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**UNITED WAY OF GREATER BAYTOWN AREA &
CHAMBERS COUNTY**

FINANCIAL STATEMENTS

June 30, 2019 and 2018

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UNITED WAY OF GREATER BAYTOWN AREA &
CHAMBERS COUNTY
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Greater Baytown Area & Chambers County
Baytown, Texas

We have audited the accompanying financial statements of United Way of Greater Baytown Area & Chambers County (a Texas nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the June 30, 2019 financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater Baytown Area & Chambers County as of June 30, 2019, 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.

Prior Period Financial Statements

The financial statements of United Way of Greater Baytown Area & Chambers County as of June 30, 2018, were audited by other auditors whose report dated November 19, 2018, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The June 30, 2019 Statement in Changes of Cash and Investments on page 16 is presented for the purpose 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, such information is fairly stated in all material respects in relation to the financial statements as a whole. The June 30, 2018 Statement in Changes of Cash and Investments on page 16 was subjected to the auditing procedures applied in the June 30, 2018 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the June 30, 2018 financial statements as a whole.

Lawrence, Blackburn, Meek, Maxey & Co., P.C.

Beaumont, Texas
November 21, 2019

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENT OF FINANCIAL POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 3,066,213	\$ 2,647,593
Receivables:		
Pledges	1,237,819	1,496,467
Disaster receivables	379,832	-
Other	43,137	34,502
(Less Allowance for Uncollectables)	(166,982)	(418,003)
Deposits and Other	100	100
Prepaid Expense	43,258	35,804
Total current assets	4,603,377	3,796,463
Property and equipment		
Furniture and equipment	205,041	192,278
Accumulated depreciation	(124,505)	(118,975)
Total property and equipment	80,536	73,303
 TOTAL ASSETS	 \$ 4,683,913	 \$ 3,869,766
 LIABILITIES		
Grants Payable	\$ 2,050,000	\$ 2,006,440
Refundable advances ARC	341,738	-
Payroll Taxes and Other Payables	106,828	27,213
Total liabilities	2,498,566	2,033,653
 NET ASSETS		
Without Donor Restrictions:		
Board Designated (see note 4)	5,404	128,620
Undesignated	1,515,360	1,147,679
Total net assets without donor restrictions	1,520,764	1,276,299
With Donor Restrictions	664,583	559,814
Total net assets	2,185,347	1,836,113
 TOTAL LIABILITIES AND NET ASSETS	 \$ 4,683,913	 \$ 3,869,766

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

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENT OF ACTIVITIES
For the Years Ended June 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Gross campaign results	\$ 3,055,770	\$ 518,199	\$ 3,573,969	\$ 2,827,863	\$ 294,506	\$ 3,122,369
Less; donor designations	(589,774)		(589,774)	(389,138)	-	(389,138)
Provisions for uncollectible pledges	(168,000)		(168,000)	(233,430)	-	(233,430)
Net campaign revenue	2,297,996	518,199	2,816,195	2,205,295	294,506	2,499,801
Grant revenue	-	-	-	-	381,506	381,506
Service contract	146,710		146,710	96,360	-	96,360
Other contributions/income	93,825		93,825	43,508	-	43,508
Investment income	8,368		8,368	1,547	-	1,547
Net rental income	(1,514)		(1,514)	6,333	-	6,333
	2,545,385	518,199	3,063,584	2,353,043	676,012	3,029,055
Net Assets Released From Donor						
Restrictions	413,430	(413,430)	-	116,198	(116,198)	-
TOTAL REVENUE	<u>2,958,815</u>	<u>104,769</u>	<u>3,063,584</u>	<u>2,469,241</u>	<u>559,814</u>	<u>3,029,055</u>
EXPENSES						
Program services						
Gross grants awarded	2,050,000	-	2,050,000	2,006,440	-	2,006,440
Less donor designations	(495,694)	-	(495,694)	(386,247)	-	(386,247)
Net grants awarded	1,554,306	-	1,554,306	1,620,193	-	1,620,193
Other program services	836,134	-	836,134	639,952	-	639,952
Supporting services	287,894	-	287,894	306,575	-	306,575
United Way Worldwide	36,016	-	36,016	40,208	-	40,208
TOTAL EXPENSES	<u>2,714,350</u>	<u>-</u>	<u>2,714,350</u>	<u>2,606,928</u>	<u>-</u>	<u>2,606,928</u>
INCREASE (DECREASE) IN NET ASSETS	244,465	104,769	349,234	(137,687)	559,814	422,127
NET ASSETS, BEGINNING OF PERIOD	<u>1,276,299</u>	<u>559,814</u>	<u>1,836,113</u>	<u>1,413,986</u>	<u>-</u>	<u>1,413,986</u>
NET ASSETS, END OF PERIOD	<u>\$ 1,520,764</u>	<u>\$ 664,583</u>	<u>\$ 2,185,347</u>	<u>\$ 1,276,299</u>	<u>\$ 559,814</u>	<u>\$ 1,836,113</u>

