

# United Way of Santa Barbara County, Inc.

(A California Nonprofit Organization)

Financial Statements  
Years Ended June 30, 2025 and 2024

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
United Way of Santa Barbara County, Inc.

### **Opinion**

We have audited the accompanying financial statements of United Way of Santa Barbara County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Santa Barbara County, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **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 United Way of Santa Barbara County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

#### **Report on Summarized Comparative Information**

We have previously audited United Way of Santa Barbara County, Inc.'s 2024 financial statements, and their report dated December 18, 2024, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Hutchinson and Bloodgood LLP*

Santa Barbara, California  
October 21, 2025

# United Way of Santa Barbara County, Inc.

Statement of Financial Position

June 30, 2025

(With Summarized Comparative Totals as of June 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	Revised 2024
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 745,820	\$ --	\$ 745,820	\$ 1,143,885
Cash with donor restrictions	--	2,467,025	2,467,025	1,971,839
Pledges receivables, net	--	215,835	215,835	241,122
Government grants receivables	--	85,252	85,252	103,984
Prepaid expenses	116,788	--	116,788	158,290
Investments, non-endowment	<u>1,754,394</u>	<u>--</u>	<u>1,754,394</u>	<u>1,602,395</u>
<b>TOTAL CURRENT ASSETS</b>	<u>2,617,002</u>	<u>2,768,112</u>	<u>5,385,114</u>	<u>5,221,515</u>
<b>NON CURRENT ASSETS</b>				
Designated cash for long-term use	34,413	--	34,413	34,396
Endowment cash	168,553	--	168,553	838,627
Investments, endowment	5,083,487	4,834,112	9,917,599	8,761,131
Property and equipment, net	353,622	--	353,622	363,287
Interest in perpetual trusts	--	490,186	490,186	451,872
Assets held in split interest trusts and agreements	--	458,375	458,375	670,477
Assets held under deferred compensation plan	<u>151,822</u>	<u>--</u>	<u>151,822</u>	<u>116,331</u>
<b>TOTAL NON CURRENT ASSETS</b>	<u>5,791,897</u>	<u>5,782,673</u>	<u>11,574,570</u>	<u>11,236,121</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,408,899</u>	<u>\$ 8,550,785</u>	<u>\$ 16,959,684</u>	<u>\$ 16,457,636</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 83,394	\$ --	\$ 83,394	\$ 113,555
Accrued payroll and related expenses	129,502	--	129,502	144,046
Deferred revenue	--	--	--	5,347
Designations payable	<u>68,476</u>	<u>--</u>	<u>68,476</u>	<u>54,345</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>281,372</u>	<u>--</u>	<u>281,372</u>	<u>317,293</u>
<b>LONG TERM LIABILITIES</b>				
Present value of future payments on split-interest trusts and agreements	--	131,617	131,617	287,233
Deferred compensation plan obligation	<u>151,822</u>	<u>--</u>	<u>151,822</u>	<u>116,331</u>
<b>TOTAL LONG TERM LIABILITIES</b>	<u>151,822</u>	<u>131,617</u>	<u>283,439</u>	<u>403,564</u>
<b>TOTAL LIABILITIES</b>	<u>433,194</u>	<u>131,617</u>	<u>564,811</u>	<u>720,857</u>
<b>NET ASSETS</b>				
Without donor restrictions				
Undesignated	2,641,654	--	2,641,654	2,902,820
Board designated non-endowment	82,011	--	82,011	82,140
Board designated endowment	5,252,040	--	5,252,040	4,839,184
With donor restrictions				
Non-endowment	--	3,585,056	3,585,056	3,152,061
Endowment	<u>--</u>	<u>4,834,112</u>	<u>4,834,112</u>	<u>4,760,574</u>
<b>TOTAL NET ASSETS</b>	<u>7,975,705</u>	<u>8,419,168</u>	<u>16,394,873</u>	<u>15,736,779</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 8,408,899</u>	<u>\$ 8,550,785</u>	<u>\$ 16,959,684</u>	<u>\$ 16,457,636</u>

The Notes to Financial Statements are an integral part of this statement.

