

**UNITED WAY CALIFORNIA  
CAPITAL REGION**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED  
JUNE 30, 2025**

# UNITED WAY CALIFORNIA CAPITAL REGION

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## **INDEPENDENT AUDITOR’S REPORT**

**Board of Directors  
United Way California Capital Region  
Sacramento, California**

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

#### ***Opinion***

We have audited the accompanying financial statements of United Way California Capital Region (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization 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 and the standards applicable to financial audits contained in *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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2026, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Gilbert CPAs

GILBERT CPAs  
Sacramento, California

March 16, 2026

# UNITED WAY CALIFORNIA CAPITAL REGION

## STATEMENT OF FINANCIAL POSITION JUNE 30, 2025

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### ASSETS

#### CURRENT ASSETS:

Cash and cash equivalents	\$ 1,405,520
Campaign pledges receivable, net of allowance for uncollectible pledges of \$448,597	1,999,522
Accounts receivable	836,155
Grants receivable	1,046,196
Prepaid expenses	<u>12,180</u>
Total current assets	5,299,573

#### NONCURRENT ASSETS:

Investments	19,955,446
Property and equipment, net	<u>1,611,166</u>

**TOTAL ASSETS** \$ 26,866,185

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES:

Designation distributions payable to agencies	\$ 2,253,903
Accounts payable	567,926
Accrued expenses	338,522
Refundable advances	<u>619,000</u>

**TOTAL LIABILITIES** 3,779,351

#### NET ASSETS:

Without donor restrictions	21,457,886
With donor restrictions	<u>1,628,948</u>
Total net assets	<u>23,086,834</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 26,866,185

# UNITED WAY CALIFORNIA CAPITAL REGION

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2025

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES:</b>			
Campaign results	\$ 4,909,092	\$ 313,708	\$ 5,222,800
Campaign fees and expense reimbursement	591,522		591,522
Third party processors	635,715		635,715
Total campaign results	6,136,329	313,708	6,450,037
Less provision for uncollectible pledges	(116,223)		(116,223)
Less funds designated to agencies by donors	(4,790,380)		(4,790,380)
Net campaign contributions designated to			
Community Impact Fund	1,229,726	313,708	1,543,434
Grants and contributions	3,377,532	416,411	3,793,943
Federal grants	1,738,017		1,738,017
Investment income	2,046,649		2,046,649
Program fee revenue	1,633,466		1,633,466
Other revenue	297,589		297,589
Net assets released from restrictions	955,685	(955,685)	
Total revenues	<u>11,278,664</u>	<u>(225,566)</u>	<u>11,053,098</u>
<b>EXPENSES:</b>			
Agency and community support:			
Cash contributions and other community support	5,825,588		5,825,588
Federally funded programs	1,738,017		1,738,017
Supporting services:			
Management and general	2,253,712		2,253,712
Campaign	1,207,759		1,207,759
Marketing and communications	688,038		688,038
Total expenses	<u>11,713,114</u>		<u>11,713,114</u>
<b>CHANGE IN NET ASSETS</b>	(434,450)	(225,566)	(660,016)
<b>NET ASSETS, Beginning of Year</b>	<u>21,892,336</u>	<u>1,854,514</u>	<u>23,746,850</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 21,457,886</u>	<u>\$ 1,628,948</u>	<u>\$ 23,086,834</u>