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

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2019 and 2018

EXPENSES	2019				Total
	Program Services	Supporting Services			
	Program Services	Organizational Administration	Fundraising	UWW Dues	
Grants Awarded (Less Donor Designations)	\$ 2,050,000 (495,694)	\$ -	\$ -	\$ -	\$ 2,050,000 (495,694)
Subtotal	1,554,306	-	-	-	1,554,306
Community Impact Programs	348,292	-	-	-	348,292
Special Events	9,872	6,193	29,520	-	45,585
Salaries	299,032	93,378	14,575	-	406,985
Payroll Taxes	27,422	8,033	1,253	-	36,708
Employee Benefits	61,056	21,770	3,398	-	86,224
Professional Fees	448	59,697	47	-	60,192
Supplies	2,918	1,869	286	-	5,073
Postage and Shipping	649	435	1,171	-	2,255
Telephone and Networks	24,175	14,331	2,291	-	40,797
Marketing	8,422	5,604	3,217	-	17,243
Occupancy	7,319	4,914	767	-	13,000
Travel	14,679	1,775	372	-	16,826
Insurance	15,874	1,459	-	-	17,333
Miscellaneous	2,647	1,721	268	-	4,636
Board and Staff Development	7,412	4,209	657	-	12,278
Equipment Rental and Maintenance	4,347	2,919	456	-	7,722
Dues and Subscriptions	1,570	1,054	255	-	2,879
Depreciation Expense	-	-	-	-	-
	836,134	229,361	58,533	-	1,124,028
United Way Worldwide Dues	-	-	-	36,016	36,016
TOTAL FUNCTIONAL EXPENSES	\$ 2,390,440	\$ 229,361	\$ 58,533	\$ 36,016	\$ 2,714,350

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

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2019 and 2018

EXPENSES	2018				Total
	Program Services	Supporting Services			
	Program Services	Organizational Administration	Fundraising	UWW Dues	
Grants Awarded	\$ 2,006,440				2,006,440
(Less Donor Designations)	(386,247)				(386,247)
Subtotal	1,620,193	-	-	-	1,620,193
Community Impact Programs	392,704	-	-		392,704
Special Events	17,860	1,280	17,204		36,344
Salaries	130,752	29,963	87,680	-	248,395
Payroll Taxes	15,563	2,671	8,136	-	26,370
Employee Benefits	32,947	6,356	19,364	-	58,667
Professional Fees	1,348	58,042	18,136	-	77,526
Supplies	2,097	635	1,713	-	4,445
Printing and Copying	9,372	2,563	9,156	-	21,091
Postage and Shipping	69	66	2,269	-	2,404
Telephone and Networks	5,593	1,488	4,588	-	11,669
Marketing	8,064	2,162	7,168	-	17,394
Occupancy	6,235	1,672	5,093	-	13,000
Travel	2,381	616	2,346	-	5,343
Insurance	4,850	-	-	-	4,850
Miscellaneous	2,969	713	7,693	-	11,375
Board and Staff Development	3,281	880	2,680	-	6,841
Equipment Rental and Maintenance	3,867	1,037	3,159	-	8,063
Dues and Subscriptions	-	-	46	-	46
Depreciation Expense	-	-	-	-	-
	639,952	110,144	196,431	-	946,527
United Way Worldwide Dues	-	-	-	40,208	40,208
TOTAL FUNCTIONAL EXPENSES	\$ 2,260,145	\$ 110,144	\$ 196,431	\$ 40,208	\$ 2,606,928

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

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 349,235	\$ 422,127
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities		
Depreciation	5,531	5,531
Change in Assets and Liabilities:		
Net Pledges Receivable	7,626	126,088
Other Receivable	(388,466)	(28,891)
Prepaid Expense	(7,409)	(12,213)
Accounts and Other Payables	409,439	(27,543)
Grants	55,428	(136,574)
Net Cash Provided by Operating Activities	<u>431,384</u>	<u>348,525</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	<u>(12,764)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(12,764)</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	418,620	348,525
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>2,647,593</u>	<u>2,299,068</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 3,066,213</u>	<u>\$ 2,647,593</u>
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

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

United Way of Greater Baytown Area & Chambers County

*Notes To Financial Statements
For the Years Ended June 30, 2019 and 2018*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United Way of Greater Baytown Area & Chambers County (“United Way”) is a federated fundraising organization originally chartered in 1946 as the East Harris Community Chest. United Way is governed by a volunteer Board of Directors. The stated mission of United Way is “develop, promote and support solutions designed to meet targeted community needs.”