# United Way of Santa Barbara County, Inc.

Statement of Activities

Year Ended June 30, 2025

(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	Revised 2024
<b>PUBLIC SUPPORT CONTRIBUTIONS</b>				
Government grants	\$ 345,335	\$ 596,491	\$ 941,826	\$ 586,771
Campaign	785,936	72,215	858,151	871,497
School district grants	--	620,671	620,671	--
Grants	4,750	386,000	390,750	1,244,534
Bequests	313,416	--	313,416	418,267
In-kind contributions	11,495	101,354	112,849	88,138
Net assets released from restrictions	1,597,661	(1,597,661)	--	--
Special events:				
Special events - gross	399,240	--	399,240	373,236
Direct special events costs	(256,484)	--	(256,484)	(237,584)
Net special events proceeds	142,756	--	142,756	135,652
<b>TOTAL PUBLIC SUPPORT</b>	<b>3,201,349</b>	<b>179,070</b>	<b>3,380,419</b>	<b>3,344,859</b>
<b>REVENUE (LOSS)</b>				
Investment income, net	672,051	345,635	1,017,686	990,119
Licensing fees	5,347	--	5,347	12,834
Change in value of split interest trusts and agreements	--	(56,486)	(56,486)	23,537
Change in value of perpetual trusts interests	--	38,314	38,314	26,817
<b>TOTAL REVENUE</b>	<b>677,398</b>	<b>327,463</b>	<b>1,004,861</b>	<b>1,053,307</b>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>3,878,747</b>	<b>506,533</b>	<b>4,385,280</b>	<b>4,398,166</b>
<b>EXPENSES</b>				
Program services	3,090,065	--	3,090,065	3,026,023
Management and general	251,136	--	251,136	323,868
Fundraising	385,985	--	385,985	479,822
<b>TOTAL EXPENSES</b>	<b>3,727,186</b>	<b>--</b>	<b>3,727,186</b>	<b>3,829,713</b>
<b>INCREASE IN NET ASSETS</b>	<b>151,561</b>	<b>506,533</b>	<b>658,094</b>	<b>568,453</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>7,824,144</b>	<b>7,912,635</b>	<b>15,736,779</b>	<b>15,168,326</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 7,975,705</b>	<b>\$ 8,419,168</b>	<b>\$ 16,394,873</b>	<b>\$ 15,736,779</b>

## United Way of Santa Barbara County, Inc.

Statement of Functional Expenses

Year Ended June 30, 2025

(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	Program Services	Management and General	Fundraising	Total	
				2025	Revised 2024
<b>SALARIES AND BENEFITS</b>					
Salaries	\$ 1,525,193	\$ 62,803	\$ 189,499	\$ 1,777,495	\$ 1,682,621
Payroll taxes	119,757	4,737	14,286	138,780	123,623
Employee benefits	162,328	10,761	30,008	203,097	205,457
<b>TOTAL SALARIES AND BENEFITS</b>	<b>1,807,278</b>	<b>78,301</b>	<b>233,793</b>	<b>2,119,372</b>	<b>2,011,701</b>
<b>OPERATING EXPENSES</b>					
Advertising	40,413	292	24,837	65,542	71,413
Dues	22,331	--	14,888	37,219	38,840
Information technology	39,691	2,457	22,619	64,767	54,841
Insurance	5,262	12,009	--	17,271	13,830
Legal	--	--	--	--	2,103
Meetings, conferences and events	54,079	5,888	4,571	64,538	84,113
Occupancy	45,851	5,242	10,274	61,367	57,571
Office expenses	110,959	19,389	13,830	144,178	142,032
Printing	2,210	294	602	3,106	4,967
Professional services	272,490	42,006	51,481	365,977	450,511
Professional services (in-kind)	4,455	7,040	--	11,495	6,050
Program supplies (in-kind)	101,354	--	--	101,354	82,088
Software licenses	38,550	--	--	38,550	43,175
Special events - entertainment	--	--	8,270	8,270	7,750
Special events - foods	--	--	79,433	79,433	67,616
Special events - special functions	--	--	65,846	65,846	53,863
Special events - other expenses	--	--	102,935	102,935	108,355
Travel	74,109	4,309	9,090	87,508	71,659
<b>TOTAL OPERATING EXPENSES</b>	<b>811,754</b>	<b>98,926</b>	<b>408,676</b>	<b>1,319,356</b>	<b>1,360,777</b>
<b>OTHER OPERATING EXPENSES</b>					
Uncollectible pledges expense	--	34,318	--	34,318	46,863
Community impact grants	471,033	--	--	471,033	604,528
Depreciation	--	39,591	--	39,591	43,428
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>471,033</b>	<b>73,909</b>	<b>--</b>	<b>544,942</b>	<b>694,819</b>
Less expenses included with revenues on the statement of activities					
Special events expenses	--	--	(256,484)	(256,484)	(237,584)
<b>TOTAL EXPENSES</b>	<b>\$ 3,090,065</b>	<b>\$ 251,136</b>	<b>\$ 385,985</b>	<b>\$ 3,727,186</b>	<b>\$ 3,829,713</b>

