$ 2,464,630	\$ 3,773,251	\$ 6,237,881	\$ 21,361,867

See accompanying notes.

United Way of the Bay Area DBA United Way Bay Area
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services						Support Services				Total
	Funds Awarded/ Allocated to Agencies	Economic Success	Safety Net	Impact Strategies	Other Impact	Donor Designations	Total Program Services	Management and General	Fundraising	Total Support Services	
ALLOCATIONS AND EXPENSES											
Salaries and benefits	\$ -	\$ 3,288,403	\$ 1,775,706	\$ 835,013	\$ 342,622	\$ -	\$ 6,241,744	\$ 1,262,949	\$ 1,778,726	\$ 3,041,675	\$ 9,283,419
Professional services	-	1,767,127	1,138,542	320,214	70,855	-	3,296,738	332,938	989,164	1,322,102	4,618,840
Supplies	-	60,644	6,314	466	4,582	-	72,006	249	132,768	133,017	205,023
Technology and communication	-	164,681	202,637	67,371	11,022	-	445,711	137,323	278,334	415,657	861,368
Postage, warehouse, and delivery	-	4,126	1,501	521	181	-	6,329	2,101	3,885	5,986	12,315
Occupancy	-	110,110	52,632	25,153	7,991	-	195,886	101,320	148,619	249,939	445,825
Insurance	-	15,699	7,504	3,586	1,139	-	27,928	14,446	21,187	35,633	63,561
Furniture, equipment, and leasehold improvements	-	6,062	1,610	769	244	-	8,685	3,099	4,545	7,644	16,329
Media and printing	-	396,334	32,573	108	167	-	429,182	435	230,625	231,060	660,242
Travel	-	66,853	23,086	22,309	10,667	-	122,915	10,831	33,865	44,696	167,611
Conference, training, and meetings	-	28,403	32,539	40,677	55,052	-	156,671	4,849	48,803	53,652	210,323
Bank, interest, merchant, and other fees	-	42,547	20,337	9,719	3,108	-	75,711	39,150	57,513	96,663	172,374
Miscellaneous	-	3,679	1,918	967	322	-	6,886	3,190	5,979	9,169	16,055
Dues and subscriptions	-	38,507	119,376	9,509	5,924	-	173,316	33,604	55,474	89,078	262,394
Uncollectible pledge expense	-	-	-	-	-	-	-	607,565	-	607,565	607,565
Depreciation	-	25,329	12,108	5,786	1,838	-	45,061	23,307	34,184	57,491	102,552
Total	-	6,018,504	3,428,383	1,342,168	515,714	-	11,304,769	2,577,356	3,823,671	6,401,027	17,705,796
Allocations/awards/designations	731,231	-	-	-	760,758	(731,231)	4,960,003	838	-	838	4,960,841
TOTAL ALLOCATIONS AND EXPENSES	\$ 731,231	\$ 6,018,504	\$ 3,428,383	\$ 1,342,168	\$ 1,276,472	\$ (731,231)	\$ 16,264,772	\$ 2,578,194	\$ 3,823,671	\$ 6,401,865	\$ 22,666,637

See accompanying notes.

United Way of the Bay Area DBA United Way Bay Area
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (7,022,467)	\$ (1,940,723)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Change in provision for uncollectible pledges	(134,081)	155,470
Change in discount on grants receivable	26,899	(125,687)
Contribution of marketable securities	(132,723)	(132,767)
Depreciation	92,441	102,552
Net realized and unrealized gain on investments	(997,967)	(1,192,458)
Amortization of operating right-of-use lease assets	353,958	306,361
Changes in assets and liabilities		
Pledges receivable	830,211	980,562
Grants and contracts receivable	3,940,363	(1,978,681)
United Way Digital Holdings LLC receivable	-	40,000
Prepays and other assets	24,858	(818,365)
Operating payables and accruals	(231,849)	316,439
Donor designations and allocations payable	68,384	(747,551)
Accrued vacation and related costs	57,414	1,133
Unearned revenue	-	(175,000)
Operating right-of-use lease assets	-	(2,407)
Operating lease liability	(305,610)	(257,630)
Accrued pension costs	-	(1,368,982)
	<u>(3,430,169)</u>	<u>(6,837,734)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,510,270)	(1,291,560)
Proceeds from sale of investments	6,338,330	6,810,326
Purchases of furniture, equipment, and leasehold improvements	(30,475)	(85,458)
	<u>4,797,585</u>	<u>5,433,308</u>
Net cash provided by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the line of credit	(3,330)	-
	<u>(3,330)</u>	<u>-</u>
Net cash used in financing activities		
CHANGE IN CASH AND CASH EQUIVALENTS	1,364,086	(1,404,426)
CASH AND CASH EQUIVALENTS, beginning of year	<u>324,432</u>	<u>1,728,858</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,688,518</u>	<u>\$ 324,432</u>
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR		
Interest	<u>\$ 878</u>	<u>\$ 228</u>

See accompanying notes.

United Way of the Bay Area DBA United Way Bay Area

Notes to Financial Statements

Note 1 – Organization and Purpose

United Way of the Bay Area DBA United Way Bay Area (UWBA, or the Organization), incorporated in California in 1922, is an independent, locally managed nonprofit organization. It has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701d of the California Revenue and Taxation Code. UWBA has also made the 501(h) election under the IRC.

UWBA is committed to creating community change by positioning itself as an inclusive community leader in the eight Bay Area counties served, while honoring donors' philanthropic interests.