Basis of Accounting

The financial statements of United Way have been prepared on the accrual basis of accounting for not-for-profit organizations and accordingly, reflect all significant receivables, payables, and other liabilities. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Classification of Net Assets

United Way reports contributions of cash and pledges as support with restrictions if they are received with donor stipulations that limit the use of those assets. When the applicable restriction expires (i.e., the time restrictions end or the purpose restriction is fulfilled) net assets with restrictions are reclassified to net assets without restrictions and are reported in the statement of activities as net assets released from restrictions. Contributions with no explicit donor stipulations are reported as revenues without restrictions, which increase net assets without restrictions.

Recognition of Revenues and Expenses

United Way conducts its annual campaign to raise funds for its program initiatives, distribution of funds and awarding of grants to eligible agencies beginning in the first quarter of the subsequent fiscal year. Pledges made in the campaign are recorded as revenue in the year in which the pledge is received. In addition, United Way increases or reduces campaign revenue and receivables for any excess or shortfall in collections of amounts raised in prior year’s campaigns. Also, grants made to local and area agencies are recorded as expenses in the year in which the grants are approved by the board of directors.

Pledges received in the campaign are recorded in the balance sheet as receivables, with an estimated uncollectible amount being established based on a historical average of collections to gross campaign pledges. The pledges are due within one year. Receivables are primarily from individuals employed by companies in the Baytown/East Harris and Chambers County areas and are due within one year. The cost of the campaign is included in fundraising expense in the year the campaign begins.

United Way of Greater Baytown Area & Chambers County

Notes To Financial Statements (continued)
For the Years Ended June 30, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended June 30, 2019, it is estimated that 6% of pledges for that campaign year will not be collectible. In addition, estimates for prior year are adjusted if pledge collections are better or worse than expected. For the years ended June 30, 2019 and 2018 the provision for uncollectible pledges was computed as follows:

	2019	2018
Provisions related to current year pledges	\$ 168,000	\$ 186,000
Adjustments of prior year estimates	-	47,430
Net provision	<u>\$ 168,000</u>	<u>\$ 233,430</u>

Pledges receivable include outstanding amounts from the current year and prior year campaigns. United Way's policy is to include an allowance for uncollectible pledges for the current year campaign as described above. An allowance for uncollectible pledges of the prior year campaign pledges is also provided. Pledges receivable and the corresponding allowance for uncollectible pledges as of June 30, 2018, are as follows:

	Pledge Receivable	Allowance for Uncollectible Pledges
Current year campaign	\$ 1,237,819	\$ 166,982
Prior year campaign	-	-
Net provision	<u>\$ 1,237,819</u>	<u>\$ 166,982</u>

United Way received approximately 50% and 45% of its total pledge contributions from ExxonMobil, its affiliates and employees in each of the years ending in June 30, 2019 and 2018, respectively.

Designated Contributions

Contributions designated by donors to be paid to specific agencies or United Ways in other localities are considered agency transactions. Such designated contributions are reflected, net of a provision for uncollectible amounts, in the accompanying statements of activities as part of the total amount raised in the campaigns, but are not considered to be part of United Way's campaign revenue for financial reporting purposes and are, therefore, deducted to reflect the United Way's net campaign revenue.

Service Contract

United Way records service contract revenue at the time qualified participant expense is incurred. Amounts received under service contracts that will be expended in the next fiscal year in accordance with the contract period are recorded as deferred revenue.

United Way of Greater Baytown Area & Chambers County

Notes To Financial Statements (continued)
For the Years Ended June 30, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment is recorded at cost or at estimated fair market value at date of donation. Property and equipment is depreciated using straight-line and accelerated methods over their estimated useful lives of 3 to 25 years.

Functional Expenses

United Way follows guidelines established by United Way Worldwide’s “Functional Expenses and Overhead Reporting Standards” for allocating costs among functional expense categories. In general, where a specific cost can be identified with a particular function, the cost is charged directly to that function. If costs cannot be identified directly with specific functional categories, those costs are allocated among functional categories based on various statistical bases.

Federal Tax Status

United Way is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity in accordance with Sections 509(a)(1) and 170(b)(1)(A)(vi).