## United Way of Santa Barbara County, Inc.

### Statement of Cash Flows

Years Ended June 30, 2025

(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	<u>2025</u>	<u>Revised 2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 658,094	\$ 568,453
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	39,591	43,428
Net unrealized gain on investments	(112,247)	(704,028)
Net realized gain on investments	(662,269)	(63,596)
Change in split interest agreements and obligations	56,486	(23,537)
Change in perpetual trust	(38,314)	(26,817)
Increase (decrease) in:		
Pledges receivable	25,287	33,287
Government grants receivable	18,732	(48,428)
Prepaid expenses	41,502	(48,844)
Increase (decrease) in:		
Accounts payable and other current liabilities	(16,030)	12,388
Accrued payroll and related expenses	(14,544)	(11,436)
Deferred revenue	(5,347)	(12,834)
Net cash used by operating activities	<u>(9,059)</u>	<u>(281,964)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	4,526,193	3,134,409
Purchase of investments	(5,060,144)	(2,801,507)
Change in cash held for board designated endowment purposes	174,871	(65,882)
Purchase of property and equipment	(29,926)	(12,898)
Net cash provided (used) by investing activities	<u>(389,006)</u>	<u>254,122</u>
Net decrease in cash and cash equivalents	<u>(398,065)</u>	<u>(27,842)</u>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>1,143,885</u>	<u>1,171,727</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 745,820</u>	<u>\$ 1,143,885</u>

## United Way of Santa Barbara County, Inc.

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of United Way of Santa Barbara County, Inc. (the "Organization") is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

**Nature of Activities:** The Organization is a California non-profit public benefit corporation that has served the local community since its founding in 1923. The Organization solicits contributions from individuals, organizations and foundations during its annual fundraising campaign and through a variety of other fundraising activities.

The Organization innovates and works smarter to make life better for the children, families and seniors in the Santa Barbara County Community. The Organization researches best practices; plans, creates and manages strategic partnerships with hundreds of local nonprofits and organizations to connect strengths, multiply resources, and implement the best plans and programs to improve education, health, and financial empowerment throughout Santa Barbara County. The objectives of achieving improvements in education, health, and financial empowerment represent the ten-year goals identified by thousands of community members.

**Financial Statement Presentation:** Information regarding Organization's financial position and activities are based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions that may be expended for any purpose in performing the primary objectives of the Organization.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are permanent in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Cash and Cash Equivalents:** For purposes of the statement of cash flows, cash and cash equivalents consists of cash on hand, and cash in banks, and excludes cash and cash equivalents held for investment, restricted cash, and cash designated for long-term use.

**Contributions:** All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted. Conditional promises to give are recorded when the conditions on which they depend are substantially met.

## United Way of Santa Barbara County, Inc.

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**In-kind Contributions:** Donated goods and services are recognized as in-kind contributions in accordance with GAAP for not-for-profit organizations, if the goods and services (a) create or enhance non-financial assets or (b) the services require specialized skills and are performed by people with those skills and would otherwise be purchased by the Organization. The nature and total of in-kind contributions of goods and services received for the years ended June 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
Contributed services	\$ 11,495	\$ 6,050
In-kind donations of goods	<u>101,354</u>	<u>82,088</u>
	<u>\$ 112,849</u>	<u>\$ 88,138</u>

**Functional Expenses:** The Organization allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their expenditure classification. Other expenses that are common to several functions are allocated based on total square feet. The Organization at times conducts its fundraising activities in conjunction with its other activities. In these cases, joint costs have been allocated between fundraising and management and general expenses or program expense in accordance with standards for accounting for costs of activities that include fundraising.

**Pledges Receivable:** Pledges receivable are unconditional promises to give that are recognized as contributions when the promise is received. Pledges receivable that are expected to be collected in less than one year are reported at net realizable value. Pledges receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The allowance for uncollectible pledges receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is postponed.

**Uncertain Tax Positions:** Financial Accounting Standards Board's ASC 740-10, *Accounting for Uncertainty in Income Taxes*, prescribes a threshold for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Organization files tax returns in the U.S. federal jurisdiction and in the state of California. The Organization's tax returns from the year 2022 to the present remain subject to examination by the IRS for federal tax purposes, and the tax years from 2021 to the present remain subject to examination by the state of California. Management has evaluated its tax positions for all jurisdictions in which the statute of limitations remains open and has determined that the Organization had taken no uncertain tax positions that require adjustment to the financial statements. The Organization had no unrecognized tax benefits related to tax positions taken during the year ended June 30, 2025 or for prior periods.

## United Way of Santa Barbara County, Inc.

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Tax Exempt Status:** The Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Revenue and Taxation Code and is considered a public charity.