UWBA pursues a selected, targeted set of programs that help people survive the struggles of poverty and move toward economic success. Each of these programs also has a role in helping to evolve the public and private systems around them to better serve people in poverty. UWBA's programs take the form of providing direct service to clients, issuing grants to organizations to provide services, and/or engaging in collaborative partnerships. Grant proposals are evaluated on the basis of their alignment with UWBA's strategic plan as well as the agency's ability to demonstrate high standards in fiscal and programmatic operations, and overall organizational strength. Grants and the focus of grant-making activities are reported to and approved by UWBA's Board of Directors. In response to the needs of the community, UWBA focuses its goals and its use of resources. In doing so, it may, from time to time, discontinue the management of specific programs. Discontinuance may include closing, merging, or establishing the independence of programs. When such transitions take place, the purpose has been and will continue to be enhancing the ability of UWBA to concentrate its efforts on helping to cut the number of families living in poverty.

Following is a summary of UWBA work across its core program areas of basic needs, financial stability, career and employment opportunities, and housing justice, in addition to its public policy advocacy strategies.

Financial Stability

SparkPoint – SparkPoint centers work with families to meet basic needs, increase income, build credit, increase savings, and reduce debt through offering basic needs, career, educational, and financial services. SparkPoint provides free financial coaching to work one-on-one with clients both virtually and in person to recognize behavioral outcomes, set goals, brainstorm strategies, and develop realistic action plans to move people toward financial prosperity. SparkPoint centers also provide basic needs support, including connecting clients to housing and food resources and benefits screening and advocacy.

Throughout the pandemic, SparkPoint centers moved toward a hybrid model of services to meet clients both virtually and in-person to better support access to public benefits and financial coaching services. In Fiscal Year 2025, SparkPoint provided services to 15,616 individuals throughout the San Francisco Bay Area region through 12 SparkPoint Centers and over 20 service locations. Most community members sought out SparkPoint to access supportive services related to financial services and getting help meeting their basic needs. A total of over 2,521 participated in free one-on-one financial coaching services to reach their financial goals, among whom 65% were able to make progress toward their financial goals after enrolling in SparkPoint and 1,156 enrolled in public benefits.

United Way of the Bay Area DBA United Way Bay Area Notes to Financial Statements

Free Tax Help (formerly known as Earn It! Keep It! Save It!) – UWBA Free Tax Help program provides high-quality free tax preparation in our eight counties. UWBA works closely with Internal Revenue Service (IRS) and local Volunteer Income Tax Assistance (VITA) sites. UWBA typically has more than 100 tax sites managed by our coalition locally. In Fiscal Year 2025, many of UWBA sites were able to operate with an in-person component and some continued with a virtual option through UWBA partnership with GetYourRefund.org. This year, the Free Tax Help Coalition prepared 36,169 households' returns and helped them claim over \$52 million in refunds. UWBA aims to serve a similar or higher number for the next tax season. UWBA assists Earned Income Tax Credit (EITC)-eligible families in claiming life-changing tax credits because the EITC and the Child Tax Credit (CTC) are critical poverty-fighting tools – the credits are well researched and proven to be the most effective anti-poverty program in the country. UWBA has also been able to keep nearly all UWBA sites open, engaging 1,375 volunteers.

Meeting Basic Needs

211 – 211 connects users with health and human services in their community through calls, texts, and web search. UWBA 211 serves San Francisco, Santa Clara, San Mateo, Marin, Napa and Solano counties. In Fiscal Year 2025, 211 answered 51,709 calls and texts providing Bay Area residents with information and a total of 128,629 referrals to a variety of resources to address their needs. 211 is available 24 hours a day, seven days a week in over 150 languages.

Emergency Food & Shelter Program (EFSP) – EFSP is critical to UWBA's poverty-fighting agenda. This year, EFSP entered its 41st year of funding safety net programs. This federal funding is allocated to the Federal Emergency Management Agency (FEMA), which works with United Way Worldwide as the fiscal agent for the program. EFSP is a unique public-private partnership between the federal government and the United Way system. Since its inception, UWBA and local boards (local boards are mandated local committees that have oversight of the federal funding) have allocated federal funding to hundreds of food and shelter programs. For this most recent round of funding, EFSP allocated \$2,705,115 to agencies in eight counties. A total of 267,686 unduplicated individuals were served by one of the 116 EFSP-funded agencies in the Bay Area during the current grant period. While this is not funding raised by UWBA, it is vital that UWBA's expertise and relationships are leveraged to support our local food and shelter programs.

Emergency Assistance Network (EAN) – EAN is a collaboration with seven local Santa Clara County partner agencies that offers assistance to families and individuals experiencing emergency situations. This collaborative provides food assistance, rent and mortgage aid, utility assistance, medical and transportation aid, often alongside case management and financial education. UWBA is acting as the backbone convener of the EAN to provide convening and staff support to the network. This year the EAN served 90,091 individuals at food pantries and distributed over \$15 million in direct assistance as a network. EAN agencies assisted 37,898 households in the community, specifically with housing and utility assistance.

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Employment and Career Opportunities

Labor Community Services – The Labor Community Services program is a comprehensive resource for working families. UWBA provides grant funding to three Central Labor Councils that provide information and referral, direct hardship assistance, high-impact workforce programs, community organizing, immigration legal services, and civic engagement opportunities. The three Labor Community Services Councils served 37,507 households (61,082 individuals) with direct financial assistance for hardships or provided navigation services and connection to other local social services agencies.