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

## UNITED WAY CALIFORNIA CAPITAL REGION

### STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2025

	<u>Program Services</u>		<u>Supporting Services</u>			<u>Total</u>
	<u>Agency &amp; Community Support</u>	<u>Federally Funded Programs</u>	<u>Mgmt. &amp; General</u>	<u>Campaign</u>	<u>Mktg. &amp; Comm.</u>	
Salaries, benefits, and payroll taxes	\$ 2,629,223	\$ 757,274	\$ 1,348,884	\$ 874,367	\$ 445,891	\$ 6,055,639
Program distribution, materials, and administration	2,885,677	934,388	5,723	752	678	3,827,218
Professional services	35,828	39,357	254,205	53,671		383,061
Technology and equipment rental and maintenance	40,960	954	97,105	17,746	195,440	352,205
Travel, transportation, and training	20,883	2,306	22,998	199,623	7,195	253,005
Facilities and rent	121,076		35,863		679	157,618
Depreciation	49,856		79,308			129,164
Printing and other materials	1,764	137	25,391	47,801	6,389	81,482
Dues and subscriptions			68,104	1,877	870	70,851
Meetings and events	6,761		40,210	6,994	11,746	65,711
Telecommunications	25,338	3,319	13,043	3,527	6,102	51,329
Business insurance			42,306			42,306
Other supplies	4,370	282	30,583	1,401	648	37,284
Miscellaneous	3,852		189,989		12,400	206,241
<b>Total expenses</b>	<b><u>\$ 5,825,588</u></b>	<b><u>\$ 1,738,017</u></b>	<b><u>\$ 2,253,712</u></b>	<b><u>\$ 1,207,759</u></b>	<b><u>\$ 688,038</u></b>	<b><u>\$ 11,713,114</u></b>

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

# UNITED WAY CALIFORNIA CAPITAL REGION

## STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2025

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### CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (660,016)
Reconciliation to net cash used by operating activities:	
Net gain on investments	(1,696,444)
Depreciation	129,164
Changes in:	
Campaign pledges receivable, net	584,690
Accounts receivable	(624,163)
Grants receivable	724,506
Employee Retention Tax Credit receivable	221,030
Prepaid expenses	31,882
Designation distributions payable to agencies	(150,901)
Accounts payable	52,913
Accrued expenses	141,505
Refundable advances	619,000
Net cash used by operating activities	<u>(626,834)</u>

### CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(8,103,343)
Proceeds from sale of investments	9,240,801
Purchases of property and equipment	<u>(8,359)</u>
Net cash provided by investing activities	<u>1,129,099</u>

**NET CHANGE IN CASH AND CASH EQUIVALENTS** 502,265

**CASH AND CASH EQUIVALENTS, Beginning of Year** 903,255

**CASH AND CASH EQUIVALENTS, End of Year** \$ 1,405,520

# UNITED WAY CALIFORNIA CAPITAL REGION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

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### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

For more than 100 years, United Way California Capital Region (“United Way” or the “Organization”) has brought together nonprofits, businesses, donors, volunteers, community leaders, and more to meet the community’s greatest needs, give immediate aid and find lasting solutions for future generations. United Way mobilizes members of the community to be first responders in repairing the education level, financial stability and health of everyone in Amador, El Dorado, Placer, Sacramento, and Yolo counties through donation and volunteer opportunities. United Way raises funds throughout the year in workplace campaigns and also receives support from individual donors. Most contributions are received in the form of pledges scheduled to be fulfilled through payroll deductions over the subsequent calendar year.

United Way also has programs funded by grants from various governmental agencies and not-for-profit organizations.

**Basis of accounting and financial statement presentation** – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. The Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

**Revenue recognition** – Contributions, pledges and bequests are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as increases in net assets with donor restrictions. Net assets with donor restrictions become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose.

The Organization receives certain government and foundation grant revenue which is derived from cost-reimbursable contracts and grants, and are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received in advance of incurrence of qualifying expenditures are recorded as refundable advances. Outstanding conditional grants subject to such requirements were \$6,231,144 as of June 30, 2025, and will be recognized as revenue as the conditions are met.

Contributions designated by donors for specific agencies are reported as a deduction from gross campaign results in calculating net contribution revenue. Designations not yet distributed are recorded as a current liability.

In-kind donations are recognized as revenue when received and are likewise included as an offsetting expense or asset.

# UNITED WAY CALIFORNIA CAPITAL REGION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

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Revenue from contracts with customers consist of campaign fees, expense reimbursement revenue and program fees. Campaign fees and expense reimbursement revenue are recognized as the related campaign contributions and pledges are recognized. Program fees are recognized as services are provided. At June 30, 2025 and 2024, accounts receivable from contracts with customers totaled \$836,155 and \$211,992, respectively.

**Cash and cash equivalents** – For financial statement purposes, the Organization considers all investments with a maturity at purchase of three months or less to be cash equivalents, unless held for long-term purposes.

The Organization minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. As of June 30, 2025, the balance held in excess of federally insured limits totaled \$1,037,311. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related to cash.