**Fair Value Measurements:** The Organization follows Accounting Standard Codification (ASC) No. 820, *Fair Value Measurements and Disclosures*, issued by the Financial Accounting Standards Board (FASB). This standard defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. Pursuant to ASC No. 820, assets and liabilities recorded at fair value are categorized based upon the level of judgment associated with the inputs used to measure fair value. ASC No. 820 establishes a three-level fair value hierarchy that describes the inputs that are used to measure the fair values of respective assets and liabilities:

**Level 1** – Quoted prices are available in active markets for identical investments as of the reporting date.

**Level 2** – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

**Level 3** – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment, estimation, or other unobservable inputs.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis.

**Cash and cash equivalents:** Valued at face value. (Level 1) The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. As of June 30, 2025, uninsured cash balances at June 30, 2025, totaled \$2,993,836. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

**Equity securities and mutual and exchange traded funds:** Valued utilizing quoted prices available in active markets for identical investments as of the reporting date. (Level 1)

**Fixed income and real estate investments:** Valued utilizing benchmark yields, reported trades or broker dealer quotes. (Level 2)

**Split interest trusts and agreements:** Valued using life expectancy and discount factors obtained from external sources. (Level 2)

## United Way of Santa Barbara County, Inc.

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Interest in perpetual trusts:** Valued based on the assets held by the trust utilizing quoted prices available in active markets for identical investments as of the reporting date. These assets consist of cash and cash equivalents, bonds, mutual funds, and equity securities. The Organization does not have the ability to control or direct the assets held by others and the income and principal is subject to certain restrictions on redemption. (Level 2)

**Life insurance policies:** Valued based on policy's cash surrender value. Cash surrender values are determined using unobservable inputs. (Level 3)

**Property and Equipment:** Land, building and equipment are recorded at cost or, if donated, at the fair value at the time of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specified purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies donor restricted net assets to unrestricted net assets at that time. Building and equipment are depreciated using the straight-line method over the respective estimated useful lives, which range from five to twenty years. Long-lived assets are capitalized if the cost is \$1,000 or greater and have an estimated useful life of one year or greater.

Buildings and improvements	5-20 years
Furniture and equipment	5-10 years
Computers, software, and vehicles	5 years

**Use of Estimates:** Financial statements prepared in accordance with GAAP require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. Significant estimates made by management include establishment of a reserve for doubtful contributions receivable, allocation of functional expenses and estimated useful lives of fixed assets.

**Leases:** The Organization follows Financial Accounting Standard Board (FASB) Accounting Standard codification (ASC 842), *Leases*, with a date of initial application of July 1, 2022. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Organization determines whether an arrangement is or contains a lease at contract inception.

Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization uses a risk-free rate of a period comparable with that of the lease term.

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise the option, (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor.

Operating leases with a duration greater than one year are required to be included in operating lease right-of-use assets, current portion operating lease liabilities, and operating lease liabilities, net of current portion in the Organization's statement of financial position. As of June 30, 2025, the Organization did not have any leases required to be accounted for under ASC 842.

**Subsequent Events:** Management has evaluated subsequent events through October 21, 2025, the date that the financial statements were available to be issued.

**NOTE 2. AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of June 30, 2025:

Cash and cash equivalents	\$	745,820
Pledge receivable, net		215,835
Government grants receivable		85,252
Investments- non-endowment		<u>1,754,394</u>
	\$	<u>2,801,301</u>

Additional funds are are expected to be received from investment income, contributed income, and from restricted cash as donor use restrictions are met. These funds combined with the available funds are expected to meet the amounts needed to fund the operations of the Organization for the fiscal year ending June 30, 2026.

**NOTE 3. PLEDGES RECEIVABLE**

As of June 30, 2025, all pledges receivable were current and consisted of the following:

Less than one year	\$	257,835
Allowance for uncollectible pledges receivable		<u>(42,000)</u>
Pledges receivable, net	\$	<u>215,835</u>

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

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**NOTE 4. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 218,000	\$ 218,000
Buildings and improvements	1,508,732	1,506,948
Furniture and equipment	151,125	131,469
Computer hardware and software	188,034	183,708
Vehicles	<u>32,664</u>	<u>28,504</u>
	2,098,555	2,068,629
Less accumulated depreciation	<u>(1,744,933)</u>	<u>(1,705,342)</u>
Net book value	<u>\$ 353,622</u>	<u>\$ 363,287</u>

Depreciation expense related to property and equipment for the years ended June 30, 2025 and 2024, was \$39,591 and \$43,428, respectively.