Youth Opportunity Pathways – Youth Opportunity Pathways, a UWBA program provides career exploration and readiness opportunities for young people aged 14-28. This year, UWBA continued to partner across the region. Through partnerships, we provide youth with mentorship, job readiness activities, and college access support. We engaged with 6 community partners, serving 4,116 youth. These youth received mentorship services, and 1,476 enrolled in further skills training or participated in career exploration events. 246 youth participated in internships or other work-based learning activities. We hosted our annual College Essay Review event which supported 16 youth in their college application journey. Additionally, our signature event, On Track, was hosted at the Oakland Museum and had 20 corporate partners volunteer to table and mentor young people.

Housing Justice – UWBA continued our housing justice work through projects in Gilroy and Solano County. There was \$347,200 in UWBA grantmaking served 8,471 individuals in over 5,417 households. We continued our Community Ambassador grantmaking efforts, training and supporting UWBA Ambassadors to review applications and awards. The Ambassadors led a process to grant \$216,000 to 20 grantees. UWBA continued a region-wide public will-building campaign, “Learn, Understand, Act,” to engage and encourage people to advocate for local and regional policy changes that will increase affordable housing in the Bay Area.

Public Policy – UWBA recognizes that to achieve UWBA’s goal of ending poverty in the community, we must advance public policies that support UWBA’s mission. UWBA’s Public Policy team influences policy and engages in advocacy at all levels of government. In Fiscal year 2025, UWBA led 6 policy campaigns at the regional and local levels focused on increasing the availability of affordable housing and expanding tenant protections for renters. We also endorsed 100 policies and held 25 meetings with elected officials to advocate and build awareness for public policies. In partnership with United Ways of California (UWCA), UWBA served as the Regional Advocacy Coordinator to mobilize UWBA, United Way Wine Country, United Way Santa Cruz, and United Way Monterey to meet with state elected officials and advocate for living wages, housing justice, tax credits, and the 211 helpline.

Ambassadors – In Fiscal Year 2025, UWBA engaged 42 community ambassadors through 116 different activities throughout the year, many of which were led by ambassadors providing valuable experiences in leadership, facilitation, public speaking, sharing their skills, and engaging with the community. The events also included speaking with elected officials during legislative visit, sharing their lived experiences on panels, providing public comments, speaking to the media, providing input on UWBA grant-making decisions, and providing feedback for programs. This year, we also launched an Emergency Hardship Fund and distributed \$10,000 in funding to support ambassadors who were faced with sudden and unexpected financial hardships.

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Research, evaluation, and data – In Fiscal Year 2025, UWBA conducted internal evaluations for community impact programs and continued efforts to build capacity across the organization for data-driven learning and continuous improvement. The data team has also been instrumental in UWBA's fundraising and marketing efforts through grant reporting, internal and public dashboards, collaborations with EMC Public Relations for media releases, and research and data support for marketing collaterals.

Note 2 – Significant Accounting Policies

Basis of accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and with the financial statement standards of United Way Worldwide. United Way Worldwide standards are required for membership and comply with Financial Accounting Standards Board (FASB) accounting standards codification for not-for-profit organizations.

Going concern – The current economic climate presents significant challenges, and UWBA has reported a decrease in net assets and negative cash flows from operations for the years ended June 30, 2025, and June 30, 2024. Management has acknowledged the substantial difficulties in maintaining operational sustainability under these conditions, noting a reliance on public support to fund its programmatic and operational activities.

In March of 2026, the Organization implemented cost-cutting measures and re-organized its fund-raising strategies to support growth and financial sustainability. Additionally, the board approved a future draw on funds available in the board-designated net assets to support operations, as needed. While management has a reasonable expectation that the Organization will have adequate resources to continue in operational existence for the foreseeable future, there remains a degree of uncertainty in its ability to continue as a going concern.

If for any reason the Organization is unable to continue as a going concern, it could have an impact on its ability to realize assets at their recognized values and to extinguish liabilities in the normal course of operations at the amounts stated in the financial statements.

Use of estimates – Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates. Significant estimates include the provision for uncollectible pledges; present value calculations for lease assets and liabilities, grants receivable, and pledges receivable; useful lives and impairment of furniture, equipment, and leasehold improvements; fair value of investments; allocation of functional expenses; and the unfunded pension liabilities. The fair values of investments and pension assets are subject to material volatility based on market conditions. This could have a significant effect on these financial statements.

Classes of net assets – The accompanying financial statements are presented on the basis of net assets without donor restrictions and net assets with donor restrictions.

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Notes to Financial Statements

Net assets without donor restrictions – Net assets without donor restrictions include resources available to support UWBA operations and donor-restricted resources for which the restrictions have been met by the nature of the passage of time or fulfillment of the restricted purpose. A portion of net assets without donor restrictions have been designated by UWBA’s Board of Directors (Board) for specific mission-related purposes (see Note 9).

Net assets with donor restrictions – Net assets with donor restrictions include resources with donor-imposed time and/or purpose restrictions. Purpose restrictions, once fulfilled by actions of UWBA, and time restrictions, once fulfilled by the passage of time, are reclassified as net assets without donor restrictions and are reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions. Net assets with donor restrictions also includes those with a time restriction in perpetuity. Such a restriction arises when a donor restriction specifies that the donated assets be maintained in perpetuity and that only the income generated from these assets is made available for use by the Organization (see Note 10 and Note 11).

Cash and cash equivalents – All highly liquid investments with an original maturity of three months or less when purchased and not held through the investment account are considered to be cash equivalents. Substantially all of the cash equivalent balances held in financial institutions at June 30, 2025 and 2024, exceeded federal depository insurance coverage. UWBA has not experienced any losses in such accounts. Cash and cash equivalents held in money market funds that are considered nonoperating cash are intended for investment purposes and are classified separately under investments.