**Investments** are stated at fair value and are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

**Campaign pledges receivable** are stated at the amount management expects to collect from outstanding pledges. Collection of these amounts is not assured, and management has recorded an allowance for uncollectible pledges based on its estimate. A reasonable possibility exists that amounts ultimately uncollectible may differ materially from the amounts estimated. However, the difference cannot be reasonably determined.

**Accounts receivable** are reported at the amount that the Organization expects to collect on balances outstanding at year-end. Based on management's assessment of receivables having outstanding balances and past history, it has concluded that losses on balances outstanding are unlikely; therefore, no allowance for credit losses is deemed necessary at June 30, 2025.

**Property and equipment** are stated at cost or, if donated, at estimated fair value on the date of donation. Assets are depreciated using the straight-line method over estimated useful lives of 2 to 30 years.

**Income taxes** – The Organization is exempt from income taxes under Section 501(c)(3) and the Internal Revenue Code. The Organization has applied the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements. With some exceptions, the Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2021.

**Functional allocation of expenses** – The costs of providing the Organization's activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy, depreciation, salaries, and other administrative costs. These costs are allocated based on weighted averages of the proportions of employees' time incurred.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

# UNITED WAY CALIFORNIA CAPITAL REGION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

**Fair value measurements** – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 Inputs	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2 Inputs	Inputs other than quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs	Unobservable inputs for the asset or liability.

**Subsequent events** – have been evaluated for recognition and disclosure through March 16, 2026, the date which these financial statements were available to be issued. Management concluded there are no additional material subsequent events which have occurred since June 30, 2025 that require recognition or disclosure in the financial statements.

## 2. CHANGE IN REPORTING ENTITY

Sacramento Foundation, d.b.a. Capital Region Foundation, (Foundation) was a California nonprofit public benefit corporation engaged in the business of developing resources, funding and community support for the benefit of United Way. United Way’s financial statements for the year ended June 30, 2024 were reported on a consolidated basis with the Foundation.

Effective June 2, 2025, the Foundation was dissolved and its net assets were transferred to United Way which consisted of the following:

Investments	\$ 13,476,229
Prepaid expenses	8,219
Property & equipment, net	<u>1,146,156</u>
Total assets	<u>14,630,604</u>
Net assets transferred to United Way	<u>\$ 14,630,604</u>

The change in reporting entity has been applied retrospectively as of July 1, 2024 and the Foundation’s net assets and results of operations from July 1, 2024 through its dissolution are included with United Way’s for the year ended June 30, 2025. The donor restricted net assets held by the Foundation were comprised solely of previous donations made by United Way to the Foundation to be used for the operations of United Way. The change in reporting entity resulted in the reclassification of \$11,031,470 of net assets with donor restrictions as of June 30, 2024 to net assets without donor restrictions.

# UNITED WAY CALIFORNIA CAPITAL REGION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

### 3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available for general expenditure within one year of the statement of financial position, are as follows:

Cash and cash equivalents	\$ 1,405,520
Pledges receivable, net	1,999,522
Accounts receivable	836,155
Grants receivable	1,046,196
Investments	<u>19,955,446</u>
Total financial assets	25,242,839
Less amounts unavailable for general expenditures within one year, due to:	
Designation distributions payable to agencies	(2,253,903)
Refundable advances	(619,000)
Restricted by donor for purpose (see Note 6)	<u>(1,628,948)</u>
Total financial assets available for general expenditure within one year	<u>\$ 20,740,988</u>

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. Occasionally, the Board may designate a portion of any operating surplus to its liquidity reserve. Although the Organization's intent is to hold investments for long-term purposes, the investments could be made available to meet current cash flow needs if necessary.

### 4. INVESTMENTS

Investments consist of the following as of June 30, 2025:

Cash and cash equivalents	\$ 1,364,101
Money market mutual funds	1,633,273
Fixed income mutual funds	5,376,683
Equity mutual funds:	
Large cap	6,641,008
Developed international	1,768,466
Mid cap	1,236,257
Emerging markets	1,039,468
Small cap	594,811
Real estate investment trusts	<u>301,379</u>
Total	<u>\$ 19,955,446</u>