**NOTE 5. SPLIT INTEREST TRUSTS AND AGREEMENTS**

A split-interest agreement is a contribution that results in the sharing of legal rights to certain assets by the nonprofit and the donor. The Organization records such split-interest agreements held in charitable remainder trusts, charitable gifts annuities, and pooled income funds as follows:

**Pooled Income Funds:** Pooled Income Fund donors have contributed assets to the Organization in exchange for a net income payout for a specified period of time. Under the terms of the agreements, no trust exists, as the assets are held by the Organization. The fair market value of the assets is recorded in the Organization's Statement of Financial Position and a corresponding liability is recorded for the present value of the future payments to the named beneficiaries. Subsequent changes in the value from prior year are recorded using the fair value of the assets less the present value of the payments expected to be made to the beneficiaries. The change in value is recorded in the Statement of Activities under changes in value of split interest trusts and agreements. The fair market value of the pooled income funds at June 30, 2025 and 2024 were \$0 and \$237,573 with corresponding liabilities for future payments of \$0 and \$160,830, respectively.

## United Way of Santa Barbara County, Inc.

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

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### NOTE 5. SPLIT-INTEREST TRUSTS AND AGREEMENTS (CONTINUED)

**Charitable Remainder Trusts:** The Organization is named as an irrevocable remainder beneficiary of charitable trusts, which have been established by donors to provide income, generally for life, to designated beneficiaries. At the end of the term, or upon death of the income beneficiaries, assets remaining in the trust will be transferred to the Organization. Each year, beneficiaries receive a percentage of the trust's fair market value, generally limited to net income or net income with make-up provisions. If the Organization is the trustee, the fair market value of the trust is recorded in the Organization's statement of financial position. A corresponding liability is recorded for the present value of the future payments as specified in the trust agreement using a discount rate of 5%. A contribution is recorded for the difference between the two amounts. The fair market value of the one trust in which the Organization was named the trustee were \$135,935 and \$127,896 with a corresponding payment liability for future payments of \$109,128 and \$103,367 at June 30, 2025 and 2024, respectively.

If the Organization is not the named trustee and does not exercise control over the assets, contribution revenue and assets are recognized using the fair value of the assets less the present value of the liabilities of the trust. Changes in the fair value of the assets less the present value of the liabilities are recognized in the Statement of Activities under changes in value of split interest trusts and agreements. At June 30, 2025 and 2024, the present value of these trusts where the Organization is not the trustee were \$227,283 and \$211,157, respectively.

**Life Insurance:** The Organization is the beneficiary of life insurance policies with total cash surrender values of \$95,157 and \$93,851 as of June 30, 2025 and 2024, respectively. The increase of cash surrender values of \$1,306 and the increase of \$614 for the years ended June 30, 2025 and 2024, respectively, has been recorded in investment income in the accompanying Statement of Activities.

A summary of split interest values as of June 30, 2025 are as follows:

	Assets	Obligations
Charitable reminder trusts	\$ 363,218	\$ 109,128
Life insurance	<u>95,157</u>	<u>22,489</u>
	<u>\$ 458,375</u>	<u>\$ 131,617</u>

A summary of split interest values as of June 30, 2024 are as follows:

	Assets	Obligations
Pooled income funds	\$ 237,573	\$ 160,830
Charitable reminder trusts	339,053	103,367
Life insurance	<u>93,851</u>	<u>23,036</u>
	<u>\$ 670,477</u>	<u>\$ 287,233</u>

## United Way of Santa Barbara County, Inc.

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

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### NOTE 5. SPLIT-INTEREST TRUSTS AND AGREEMENTS (CONTINUED)

**Perpetual Trusts Interest:** The Organization is named as an income beneficiary of two perpetual trusts, the corpus of which is not controlled by the management of the Organization. Under these arrangements, the Organization has the irrevocable right to receive income earned on the underlying assets held in perpetuity.

Since the Organization is a beneficiary of this stream of income in perpetuity, the Organization's share of the fair market value of the trusts' investments is recorded as an asset, with a fair market value of \$490,186 and \$451,872 at June 30, 2025 and 2024, respectively. Any change in subsequent years in the fair market value of the Organization's shares of the trust investments is recorded in the Statements of Activities as a change in value of perpetual trust interests. (Note 12).

### NOTE 6. ENDOWMENT FUNDS

**Interpretation of Relevant Law:** The Board of Directors have interpreted the California adopted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring a long-term investment strategy designed to preserve the fair value of the original gift, as of the gift date. As a result of this interpretation, the Organization has classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The accumulated earnings portion of the donor-restricted endowment funds is classified as donor restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard for prudence prescribed by UPMIFA.

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

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

**Funds with Deficiencies:** From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. On June 30, 2025, there were no funds with deficiencies.

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

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**NOTE 6. ENDOWMENT FUNDS (CONTINUED)**

**Investment Return Objectives, Risk Parameters, and Strategies:** The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity.

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

**Spending Policy:** The Organization’s investment committee has established a spending rate equal to a target of up to approximately 5% of the endowment’s average three-year portfolio value at the Organization’s fiscal year end.