Pledges receivable – Pledges receivable consist of unconditional promises to give by donors and are recorded at net-realizable value. Pledges receivable are net of provisions for uncollectible pledges of \$628,596 and \$494,515 as of June 30, 2025 and 2024, respectively. Unconditional promises to give that are expected to be collected in future years are recorded at the fair value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable in the years in which those promises are received. The discount rates range from 0.45% to 2.43%. Pledges receivable are net of discounts of \$0 at June 30, 2025 and 2024, as all pledges are current.

Provisions for uncollectible pledges – The provision for uncollectible pledges is computed based upon historical averages and management’s consideration of current economic factors that could affect pledge collections. For the year ended June 30, 2025, there were no write-offs of uncollectible pledges. For the year ended June 30, 2024, there were write-offs of uncollectible pledges of \$607,565.

Grants and contracts receivable – Grants and contracts receivable consist of unconditional promises to give by granting organizations. Unconditional promises to give that are expected to be collected during the following fiscal year are recorded at the amount contributed. Unconditional promises to give that are expected to be collected in future years are recorded at the fair value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable in the years in which those promises are received. The discount rates range from 1.24% to 1.50%. Grants receivable are net of discounts of \$229,932 and \$256,831 at June 30, 2025 and 2024, respectively. Based on prior write-off history, overall economic conditions, and the current receivable aging status, UWBA establishes a provision for grants receivable, if any, at a level considered adequate to cover anticipated credit losses on grants receivable. There were no provisions for credit losses on grants receivable as of June 30, 2025 and 2024.

United Way of the Bay Area DBA United Way Bay Area Notes to Financial Statements

Investments – UWBA's investments are stated at fair value using quoted market prices at fiscal year-end. Investments include money market funds and marketable securities held principally for investment purposes. Unrealized gains and losses that result from market fluctuations are recognized in the period such fluctuations occur in the accompanying statements of activities and changes in net assets. Realized gains and losses that result from sales or maturities of securities during the year are calculated on an adjusted cost basis and are reflected in the accompanying statements of activities and changes in net assets. Marketable securities received as donations are recorded at fair value at the date of the donation and are generally sold as soon as practical after receipt.

Fair value of assets and liabilities – UWBA determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value reporting standards establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of input that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include cash and cash equivalents, equity, fixed income securities, and exchange-traded equities.

Furniture, equipment, and leasehold improvements – Furniture, equipment, and leasehold improvements are stated at cost, if purchased, or if donated, at fair value at the date of the donation for items exceeding \$5,000. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, ranging from three to ten years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the term of the lease. Total depreciation amounted to \$92,441 and \$102,552 for the years ended June 30, 2025 and 2024, respectively.

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Leases – UWBA accounts for leases in accordance with FASB ASC Topic 842, *Leases (Topic 842)*. Under Topic 842, UWBA determines whether the arrangement is or contains a lease at inception and reassesses its determination if terms and conditions of the arrangement are changed. Right-of-use (ROU) assets represent UWBA's right to use an underlying asset for the lease term and lease liabilities represent UWBA's obligation to make lease payments arising from the lease. Lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected remaining lease term. For this purpose, UWBA considers only payments that are fixed and determinable at the time of commencement. The lease ROU assets also include any lease payments made and adjustments for prepayments and lease incentives. The interest rate implicit in lease contracts is typically not readily determinable. As a result, UWBA will utilize the risk-free rate, a rate for a U.S. Treasury security for a similar term, as permitted by Topic 842. Lease terms may include options to extend or terminate the lease when it is reasonably certain that UWBA will exercise that option.

UWBA has elected the short-term lease recognition exemption for certain leases which are less than 12 months in duration or month-to-month. This means, for those leases that qualify, ROU assets or lease liabilities will not be recognized. Operating lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Gross campaign results – Gross campaign results consist of cash and unconditional promises to give to UWBA during the annual fundraising campaigns and include contributions processed by third-party processors. Donor designations and the provision for uncollectible pledges are deducted from gross campaign results to arrive at campaign revenue.

Donor designations and service fee revenue – Donor designations (or “agency transactions”) consist of contributions that are designated by the donor to nonprofit organizations other than UWBA that include contributions processed by third-party processors and are deducted from gross campaign results to arrive at net campaign revenue. External donor designations are paid to the designated organizations on a monthly basis, by electronic funds transfer (EFT) as information allows, and on a quarterly basis by check for all others, as pledges are collected. Proportionate shares of the receipts are distributed to the agencies net of service fees. Service fee revenue is reported in the accompanying statements of activities and changes in net assets. Additionally, there are donor designations that are contributions designated by the donor to provide general support to UWBA's internal programs, which represent purpose recommendations but do not rise to the level of agency transactions or donor restrictions.

Planned gifts and bequests – Planned gifts and bequests that are irrevocable are recognized as a receivable when amounts due to UWBA can be reasonably estimated. Bequests revenue of \$399,623 and \$1,850,000 was recognized during the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, UWBA has only one type of planned giving instrument-pooled income funds. Assets associated with these gifts totaled \$11,459 and \$140,533 as of June 30, 2025 and 2024, respectively, at fair value and are included in investments in the accompanying statements of financial position. Liabilities associated with these gifts totaled \$15,227 as of June 30, 2025 and 2024, at fair value and are included in the accompanying statements of financial position.

Contributions – Contributions and grants are recognized at fair value, as revenue, when received or unconditionally promised and collection is deemed to be reasonably certain.

