

United Way of Whatcom County
Finance Committee
October 17, 2024 – 3:30 pm
Video Conference Call Meeting

Agenda

1. Welcome
2. Review Previous Meeting Minutes
3. FY2024 Audit Report Presentation
4. WaFd CD
5. Skyline Advisors Quarterly Newsletter
6. Other Business

Attachments:

- Previous Meeting Minutes
- FY2024 Audit Report – Posted separately
- Skyline Advisors Q3 2024 Newsletter

United Way of Whatcom County
Finance Committee Meeting
Video Conference Call
September 19, 2024 – 3:30 PM

DRAFT – Meeting Minutes

Committee Attendees: Natalie Boatman, Heather Dyer, Doug Montgomery, Jason Sears (Chair)
Staff/Other Attendees: Kristi Birkeland (President/CEO), Mike Weinstein
Did Not Attend: None

1. Welcome

Jason Sears, Board Chair, welcomed everyone and called the meeting to order at 3:42 PM.

2. Review Previous Meeting Minutes

Sears asked all present to review the minutes from the August 15, 2024 meeting.

MSA: Dyer/Boatman: Approve August 2024 minutes as presented. Motion Passed.

3. Review May 2024 Financial Summary

Financial Highlights

United Way of Whatcom County (UWWC) continues FY24 in a stable financial position with net assets of \$2.722M and a cash balance of \$575K. Additionally, the organization achieved a strong liquidity position with current assets to current liabilities ratio of 46.85, an indicator that there are adequate cash reserves to meet the organization's short-term obligations.

- For the eleven months ended May 31, 2024, UWWC ended with a change in net assets of \$177K. This is favorable to the budget by \$141K. Expenses are under budget by \$39K and revenue is better than budget by \$101K.
- Cash & cash equivalent as of May 31, 2024 totaled \$575K, which represents funding for approximately 5.48 months of average expenses. This is within the recommended 3 - 6 months of funding.

Updates

- The 2024 fiscal year-end audit will begin soon. UWWC has engaged a new audit firm. YPTC will begin uploading requested documents to the audit portal in the upcoming weeks.

4. Review July 2024 Financial Summary

Financial Highlights

United Way of Whatcom County (UWWC) continues FY25 in a stable financial position with net assets of \$2.472M and a cash balance of \$508K. Additionally, the organization achieved a strong liquidity position with current assets to current liabilities ratio of 35.07, an indicator that there are adequate cash reserves to meet the organization's short-term obligations.

- For the one month ended July 31, 2024, UWWC ended with a change in net assets of -\$14K. This is unfavorable to the budget by \$59K. Expenses are under budget by \$10K and revenue is under budget by \$69K.
- Cash & cash equivalent as of July 31, 2024 totaled \$508K, which represents funding for approximately 8.29 months of average expenses. This is above the recommended 3 - 6 months of funding. This liquidity ensures you have sufficient funds to cover monthly expenses and invest in future opportunities.

Updates

- The 2024 fiscal year-end audit is underway with new auditors.

5. Review August 2024 Financial Summary

Financial Highlights

United Way of Whatcom County (UWWC) continues FY25 in a stable financial position with net assets of \$2.274M and a cash balance of \$303K. Additionally, the organization achieved a strong liquidity position with current assets to current liabilities ratio of 46.03, an indicator that there are adequate cash reserves to meet the organization's short-term obligations.

- For the two months ended August 31, 2024, UWWC ended with a change in net assets of -\$212K. This is unfavorable to the budget by \$143K. Expenses are under budget by \$10K and revenue is under budget by \$154K.
- Cash & cash equivalent as of August 31, 2024 totaled \$303K, which represents funding for approximately 2.07 months of average expenses. This is below the recommended 3 - 6 months of funding.

Updates

- The 2024 fiscal year-end audit is underway with new auditors and is expected to be completed in October.

The Committee noted under the Budget Variances section on the first pages of the July 2024 and August 2024 Financial Summaries should be "Year-to-Date Revenue Under Budget" not "Year-to-Date Revenue Exceeds Budget".

MSA: Montgomery/Boatman: Accept May 2024, July 2024, and August 2024 Financial Summaries as presented with noted changes into the record. Motion Passed.

6. FY2024 Audit and 990 Update

A draft of FY2024 audit report has been presented to Kristi Birkeland for review. The audit firm, Greenwood Ohlund, has been scheduled to join the October 2024 committee meeting to present the final audit report. Greenwood's process is to complete the Form 990 separately and Birkeland continues to work with the audit firm to prepare the document for filing.