The Organization’s endowment has been established for a variety of program purposes. Its endowment consists of board designated and donor-restricted endowment funds. As required by GAAP, 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.

**Composition of Endowment Assets:** The endowment fund held the following assets as of June 30:

	<u>2025</u>	<u>2024</u>
Cash held at investment brokers	\$ 168,553	\$ 838,627
Investments	<u>9,917,599</u>	<u>8,761,131</u>
Total assets held in endowment fund	<u>\$ 10,086,152</u>	<u>\$ 9,599,758</u>

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

**NOTE 6. ENDOWMENT FUNDS (CONTINUED)**

Endowment net asset composition by type of fund as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Original Gift	
Board designated endowment funds	\$ 5,252,040	\$ --	\$ --	\$ 5,252,040
Donor restricted endowment funds	--	<u>1,285,699</u>	<u>3,548,413</u>	<u>4,834,112</u>
	<u>\$ 5,252,040</u>	<u>\$ 1,285,699</u>	<u>\$ 3,548,413</u>	<u>\$ 10,086,152</u>

Endowment net asset composition by type of fund as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Original Gift	
Board designated endowment funds	\$ 4,839,184	\$ --	\$ --	\$ 4,839,184
Donor restricted endowment funds	--	<u>1,212,161</u>	<u>3,548,413</u>	<u>4,760,574</u>
	<u>\$ 4,839,184</u>	<u>\$ 1,212,161</u>	<u>\$ 3,548,413</u>	<u>\$ 9,599,758</u>

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

**NOTE 6. ENDOWMENT FUNDS (CONTINUED)**

As of June 30, 2025 and 2024, changes in endowment net assets consist of the following:

June 30, 2025	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Original Gift	
Beginning endowment net assets	\$ 4,839,184	\$ 1,212,161	\$ 3,548,413	\$ 9,599,758
Net investment return	398,639	345,635	--	744,274
Contributions	290,808	--	--	290,808
Appropriation of endowment for expenditure	<u>(276,591)</u>	<u>(272,097)</u>	<u>--</u>	<u>(548,688)</u>
Ending endowment net assets	<u>\$ 5,252,040</u>	<u>\$ 1,285,699</u>	<u>\$ 3,548,413</u>	<u>\$ 10,086,152</u>

  

June 30, 2024	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Original Gift	
Beginning endowment net assets	\$ 4,359,490	\$ 1,149,953	\$ 3,548,413	\$ 9,057,856
Net investment return	367,560	356,030	--	723,590
Contributions	384,763	--	--	384,763
Appropriation of endowment for expenditure	<u>(272,629)</u>	<u>(293,822)</u>	<u>--</u>	<u>(566,451)</u>
Ending endowment net assets	<u>\$ 4,839,184</u>	<u>\$ 1,212,161</u>	<u>\$ 3,548,413</u>	<u>\$ 9,599,758</u>

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

**NOTE 7. INVESTMENTS**

Investments consist of the following:

June 30, 2025	Cost	Fair Value	Excess (Deficit) of Fair Value Over Cost
Cash and cash equivalents	\$ 168,552	\$ 168,552	\$ --
U.S. equities	1,594,220	2,101,889	507,669
International equities	530,341	600,650	70,309
Mutual funds			
International equity	508,288	595,067	86,779
Fixed income U.S.	1,497,115	1,490,948	(6,167)
Exchange traded funds			
U.S. equity	3,377,364	4,022,128	644,764
International equity	368,321	458,799	90,478
Fixed income U.S.	789,275	829,862	40,587
Fixed income			
Corporate	576,368	558,622	(17,746)
Government	418,556	387,693	(30,863)
Alternative investments	<u>637,167</u>	<u>626,335</u>	<u>(10,832)</u>
Totals	<u>\$ 10,465,567</u>	<u>\$ 11,840,545</u>	<u>\$ 1,374,978</u>

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

**NOTE 7. INVESTMENTS (CONTINUED)**

June 30, 2024	<u>Cost</u>	<u>Fair Value</u>	Excess (Deficit) of Fair Value Over Cost
Cash and cash equivalents	\$ 838,627	\$ 838,627	\$ --
U.S. equities	2,612,486	3,389,759	777,273
International equities	424,577	469,623	45,046
Mutual funds			
International equity	530,707	567,269	36,562
Fixed income U.S.	863,601	838,348	(25,253)
Exchange traded funds			
U.S. equity	1,717,792	2,136,257	418,465
International equity	570,470	624,973	54,503
Fixed income U.S.	841,881	861,349	19,468
Fixed income			
Corporate	577,722	541,145	(36,577)
Government	387,492	344,703	(42,789)
Alternative investments	<u>574,067</u>	<u>590,100</u>	<u>16,033</u>
Totals	<u>\$ 9,939,422</u>	<u>\$ 11,202,153</u>	<u>\$ 1,262,731</u>