Statement of Cash Flows

“Cash and cash equivalents” in the statement of cash flows includes only cash which is subject to immediate withdrawal.

Use of Estimates

The preparation of financial statements in conformity with the United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

Hurricane Harvey had a significant impact on the Greater Baytown Area & Chambers County business and residential communities in August 2017. United Way has provided leadership and resources to organize disaster relief in these areas. United Way created the Baytown Area and Chambers County Disaster Recovery Partnership (BACC-DR) to help mobilize volunteers and resources for disaster relief.

BACC-DR is an unincorporated organization comprised of volunteers. Its mission is to assist in identifying the unmet needs of those affected by Hurricane Harvey and other future disasters, and to coordinate access to resources that would provide relief. United Way provides fund-raising, financial management, recordkeeping and administrative support to BACC-DR under the terms of a sponsorship agreement. United Way has the right to withhold funds raised for the mission of BACC-DR if the supported activities are not in line with the stated mission or United Way’s tax-exempt status.

United Way of Greater Baytown Area & Chambers County

Notes To Financial Statements (continued)
For the Years Ended June 30, 2019 and 2018

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS (continued)

United Way has received grants and campaign pledges restricted for Hurricane Harvey disaster assistance by the donors and grantors. Net assets with donor restrictions amounting to \$ 664,583 and \$559,814 as of June 30, 2019 and 2018 respectively, reflect these time and purpose donor restrictions. Substantially all of the net assets with donor restrictions are intended to be used to fund the disaster relief efforts of BACC-DR.

NOTE 4 – BOARD DESIGNATED NET ASSETS

The Board of Directors of United Way has agreed that a portion of the net assets without restrictions be designated for certain projects. These represent net assets that may be allocated to an agency or relates to programs carried on by United Way itself to accomplish the designated purpose. The total designated expenses are included in other program services in the accompanying statement of activities.

A description of these programs is as follows:

<u>Program</u>	<u>Balance, July 1, 2018</u>	<u>Designations Net</u>	<u>Board released or Expenses</u>	<u>Balance, June 30, 2019</u>
Clothing for School Children	\$ 12,000	-	(12,000)	\$ -
Community Impact	12,670	-	(12,670)	-
Day of Caring	21,554	30,000	(51,025)	529
Stamp Out Hunger	896	4,500	(5,341)	55
Day of Action	1,500	5,000	(1,680)	4,820
Childcare Expansion	80,000	-	(80,000)	-
Total	<u>\$ 128,620</u>	<u>\$ 39,500</u>	<u>\$ (162,716)</u>	<u>\$ 5,404</u>

United Way of Greater Baytown Area & Chambers County

Notes To Financial Statements (continued)
For the Years Ended June 30, 2019 and 2018

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

United Way has a policy to structure its financial assets to be available as its grants to local agencies, general expenditures and other obligations become due. The finance committee employs a liability coverage ratio to assure that liquid funds are available as obligations come due. United Way uses a conservative approach to investing funds in excess of a minimum of three months expenses in conservative investments including insured certificate of deposits and money market accounts and direct obligations of the U.S. Government and its agencies. United Way is confident in its liquidity and availability of financial assets and does not utilize a line of credit or other financing.

The following presents United Way's financial assets as of June 30, 2019, reduced by board designated funds, donor-imposed restrictions and contractual obligations within one year of the balance sheet date:

Financial Assets as of June 30, 2019	\$ 4,560,019
Contractual or Donor Imposed Restrictions:	(664,583)
Board Designated Funds	<u>(5,404)</u>
Financial Assets Available to Meet Cash Needs for General Obligations in One Year	<u>\$ 3,890,032</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 8,841	\$ 8,841
Leasehold improvements	<u>196,200</u>	<u>183,437</u>
	205,041	192,278
Less: Accumulated depreciation	<u>(124,505)</u>	<u>(118,975)</u>
Property and equipment, net	<u>\$ 80,536</u>	<u>\$ 73,303</u>

NOTE 7 – DONATED SERVICES

A substantial number of volunteers have donated significant amounts of their time in the United Way's annual campaign; however, the value of these donated services is not reflected in the financial statements since they do not meet the criteria for recognition as contributed services.