7. Finance and Operations Policies Review

As a follow up to the discussion regarding the payment approval process introduced during the August 2024 meeting, UWWC staff presented the Finance and Operating Policies document included in the meeting packet. The document reflects the current procedures and a recommended threshold of \$2,500.00 when two board members will be involved to approve a payment.

MSA: Boatman/Sears: Support the changes to the Finance and Operating Policy as presented. Motion Passed.

The policy will be included in the October 2024 Consent Agenda for disclosure to the board.

8. Skyline Advisors Quarterly Newsletter

In the interest of time, committee members were encouraged to direct any questions regarding the Skyline 2nd Quarter 2024 Newsletter regarding the performance of UWWC's investment portfolio included in the meeting packet to the Committee Chair for follow up. The 3rd Quarter Newsletter should be available soon.

9. Other Business

No other business was presented for discussion.

The next meeting will be on October 17, 2024, at 3:30 PM.

The meeting adjourned at 4:15 PM.

3rd Qtr 2024 Newsletter

“An educated, enlightened, and informed population is one of the surest ways of promoting the health of a democracy.”

-Nelson Mandela

Index Performance Monitor					
Asset Category	Index	YTD	1 Year	3 Year	5 Year
US Stocks	S&P 500	22.1%	36.4%	11.9%	16.0%
International Stocks	MSCI EAFE	13.0%	24.8%	5.5%	8.2%
US Bonds	Bloomberg US Agg Bond	4.5%	11.6%	-1.4%	0.3%

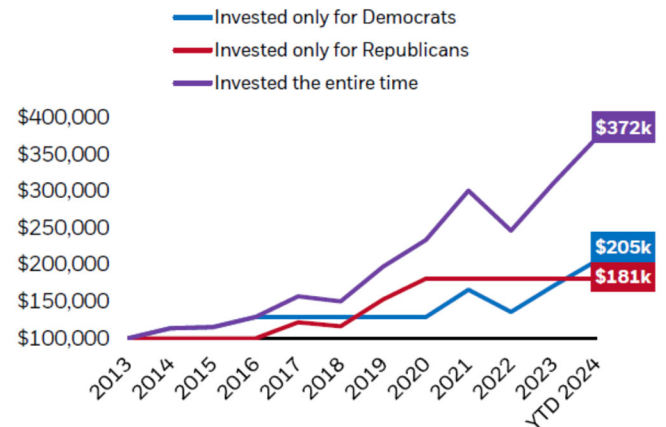
Source is Morningstar as of 9/30/2024. These indices are unmanaged and gross of all fees and include reinvested dividends. Your individual performance is not represented by these indices. Performance greater than 1 year is annualized.

This year has been a great example of the power of buying and holding through tumultuous headlines. Stocks and bonds have both performed extremely well despite two wars and our contentious upcoming election. Interest rates are finally coming down and the economy remains healthy. Consumers continue to buy stuff and the unemployment rate remains near all-time lows. The Federal Reserve may be able to pull off a “soft landing” and avoid a recession after all.

The stock market rally has broadened out with seemingly boring Utilities being the best performing sector, but technology stocks are still up substantially. After several bad years, bonds are also rebounding and are now broadly outperforming the popular money market funds. Our election in November looms large, but remember to “keep politics out of your portfolio”. As shown in the chart to the right the best strategy has been to stay invested regardless of which party holds the presidential office.

Growth of \$100k invested over the last 10 years, depending on which party held the presidency

S&P 500 during given time periods, 1/1/2013 – 8/31/2024



Source: Morningstar as of 8/31/24. Stock market represented by the S&P 500 Index from 1/1/13 to 8/31/24. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

Welcome our new Team Member

Thomas Liddell

Thomas is our new Associate Advisor who comes to us with a decade of experience at Wells Fargo, bringing extensive financial planning knowledge and expertise.

He and his wife Haley moved here from Portland, Oregon and are looking forward to exploring the PNW, snowboarding, hiking, and finding the best restaurants in Whatcom County.

We are very happy to welcome Thomas as part of our Team.

Thomas Liddell thomas@myskylineadvisor.com



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Financial Report

For the Period: 1/1/2024 to 9/30/2024

405 32nd. St., Ste 201
 Bellingham, WA 98225

Your Advisor:

Mark Wallace CFP AIF CRPC
 markw@miskylineadvisor.com (360) 671-1621

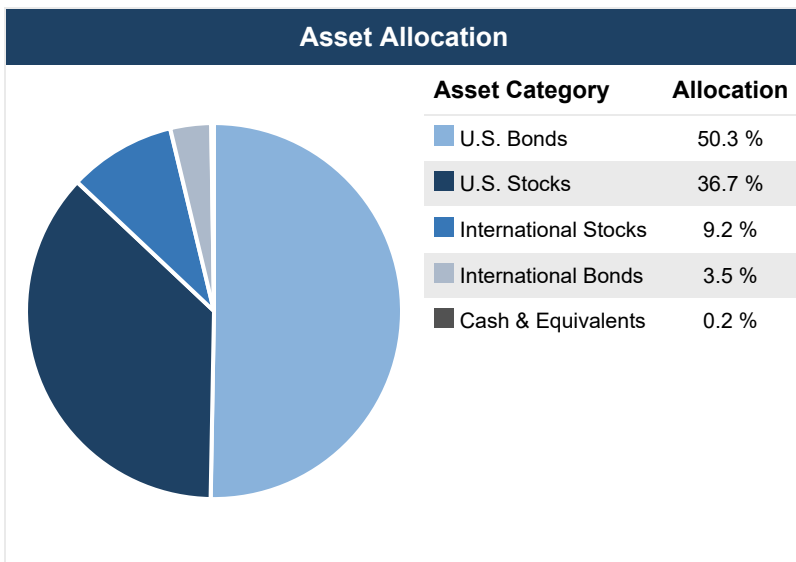
United Way of Whatcom County	
Primary Phone:	(360) 733-8670
Primary Email:	kristi@unitedwaywhatcom.org

Of Note:

We highly recommend you sign up for Schwab Alliance, which gives you access to your account information virtually anytime, anywhere, but perhaps most importantly, allows you to eAuthorize many service items for your accounts without the need to print, physically sign, and mail back forms. Contact our office and we will send you an invite.

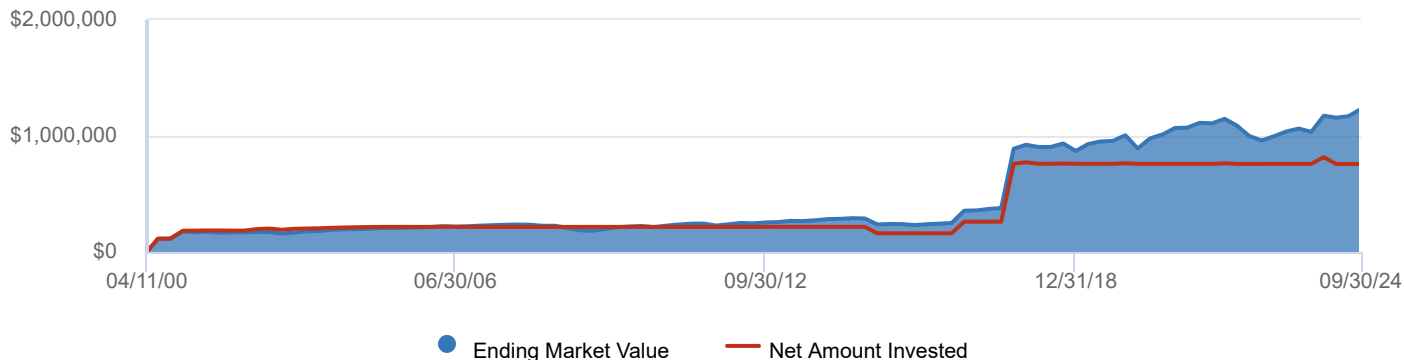
Account Value	
Value as of 9/30/2024:	<u>\$1,232,162.45</u>
End of Last Quarter	\$1,156,933.40
1 Year Ago	\$1,034,466.11
3 Years Ago	\$1,108,380.63
5 Years Ago	\$956,899.26
10 Years Ago	\$288,055.47

Performance Summary	
Time Period	Rate of Return
YTD	10.61 %
Rolling 1-Year	19.29 %
Rolling 3-Year	3.68 %
Rolling 5-Year	5.21 %
Rolling 10-Year	5.09 %
Inception	3.06 %