United Way of the Bay Area DBA United Way Bay Area Notes to Financial Statements

UWBA reports contributions and grants as with donor restrictions if such gifts are received with donor stipulations that limit the use of the donated assets, unless there are written agreements that supersede those stipulations. When the restriction expires—that is, when a stipulated time restriction ends or a purpose restriction is accomplished—net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Contributions with donor restrictions whose restrictions are met in the same year they are received are reported as contributions with donor restrictions and included as net assets released from restrictions in the statement of activities and changes in net assets.

Contributions in-kind— UWBA records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts in expenses or additions to property and equipment. Assets donated with explicit restrictions regarding use are reported as revenue with donor restrictions.

- UWBA received in-kind rent for one of its office locations of \$55,956 and \$116,568 for the years ended June 30, 2025 and 2024, respectively. The value of this rent was provided by the landlord, the Sobrato Family Foundation, as part of the lease contract.
- UWBA received contributed professional services related to the Volunteer Income Tax Assistance program during the years ended June 30, 2025 and 2024, with fair value on the dates of donation of \$958,400 and \$1,198,000, respectively.

In addition, a number of volunteers have donated hours to UWBA's program and support services. These contributions in-kind are not reflected in the financial statements since these services do not meet the criteria for recognition.

Conditional promises to give – Conditional promises to give are defined as donor's promises to give with stipulation that represents a barrier that must be overcome before the donor is entitled to the assets promised or transferred and a right of return to the donor of assets promised or transferred. Conditional contributions are recognized in the financial statements when the conditions on which they depend are met. There were no conditional promises to give as of June 30, 2025 and 2024.

Gross funds awarded/allocated to agencies – The amount shown on the accompanying statements of activities and changes in net assets includes grants to UWBA initiatives and programs. These grants are made to partner agencies that advance the work of UWBA programs and the impact of UWBA's work to alleviate poverty. They are largely funded by programmatically restricted grants awarded to UWBA to achieve specific outcomes in specific locales. Grant-making activities are reported to the Board of Directors. Each grant made is included in the appropriate supporting schedule of the annual IRS Form 990. However, to comply with financial statement presentation requirements, these grants are shown net of an offset amount to prevent revenue duplication between accounts without donor restrictions and accounts with donor restrictions.

United Way of the Bay Area DBA United Way Bay Area Notes to Financial Statements

Functional allocation of expenses – The majority of expenses can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among program and supporting services classifications based on the average number of full-time employees, the time study allocation method, or on a direct cost basis. This is consistent with the standards for allocation of functional expenses in accordance with GAAP and United Way Worldwide.

Change in allocation methodology and reclassifications – Certain changes to the allocation methodology and classifications in the statement of functional expense for the year ending June 30, 2024, have been made to correspond to the 2025 presentation. Included in the changes are the inclusion of contributed professional services and the offsetting program expenses related to the Free Tax Help program. Net assets and changes in net assets are unchanged due to these allocations and reclassifications.

Concentrations of risk – UWBA received approximately 47% and 57% as of June 30, 2025 and 2024, respectively, of its gross campaign revenue from five employers. All of these employers are nationally aligned through United Way Worldwide. As of June 30, 2025 and 2024, UWBA had receivables from these five sources totaling \$737,080 and \$961,510 representing approximately 39% and 47% of total pledges receivables, respectively.

Financial instruments potentially subjecting UWBA to concentrations of credit risk consist primarily of bank demand deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance thresholds and equity investments in excess of Securities Investor Protection Corporation (SIPC) insurance. UWBA has not experienced any losses in such accounts in the past.

Income taxes – UWBA is exempt from federal income tax under Section 501(c)(3) of the IRC and Section 23701d of the California Revenue and Taxation Code except to the extent of unrelated business taxable income as defined under IRC Sections 511 through 515. Since UWBA has immaterial unrelated business taxable income, no provision for income taxes has been provided in these financial statements. UWBA has no unrecognized tax benefits or uncertain tax positions as of June 30, 2025 and 2024.

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Notes to Financial Statements

Note 3 – Pledges and Grants and Contracts Receivable

UWBA expected to receive pledges receivable at June 30:

	<u>2025</u>	<u>2024</u>
Amount due		
In the next year	\$ 1,462,215	\$ 2,024,264
Between two and five years	<u>-</u>	<u>-</u>
	1,462,215	2,024,264
Provision for uncollectible pledges	<u>(628,596)</u>	<u>(494,515)</u>
Pledges receivable, net	<u>\$ 833,619</u>	<u>\$ 1,529,749</u>

UWBA's donor grants and contracts receivable at June 30 were:

	<u>2025</u>	<u>2024</u>
Amount due		
In the next year	\$ 3,837,317	\$ 6,373,728
Between two and five years	<u>979,750</u>	<u>2,437,500</u>
	4,817,067	8,811,228
Discount	<u>(229,932)</u>	<u>(256,831)</u>
Grants and contracts receivable, net	<u>\$ 4,587,135</u>	<u>\$ 8,554,397</u>

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Notes to Financial Statements

Note 4 – Investments and Fair Value Measurement

The following tables present the investments carried at fair value on the accompanying statements of financial position as of June 30, 2025 and 2024, by valuation hierarchy:

UWBA's long-term asset allocation policy was developed by staff and approved by the Board to manage market fluctuations over time. UWBA is aware there are challenges in the current financial markets and continues to monitor related volatility.