Investment income for the years ended June 30, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 328,727	\$ 304,670
Net realized gain	662,269	63,596
Net change in unrealized gain	<u>112,247</u>	<u>704,028</u>
	<b>1,103,243</b>	1,072,294
Less investment management fees	<u>(85,557)</u>	<u>(82,175)</u>
	<u>\$ 1,017,686</u>	<u>\$ 990,119</u>

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

**NOTE 8. FAIR VALUE MEASUREMENTS**

The following sets forth by level, within the fair value hierarchy, the Organization's assets and liabilities as of June 30, 2025:

	Fair Value (Level 1)	Fair Value (Level 2)	Fair Value (Level 3)
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,460,921	\$ --	\$ --
Cash for long term use	34,413	--	--
Cash and cash equivalents	168,552	--	--
U.S. equities	2,101,889	--	--
International equities	600,650	--	--
Mutual funds			
International equity	595,067	--	--
Fixed income U.S.	1,490,948	--	--
Exchange traded funds			
U.S. equity	4,022,128	--	--
International equity	458,799	--	--
Fixed income U.S.	829,862	--	--
Fixed income			
Corporate	--	558,622	--
Government	--	387,693	--
Real estate investment trust	--	626,335	--
Assets held in split interest trusts and agreements			
Cash and cash equivalents	12,032	--	--
U.S. equity	276,698	--	--
Real asset fund	12,060	--	--
Corporate fixed income	--	62,428	--
Life insurance cash value	--	--	95,157
Interest in perpetual trusts			
Cash and cash equivalents	14,726	--	--
U.S. equity	337,073	--	--
Real asset fund	13,463	--	--
Corporate fixed income	--	124,924	--
Assets held in deferred compensation plan	151,822	--	--
<b>TOTAL ASSETS</b>	<b>\$ 13,581,103</b>	<b>\$ 1,760,002</b>	<b>\$ 95,157</b>
<b>LIABILITIES</b>			
Split interest trusts			
Trustee	\$ --	\$ 109,128	\$ --
Non-trustee	--	22,489	--
<b>TOTAL LIABILITIES</b>	<b>\$ --</b>	<b>\$ 131,617</b>	<b>\$ --</b>

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

**NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)**

The following sets forth by level, within the fair value hierarchy, the Organization's assets and liabilities as of June 30, 2024:

	Fair Value (Level 1)	Fair Value (Level 2)	Fair Value (Level 3)
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,971,839	\$ --	\$ --
Cash for long term use	34,413	--	--
Cash and cash equivalents	838,627	--	--
U.S. equities	3,389,758	--	--
International equities	469,623	--	--
Mutual funds			
International equity	567,269	--	--
Fixed income U.S.	838,348	--	--
Exchange traded funds			
U.S. equity	2,136,257	--	--
International equity	624,973	--	--
Fixed income U.S.	861,349	--	--
Fixed income			
Corporate	--	541,145	--
Government	--	344,703	--
Real estate investment trust	--	590,100	--
Assets held in split interest trusts and agreements			
Cash and cash equivalents	15,758	--	--
U.S. equity	406,444	--	--
Real asset fund	11,256	--	--
Corporate fixed income	--	143,168	--
Life insurance cash value	--	--	93,851
Interest in perpetual trusts			
Cash and cash equivalents	15,489	--	--
U.S. equity	256,755	--	--
Real asset fund	18,044	--	--
Corporate fixed income	--	161,584	--
Assets held in deferred compensation plan	<u>116,331</u>	<u>--</u>	<u>--</u>
<b>TOTAL ASSETS</b>	<u>\$ 12,572,533</u>	<u>\$ 1,780,700</u>	<u>\$ 93,851</u>
<b>LIABILITIES</b>			
Split interest trusts			
Trustee	\$ --	\$ 103,367	\$ --
Non-trustee	<u>--</u>	<u>183,866</u>	<u>--</u>
<b>TOTAL LIABILITIES</b>	<u>\$ --</u>	<u>\$ 287,233</u>	<u>\$ --</u>

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

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**NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)**

**Level 3 Activity:** The tables below sets forth a summary of changes in the fair value of the Organization’s Level 3 assets:

Life insurance cash value in split interest trusts and agreements for the year ended June 30, 2025:

Balance, beginning of year	\$ 93,851
Increase in cash surrender value	<u>1,306</u>
Total life insurance cash value	<u>\$ 95,157</u>

Life insurance cash value in split interest trusts and agreements for the year ended June 30, 2024:

Balance, beginning of year	\$ 93,237
Increase in cash surrender value	<u>614</u>
Total life insurance cash value	<u>\$ 93,851</u>

**NOTE 9. RETIREMENT PLAN**

The Organization has both a 403(b) plan and a qualified employer defined contribution retirement plans for its employees. Eligibility is as follows:

**403(b) Plan:** All eligible employees may participate and make salary deductions. There is no minimum age or service requirement for participant contributions, however, to receive the employer match, employees must be at least 21 years of age and complete at least one year of service. One year of service, for purposes of the Plan, is credited at the end of the participants first twelve months of service in which they satisfy at least 700 hours of service from their hire date until their anniversary date.