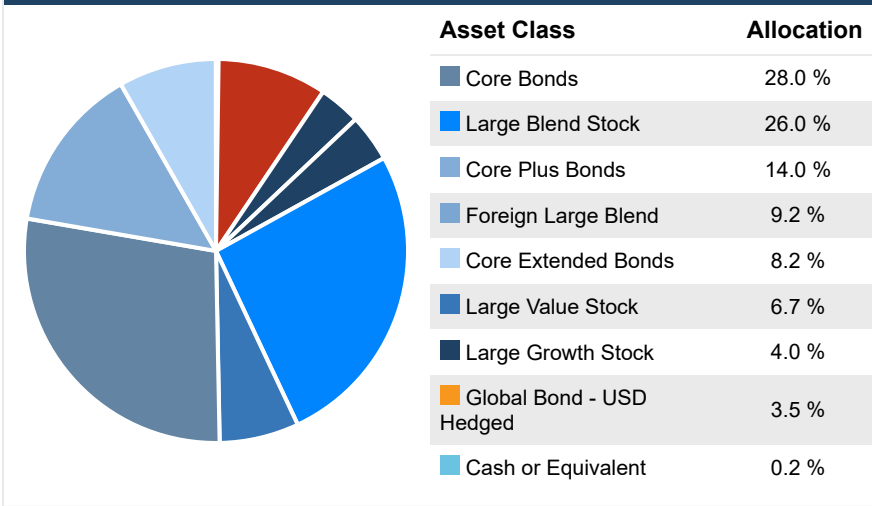
Activity Summary		
	1/1/2024 to 9/30/2024	Since Inception 4/11/2000
Beginning Market Value	\$1,174,202.53	\$85.00
Contributions	\$0.00	\$829,304.83
Distributions	-\$59,638.68	-\$587,935.33
Dividend and Interest	\$25,932.30	\$269,127.59
Transfer In/Out	\$0.00	\$515,914.52
Market Value Increase/Decrease	\$91,649.41	\$124,969.99
Ending Market Value	\$1,232,162.45	\$1,232,162.45

Household Value Comparison to your Net Amount Invested (net of contributions and withdrawals/fees)



Asset Class Detail

Current Top Holdings



Top 10 Holdings	Allocation
iShares Core US Aggregate Bond ETF	18.1 %
Vanguard Total Stock Market	11.5 %
American Bond Fund of America F3	9.9 %
iShares MSCI USA Quality Factor ETF	9.7 %
JPMorgan Ultra-Short Income ETF	9.1 %
Schwab US Dividend Equity	6.7 %
PIMCO Income Fund Instl	6.6 %
iShares Core MSCI Total International Stock ETF	6.1 %
Schwab US TIPS	4.9 %
Vanguard ESG US Stock	4.8 %

Your Accounts

Account Name	Account Type	Account Number	Account Label	1-Year Return	3-Year Return	5-Year Return	Estimated Annual Income	Account Value
United Way Of Whatcom County	Corporation	xxxx1936	Charles Schwab	19.2 %	3.7 %	5.2 %	\$21,595.97	\$687,380.62
United Way Of Whatcom County	Endowment	xxxx5487	Charles Schwab	19.5 %	3.8 %	5.2 %	\$10,297.03	\$327,511.95
United Way Of Whatcom County	Foundation	xxxx5489	Charles Schwab	19.2 %	3.6 %	5.2 %	\$6,831.56	\$217,269.88
Total:				19.3 %	3.7 %	5.2 %	\$38,724.56	\$1,232,162.45

Advisory Fee Detail for the period 10/1/2024 - 12/31/2024

Account Name	Account Number	Billing Fee Type	Billed Market Value	Advisory Fee
United Way Of Whatcom County-Foundation	XXXX5489	Tiered	\$217,269.88	<u>\$295.24</u>
United Way Of Whatcom County-Endowment	XXXX5487	Tiered	\$327,511.95	<u>\$445.03</u>

Account Name	Account Number	Billing Fee Type	Billed Market Value	Advisory Fee
United Way Of Whatcom County-Corporation	XXXX1936	Tiered	\$687,380.62	<u>\$934.03</u>
Cash Flows + Account Value Billable Amount:			\$1,232,162.45	
Billing Fee Schedule(s)				
\$0.00 to \$200,000.00 at 0.75 %			Total Advisory Fee	<u>\$1,674.30</u>
\$200,000.00 to \$999,999,999.00 at 0.50 %				

Advisory Fee Disclosure

Skyline Advisors uses a third party software provider to calculate your advisory fee detail. We spot check these for accuracy. You should also verify the accuracy of your advisory fee and notify us of any errors or questions. The account custodian does not verify the accuracy of your fee, but with your permission, does grant us the power to debit your account(s) this advisory fee. Advisory fees are billed in advance and are deducted quarterly. Adjustments may be included for interim cash flows from the prior quarter as of the date shown. Cash Flows + Account Value Billable Amount is the value of the "billable assets" and could be less than the total account value as certain assets and/or accounts may be excluded from billing. If there are interim cash flows, it will include the value of those cash flows in the Total, in which case the billable amount be the value of your accounts as of the end of the quarter plus the value of the interim cash flows. The Billing Fee Schedule shows the fee schedule(s) that apply to your accounts. Total Balance Due may be zero if your advisory fee has already been paid. The Advisory Fee % is the blended fee rate.

Footnotes and Disclosures

Please contact Skyline Advisors if there are any changes in your financial situation or investment objectives or if you wish to impose, add or to modify any reasonable restrictions to our investment management services. A copy of our current ADV disclosure statement is available for your review upon request and can also be found on our website: www.myskylineadvisor.com

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