# UNITED WAY CALIFORNIA CAPITAL REGION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

### 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2025:

Land	\$ 235,000
Building and improvements	2,148,248
Equipment, furniture, and fixtures	243,519
Software under license	<u>68,344</u>
Total	2,695,111
Less accumulated depreciation	<u>(1,083,945)</u>
Property and equipment, net	<u>\$ 1,611,166</u>

### 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2025:

Helping Kids Excel in School	\$ 928,054
Youth Opportunity	242,281
Community Resiliency	240,643
Investing in Families	156,937
Women's United	52,812
Financial Security	5,941
Healthy Community	2,180
Young Leaders Society	<u>100</u>
Total	<u>\$ 1,628,948</u>

On July 23, 2025, the Organization's Board of Directors approved the creation of an operating reserve totaling \$4,000,000, representing 3 months of expenses, and a board-designated endowment totaling \$12,000,000. The endowment will have annual distributions ranging from 0% to 7% of the three-year rolling average market value of the portfolio, subject to approval in the annual budgeting process.

### 7. EMPLOYEE BENEFIT PLAN

The Organization sponsors a defined contribution pension plan, under Internal Revenue Code Section 403(b), covering substantially all employees age 21 and over who have completed at least one year of service. The Organization makes monthly contributions equal to 5% of each employee's compensation. Such contributions vest over a five-year period and totaled \$184,772 for the year ended June 30, 2025.

## **SUPPLEMENTARY INFORMATION**

**UNITED WAY CALIFORNIA CAPITAL REGION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

	<b><u>Assistance Listing Number</u></b>	<b><u>Pass Through Identifying Number</u></b>	<b><u>Total Federal Expenditures</u></b>
<b>U.S. Department of Treasury:</b>			
Passed through County of Sacramento:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds:			
Guaranteed Income Program Expansion	21.027	DHA-ARPA-03-24	\$ 540,373
Academic Supports and School Readiness	21.027	7805000-23/25-703	174,008
Students and Teachers Achieving Reading Success	21.027	DHA-ARPA-UW-02-24	<u>119,228</u>
 Total Coronavirus State and Local Fiscal Recovery Funds	 21.027		 833,609
 Volunteer Income Tax Assistance	 21.009	 N/A	 <u>240,283</u>
 <b>Total U.S. Department of Treasury</b>			 <u>1,073,892</u>
 <b>U.S. Department of Education:</b>			
Passed through Washington Unified School District:			
Full-Service Community Schools Program	84.215J	S215J220203-23	<u>580,851</u>
 <b>U.S. Department of Commerce:</b>			
Connecting Minority Communities Pilot Program	11.028	N/A	<u>83,274</u>
 <b>Total Expenditures of Federal Awards</b>			 <u>\$ 1,738,017</u>

# UNITED WAY CALIFORNIA CAPITAL REGION

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2025

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### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards of United Way California Capital Region (the Organization) is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### 2. INDIRECT COST RATE

The Organization elected not to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance (April 2024 revision) or the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance (October 2023 revision).

**INDEPENDENT AUDITOR’S REPORT 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***

**Board of Directors  
United Way California Capital Region  
Sacramento, California**

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 California Capital Region (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (the financial statements), and have issued our report thereon dated March 16, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organizations 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 the Organization'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gilbert CPAs

**GILBERT CPAs**  
**Sacramento, California**

**March 16, 2026**

## **INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**Board of Directors  
United Way California Capital Region  
Sacramento, California**

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the United Way California Capital Region’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 each of the Organization’s major federal programs for the year ended June 30, 2025. The Organization’s major federal programs are 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 each 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 generally accepted auditing standards, *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 each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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.

*Gilbert CPAs*

**GILBERT CPAs**  
**Sacramento, California**

**March 16, 2026**

# UNITED WAY CALIFORNIA CAPITAL REGION

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2025

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### SECTION I - SUMMARY OF AUDITOR'S RESULTS

#### **Financial Statements**

Type of auditor's report issued on whether the financial statements 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 programs:

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

Type of auditor's report issued: Unmodified

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027

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

Auditee qualified as low-risk auditee?  Yes  No

# UNITED WAY CALIFORNIA CAPITAL REGION

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2025

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### **SECTION II – FINANCIAL STATEMENT FINDINGS**

None noted.

### **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

### **SECTION IV – STATUS OF PRIOR YEAR AUDIT FINDINGS**

None noted.