	2025	
	Level 1	Total
Equity		
Domestic	\$ 5,392,355	\$ 5,392,355
International	2,253,606	2,253,606
Small cap funds	762,633	762,633
Bond Funds		
Low duration and intermediate	4,087,723	4,087,723
International global	372,167	372,167
Cash and cash equivalents (held for investment)	1,054,187	1,054,187
Pooled income funds (fixed income)	11,459	11,459
	<u>\$ 13,934,130</u>	<u>\$ 13,934,130</u>
Total		
	<u>\$ 13,934,130</u>	<u>\$ 13,934,130</u>
	2024	
	Level 1	Total
Equity		
Domestic	\$ 5,060,224	\$ 5,060,224
International	1,800,411	1,800,411
Small cap funds	619,056	619,056
Bond Funds		
Low duration and intermediate	8,552,152	8,552,152
International global	344,583	344,583
Cash and cash equivalents (held for investment)	1,114,542	1,114,542
Pooled income funds (fixed income)	140,533	140,533
	<u>\$ 17,631,501</u>	<u>\$ 17,631,501</u>
Total		
	<u>\$ 17,631,501</u>	<u>\$ 17,631,501</u>

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Notes to Financial Statements

Note 5 – Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements consisted of the following at June 30:

	2025	2024
Computer software and equipment	\$ 1,051,575	\$ 1,021,100
Office furniture	640,757	640,757
Equipment	220,684	220,684
Leasehold improvements	158,130	158,130
Vehicles	16,713	16,713
 Total	 2,087,859	 2,057,384
Less accumulated depreciation and amortization	(1,910,060)	(1,817,620)
 Total furniture, equipment, and leasehold improvements, net	 \$ 177,799	 \$ 239,764

Note 6 – Other Contributions

Other contributions were comprised of the following for the years ended June 30:

	2025	2024
Other contributions		
Noncampaign donations	\$ 4,738,510	\$ 9,352,239
Prior-year campaign revenue	11,163	14,332
 Total other contributions	 \$ 4,749,673	 \$ 9,366,571

Note 7 – Leases

UWBA leases office spaces. The leases are classified as operating leases which provide for periodic rent increases and extension options. In calculating the lease liability, an option to extend or terminate the lease early is included in the lease term when it is reasonably certain the option will be exercised. The leases provide that UWBA pay taxes, maintenance, insurance, and other expenses; these expenses are recognized in the period in which the obligations are incurred. The weighted average remaining lease term and the weighted average discount rate of UWBA's leases are 66 months and 3.96%, respectively, as of June 30, 2025. The weighted average remaining lease term and the weighted average discount rate of UWBA's leases are 78 months and 3.62%, respectively, as of June 30, 2024.

The right-of-use assets and lease liabilities are based on the lease components as identified in the underlying agreements. A lease component is the cost stated in the agreement that directly relates to the right to use identified asset(s). When known or determinable, UWBA uses the rate implicit in the lease in determining the present value of lease payments. Otherwise, the risk-free rate is used.

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Total amortization expense for the years ended June 30, 2025 and 2024, was \$353,958 and \$306,361, respectively. Rental expense for the years ended June 30, 2025 and 2024, was \$78,525 and \$130,648, respectively, and is included in occupancy in the accompanying statements of functional expenses.

The undiscounted cash flows for future maturities of UWBA's operating lease liabilities and the reconciliation of the undiscounted cash flows to the operating lease liabilities recognized in UWBA's statement of financial position are as follows:

Years Ended June 30.

2026	\$	402,661
2027		414,741
2028		427,182
2029		439,999
2030		453,198
Thereafter		231,220
Total future undiscounted cash flows		2,369,001
Less present value discount		(234,755)
Total present value of operating lease liability	\$	2,134,246

Note 8 – Pension and Other Post-Retirement Benefit Plans

Defined benefit pension plan – The Pension Plan of United Way of the Bay Area (the Plan) is a single-employer defined benefit pension plan with UWBA as plan sponsor.

The Plan was amended to freeze participation and benefit accruals under the Plan effective December 31, 2006. Accordingly, no employees would become participants after the December 1, 2006, entry date, and participants' Plan benefits would not increase after December 31, 2006. In no event would the accrued benefit of any participant be less than that calculated as of December 31, 2006.

On September 25, 2023, Amendment No. 1 of the Plan was executed, allowing for the commencement of Plan termination proceedings. As of June 30, 2024, the Plan was in termination with zero participants and a receivable of \$890,439 representing an overpayment of benefits due back to the Plan. This receivable amount is included in prepaids and other assets on the Statement of Financial Position as of June 30, 2025 and 2024, respectively.

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The following information sets forth the Plan's projected benefit obligation, fair value of plan assets, unfunded status, and accumulated benefit obligation as of June 30:

	2025	2024
Projected benefit obligation		
Beginning of year	\$ -	\$ 12,927,535
Service cost	-	17,802
Interest costs	-	308,404
Actuarial gain (loss)	-	377,584
Benefits paid	-	(419,694)
Liability settled by plan termination	-	(14,066,893)
Benefit overpayment	-	890,439
Administrative expenses paid	-	(35,177)
	<u>\$ -</u>	<u>\$ -</u>
Fair value of plan assets		
Beginning of year	\$ -	\$ 11,589,054
Actual return (loss) on plan assets	-	215,078
Employer contributions	-	2,777,000
Annuity benefits paid	-	(419,694)
Settlement - lump sums	-	(5,591,893)
Settlement - annuity contracts	-	(8,475,000)
Benefit overpayment receivable	890,439	890,439
Administrative expenses paid	-	(35,177)
Reversion	-	(59,368)
	<u>\$ 890,439</u>	<u>\$ 890,439</u>
Funded status of the Plan at year end (underfunded)	<u>\$ 890,439</u>	<u>\$ 890,439</u>

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Amounts reflected in the accompanying statements of activities and changes in net assets were as follows for the years ended June 30:

	2025	2024
Service cost	\$ -	\$ 17,802
Interest cost	-	308,404
Expected return on assets	-	(400,565)
Amortization loss	-	74,802
Net periodic pension cost	-	443
Settlement charge - plan termination	-	4,699,787
Net periodic pension cost	\$ -	\$ 4,700,230

The projected unit credit cost method was utilized for measuring net periodic pension cost over the employee's estimated service life. The following table summarizes the assumptions used in computing the present value of projected benefit obligations and net periodic cost as of June 30:

	2025	2024
Assumptions used in computing benefit obligation:		
Discount rate	N/A	N/A
Rate of compensation increase	N/A	N/A
Assumptions used in computing the net periodic pension costs:		
Discount rate	N/A	4.85%
Expected return on assets	N/A	7.00%
Rate of compensation increase	N/A	N/A

UWBA contributed \$0 and \$2,777,000 to the Plan during the years ended June 30, 2025 and 2024, respectively.

Defined contribution pension plan – UWBA established the UWBA defined contribution pension plan (401(k) Plan) on January 1, 2007. Employees who are eligible can participate in the 401(k) Plan on the first day of the calendar quarter following their date of hire. UWBA matches 100% of participants' salary deferral contribution, up to a maximum of 2% of compensation. In addition, UWBA makes an employer "nonelective" contribution according to a formula that is based on a participant's age plus service. For employees hired before January 1, 2010, matching and employer nonelective contributions will be 100% vested after two years of service (or age 65, if earlier). Effective January 1, 2014, employees hired after January 1, 2010, will be 25% vested after one year of service, 50% after two years of service, 75% vested after three years of service, and 100% vested after four years of service. UWBA contributed \$398,177 and \$500,555 to the 401(k) Plan for the years ended June 30, 2025 and 2024, respectively.

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Notes to Financial Statements

457(b) deferred compensation plan – In the fiscal year ended June 30, 2014, UWBA established an eligible deferred compensation plan (457(b) Plan) for a select group of highly compensated employees under Section 457(b) of the IRC. The plan allows pre-tax contributions of the maximum amount allowed by law per year through payroll deduction. As of June 30, 2025 and 2024, only one participant remained in the 457(b) Plan. The investments in this 457(b) Plan remain as assets of the Organization until the employee retires.

Note 9 – Net Assets Without Donor Restrictions (Board-Designated)

A portion of net assets without donor restrictions have been designated by the Board for the following purposes:

	2025	2024
General use	\$ 6,211,714	\$ 5,613,352

General use – The board designated resources consists of unrestricted resources the board chose to invest for long-term purposes and are held as a board-designated quasi-endowment. The board retains full discretion to draw on these funds as needed to support operations, including any operating shortfalls. The investment policy and spending policy for this fund mirror that of the donor-restricted permanent endowment fund, and appropriated earnings are earmarked for support of the general operating expenses of the Organization.

Note 10 – Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of June 30:

	2025	2024
UWBA community programs	\$ 4,687,036	\$ 7,520,932
Endowments - corpus	3,897,164	3,897,164
Endowment activity	2,843,089	2,423,142
Total	\$ 11,427,289	\$ 13,841,238

UWBA community programs – represents net assets for which the donor has established a specific time or purpose restriction. Upon the passage of appropriate time and/or the fulfillment by the Organization of the defined purpose, the restrictions are released, and the assets are reclassified as being without donor restrictions.

Endowments – corpus represents the original amount of time restricted in perpetuity contributions to the Organization. Per the donor(s) restriction, these funds are to be prudently invested in perpetuity with only the accumulated earnings available for appropriation by the Board for operations and mission-related purposes (see Note 11).

United Way of the Bay Area DBA United Way Bay Area

Notes to Financial Statements

Endowment activity – represents the accumulated, but unappropriated earnings on the Endowments – Corpus (see Note 11).

Note 11 – Endowment

Interpretation of relevant law – The Board has interpreted the California-enacted version of the Uniform Prudent Management of Institutional Funds Act (CUPMIFA) as allowing UWBA to appropriate for expenditure or accumulate so much of an endowment fund as UWBA determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board. In accordance with CUPMIFA, the Board considers the following factors in making a determination to appropriate or accumulate endowment funds:

- i. the duration and preservation of the fund.
- ii. the purposes of UWBA and the endowment fund.
- iii. general economic conditions.
- iv. the possible effect of inflation and deflation.
- v. the expected total return from income and the appreciation of investments.
- vi. other resources of UWBA.
- vii. the investment policies of UWBA.

Spending policy and how the investment objectives relate to spending policy – The endowment fund has a spending policy of appropriating 4% of the 12-quarter trailing rolling average balance of these funds for distribution according to the instructions of the donor at the time the gift is made. The original value of the gifts donated to the endowment held in perpetuity is to be classified as with donor restrictions, and any earnings are also classified as with donor restrictions until appropriated for expenditure.

Funds with deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or CUPMIFA requires UWBA to retain as a fund of perpetual duration. As of June 30, 2025 and 2024, there were no funds with deficiencies.