The Organization makes a matching contribution on the participant’s behalf equal to 50% of their salary deduction amount, not to exceed 9% of compensation for the year.

**Defined Contribution Plan:** All eligible employees may participate. The age requirement is 21 years of age and participants must complete one year of service. One year of service, for purposes of the Plan, is credited at the end of the participants first twelve months of service in which they satisfy at least 700 hours of service from their hire date until their anniversary date.

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

**NOTE 9. RETIREMENT PLAN (CONTINUED)**

The Organization makes a contribution on the participants behalf based on service as follows

<b>Years of service</b>	<b>Percentage of compensation</b>
Less than 30 completed years of service	8%
30 completed years of service or more	15%

The Organization has a non-qualified 457(b) Eligible Deferred Compensation Plan. Three employees have participated in this plan since its establishment in 2002; two have retired as of June 30, 2018. As of June 30, 2025, there is one participant in the plan.

Retirement plan expense for the year ended June 30, 2025 and 2024 was \$141,423 and \$154,783, respectively.

**NOTE 10. DESIGNATED NET ASSETS**

Designated net assets consist of assets that have been designated by the board of directors for use either for a specific purpose or time period. At June 30, 2025 and 2024, designated net assets consist of the following:

	<u>2025</u>	<u>2024</u>
Strategic reserve	\$ 34,413	\$ 34,396
Capital needs reserve	<u>47,598</u>	<u>47,744</u>
<b>Total designated net assets non-endowment</b>	<b>82,011</b>	82,140
Designated net assets endowment	<u>5,252,040</u>	<u>4,839,184</u>
<b>Total board designated net assets</b>	<b><u>\$ 5,334,051</u></b>	<b><u>\$ 4,921,324</u></b>

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

**NOTE 11. DONOR RESTRICTED NET ASSETS**

Donor restricted net assets consist of assets subject to donor restrictions for use in future periods and for variety of programs. The income from endowment and perpetual trust assets can be used to support the Organization's various programs and general operations. At June 30, 2025 and 2024, donor restricted net assets were restricted for the following:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose		
Fun in the sun	\$ 909,878	\$ 608,468
Literacy programs	800,900	646,193
Individual disaster program and resiliency grants	545,012	677,003
Financial empowerment	84,797	40,175
Brighter futures	<u>126,438</u>	<u>--</u>
	<u>2,467,025</u>	<u>1,971,839</u>
Restricted for time		
Pledges and government grants receivable, net	301,087	345,106
Assets held in split interest trusts, net	<u>326,758</u>	<u>383,244</u>
	<u>627,845</u>	<u>728,350</u>
Endowment		
Various programs subject to endowment spending policy	1,285,699	1,212,161
Designated net assets endowment	<u>3,548,413</u>	<u>3,548,413</u>
	<u>4,834,112</u>	<u>4,760,574</u>
Interest in perpetual trusts	<u>490,186</u>	<u>451,872</u>
	<u>\$ 8,419,168</u>	<u>\$ 7,912,635</u>

**United Way of Santa Barbara County, Inc.**

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for the Year 2024)

**NOTE 12. REVISION OF PRIOR PERIOD ERROR**

During the year ended June 30, 2025, the Organization identified an error in its previously issued financial statements related to the overstatement of the value of assets held in perpetual trusts. Specifically, the Organizations percentage interest in a perpetual trust had been overstated.

The Organization has corrected these errors by revising the prior period financial statements. The effect of the revision on the June 30, 2024 financial statements is summarized as follows:

<b>Accounts Revised</b>	<b>Before Adjustment</b>	<b>Adjustment</b>	<b>Revised</b>
Perpetual trust interest	\$ 702,583	\$ (250,711)	\$ 451,872
Net assets, beginning of the year	\$ 15,419,037	\$ (250,711)	\$ 15,168,326
Net assets, end of year	\$ 15,987,490	\$ (250,711)	\$ 15,736,779

Management has evaluated the impact of these corrections and concluded that they are not material to the previously issued financial statements. As such, an amendment to the prior year financial statements is not considered necessary.