United Way of Greater Baytown Area & Chambers County

*Notes To Financial Statements (continued)
For the Years Ended June 30, 2019 and 2018*

NOTE 8 – GRANTS TO AGENCIES AND PROGRAM SERVICES

Program service community impact awards made during the years ended June 30, 2019 and 2018 were allocated as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Program services:		
Rehabilitation services	\$ 203,580	\$ 218,300
Adult, Family and Youth Services	856,290	863,983
Child Welfare	712,838	685,080
Community Services	164,583	148,519
General Health Services	112,709	90,558
General		-
	<hr/>	<hr/>
Gross funds awarded/distributed	<u>\$ 2,050,000</u>	<u>\$ 2,006,440</u>

NOTE 9 – PENSION PLAN

United Way has a Simplified Employee Pension (SEP) Plan, covering all eligible employees. United Way contributes 7% of eligible participants salaries to the SEP Plan. United Way contributions to this pension arrangement amounted to \$16,721 and \$14,379 for the years ended June 30, 2019 and 2018, respectively.

NOTE 10 – LEASES

In May 1989, United Way executed a 99-year lease and management contract with a United Way agency (a local non-profit organization) for the use of land and all buildings. United Way occupies a portion of the facility and leases the excess space to other affiliated agencies. Under the terms of the agreement, United Way is to collect all rents and pay all maintenance costs associated with the property, but is to pay no rent to the owner. The estimated fair rental value of the office space occupied by United Way amounting to approximately \$13,000 for each of the years ended June 30, 2019 and 2018 is included in rent revenue and occupancy expense in the accompanying statement of activities.

Rental charges to affiliated entities are based on an allocation of estimated operating costs of the property. During the years ended June 30, 2019 and 2018 net rental income, including the fair rental value of the space occupied by United Way, consisted of the following:

United Way of Greater Baytown Area & Chambers County

*Notes To Financial Statements (continued)
For the Years Ended June 30, 2019 and 2018*

NOTE 10 – LEASES (continued)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Revenues:		
Rents	\$ 42,328	\$ 42,328
Total Revenues	<u>42,328</u>	<u>42,328</u>
Expenses:		
Utilities	14,202	10,376
Repairs & Maintenance	21,517	17,321
Insurance	2,592	2,767
Depreciation	5,531	5,531
Total Expense	<u>43,418</u>	<u>35,995</u>
Net Rental Income	<u>\$ (1,514)</u>	<u>\$ 6,333</u>

United Way leases its copier under the terms of an agreement that requires base rent of \$365 per month and expires on May 31, 2022. Total rental expense, including maintenance charges, amounts to \$7,722 and \$8,063 for the years ended June 30, 2019 and 2018, respectively.

Future minimum rental payments under the lease are as follows:

2020	\$ 4,380
2021	4,380
2022	4,015
	<u>\$ 12,775</u>

NOTE 11 – CONCENTRATION OF CREDIT RISK

United Way maintains bank accounts at four institutions insured by the Federal Deposit Insurance Corporation (“FDIC”), one institution insured by the National Credit Union Administration (“NCUA”) and one with a brokerage firm. Cash in these accounts is insured up to \$250,000 per institution. As of June 30, 2019, the carrying amount of the Organization’s deposits was \$3,066,088 and the bank balance was \$3,096,489. Bank balances in four of these accounts exceeded the FDIC and NCUA coverage as of June 30, 2019.

NOTE 12 – CAMPAIGN RESULTS

Campaign results increased for the fiscal year 2019 when compared to fiscal year 2018. Some contributions by donors to the campaign were collected by other United Ways during the years ended June 30, 2019 and 2018. These contributions amounted to \$162,912 and \$135,951 for the years ended June 30, 2019 and 2018, respectively. These contributions are passed through to United Way and are included in gross campaign results.

United Way of Greater Baytown Area & Chambers County

*Notes To Financial Statements (continued)
For the Years Ended June 30, 2019 and 2018*

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events were evaluated through November 21, 2019 which is the date the financial statements were available to be issued.

Subsequent to June 30, 2019, United Way received approval of a grant to be used for disaster recovery due to Tropical Storm Imelda in the amount of \$125,000.

SUPPLEMENTARY INFORMATION

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENT IN CHANGES OF CASH AND INVESTMENTS
For the Years Ended June 30, 2019 and 2018

	June 30, 2019	June 30, 2018
CASH & INVESTMENTS		
BEGINNING OF PERIOD	\$ 2,647,593	\$ 2,299,068
RECEIPTS:		
Pledges collected	3,076,421	3,429,348
Other contributions and grants	93,286	110,799
Investment income	8,368	1,547
Rental income collected	42,328	42,328
	3,220,403	3,584,022
DISBURSEMENTS:		
Program services paid	2,421,268	2,858,250
Support services paid	323,910	346,783
Purchase fixed assets	12,764	-
Rental expenses paid	43,841	30,464
	2,801,783	3,235,497
CASH & INVESTMENTS,		
END OF PERIOD	\$ 3,066,213	\$ 2,647,593

See independent auditors' report.