United Way of the Bay Area DBA United Way Bay Area

Notes to Financial Statements

The composition and changes in the endowment net assets as of June 30, 2025 and 2024, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, June 30, 2023	\$ -	\$ 5,911,571	\$ 5,911,571
Contribution	-	-	-
Investment income	-	194,422	194,422
Net appreciation	-	447,541	447,541
Amounts appropriated for expenditure	-	(233,228)	(233,228)
Endowment net assets, June 30, 2024	-	6,320,306	6,320,306
Contribution	-	-	-
Investment income	-	243,878	243,878
Net appreciation	-	416,733	416,733
Amounts appropriated for expenditure	-	(240,664)	(240,664)
Endowment net assets, June 30, 2025	<u>\$ -</u>	<u>\$ 6,740,253</u>	<u>\$ 6,740,253</u>

Note 12 – Related-Party Transactions

UWBA's volunteer members of the Board participate in fundraising events, activities, and make private contributions. UWBA may also have Board members who have other direct transactions with the Organization. All related parties of UWBA are annually required to read and sign a conflict-of-interest policy that covers any relationship with Board members, volunteers, and staff.

United Way of the Bay Area DBA United Way Bay Area

Notes to Financial Statements

Note 13 – Liquidity and Availability of Financial Assets

UWBA's financial assets available within one year of the statement of financial position date for general expenditure were as follows at June 30:

	2025	2024
<u>Financial assets available within one year</u>		
Cash and cash equivalents	\$ 1,688,518	\$ 324,432
Investments	13,934,130	17,631,501
Pension receivable collectible within one year	890,439	890,439
Pledges receivable collectible within one year	1,462,215	2,024,264
Grants & contracts receivable collectible within one year	3,837,317	6,373,728
Financial assets, at June 30	21,812,619	27,244,364
<u>Less those unavailable for general expenditure</u>		
Designated pledges payable (agency transactions)	(1,051,973)	(983,590)
Restricted by donors with purpose restrictions	(4,687,036)	(7,520,931)
Restricted by donors in perpetuity	(6,740,253)	(6,320,306)
Total amounts available for general expenditures within one year	9,333,357	12,419,537
<u>Amounts unavailable to management without Board approval</u>		
Board-designated for quasi-endowment	(6,211,714)	(5,613,352)
Total financial assets available to management for general expenditure within one year	\$ 3,121,643	\$ 6,806,185

Note 14 – Line of Credit

UWBA maintains a line of credit with a financial institution. The terms of this agreement call for the pledging of securities and other investments maintained in the financial institution for any and all obligations taken on by UWBA under this agreement. The agreement provides for a total credit limit of up to \$4,900,000 based on the fair value of the pledged collateral. There are no covenants held between UWBA and the lender in association with the line of credit.

The availability of the total amount available to borrow at any given time is based on the fair value of the collateral, which may be more or less than the amount needed to permit borrowing the entire \$4,900,000. The amount remaining to borrow at any given time is the total amount of the approved borrowing limit minus the outstanding loan balances and letters of credit, subject to the current value of the collateral. Interest is charged at a rate determined by the lender on a periodic basis.

United Way of the Bay Area DBA United Way Bay Area

Notes to Financial Statements

As of and for the year ended June 30, 2025, there was no outstanding debt on the line of credit and interest expense was \$878. As of and for the year ended June 30, 2024, there was \$3,330 in outstanding debt on the line of credit and interest expense of \$228. The line of credit is due on demand. UWBA issued a letter of credit in July 2024 for \$115,095 to its landlord. This letter of credit replaced the letter of credit issued in January 2021 for the amount of \$230,190.

Note 15 – Advertising

UWBA uses advertising to promote its programs among the constituents it serves. The production costs of advertising are expensed the first time the advertising takes place. Advertising expenses were \$235,271 and \$529,980 for the years ended June 30, 2025 and 2024, respectively.

Note 16 – Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date, but before the financial statements are available to be issued. UWBA recognizes in the financial statements the effects of all significant subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements.

UWBA has evaluated subsequent events through March 30, 2026, the date the financial statements were available to be issued.

Supplementary Information

United Way of the Bay Area DBA United Way Bay Area
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-through Agency Program Name or Cluster Title	Assistance Listing Number	Federal Contract or Pass- through Identification Number	Total Expenditures	Pass-through to Subrecipients
U.S. Department of the Treasury				
Direct Award				
Volunteer Income Tax Assistance (VITA)	21.009		\$ 954,800	\$ 452,200
Total Department of the Treasury			<u>954,800</u>	<u>452,200</u>
U.S. Department of Labor				
Direct Award				
Workforce Innovation and Opportunity Act (WIOA) Cluster				
WIOA Adult Program	17.258		363,409	-
Total WIOA Cluster			<u>363,409</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,318,209</u>	<u>\$ 452,200</u>

See notes to schedule of expenditures of federal awards.

United Way of the Bay Area DBA United Way Bay Area
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of United Way Bay Area (the Organization) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the cost principles contained in the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, functional expenses, changes in net assets, or cash flows of the Organization.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Organization has elected not to use the de minimis indirect cost rate for federal awards allowed under the Uniform Guidance.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
United Way of the Bay Area DBA United Way Bay Area

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of the Bay Area DBA United Way Bay Area (the "UWBA"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our reported thereon dated March 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UWBA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UWBA's internal control. Accordingly, we do not express an opinion on the effectiveness of UWBA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether UWBA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

San Francisco, California
March 30, 2026

Report of Independent Auditors on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Directors
United Way of the Bay Area DBA United Way Bay Area

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited United Way of the Bay Area dba United Way Bay Area's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2025. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of United Way of the Bay Area dba United Way Bay Area as of and for the year ended June 30, 2025, and have issued our report thereon dated March 30, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Baker Tilly US, LLP

San Francisco, California
March 30, 2026

United Way of the Bay Area DBA United Way Bay Area
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster	Type of Auditor’s Report Issued on Compliance for Major Federal Programs
21.009	Volunteer Income Tax Assistance (VITA)	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

United Way of the Bay Area DBA United Way Bay Area
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

There were no prior audit findings reported.

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