

--ooOoo--

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

FINANCIAL STATEMENTS

June 30, 2024 and 2023

--ooOoo--

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

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 14
Supplementary Information	
Statements in Changes of Cash and Investments	15

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of United Way of Greater Baytown Area & Chambers County (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Greater Baytown Area & Chambers County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 Greater Baytown Area & Chambers County'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 Greater Baytown Area & Chambers County'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 Statements in Changes of Cash and Investments 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Beaumont, Texas
October 3, 2024

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,064,998	\$ 3,407,273
Receivables:		
Pledges	566,738	998,669
Other	-	797
(Less allowance for uncollectible)	(157,701)	(238,500)
Deposits and other	100	100
Prepaid expense	20,417	14,756
Total current assets	<u>4,494,552</u>	<u>4,183,095</u>
Property and equipment		
Furniture and equipment	280,525	258,688
Accumulated depreciation	(170,262)	(166,488)
Total property and equipment	<u>110,263</u>	<u>92,200</u>
Other Assets		
Finance lease right-of-use asset	4,636	6,861
Total other assets	<u>4,636</u>	<u>6,861</u>
TOTAL ASSETS	<u><u>\$ 4,609,451</u></u>	<u><u>\$ 4,282,156</u></u>
LIABILITIES		
Current Liabilities		
Grants payable	\$ 1,234,897	\$ 1,138,221
Payroll taxes and other payables	55,482	57,441
Current portion of right-of use finance lease liability	2,379	1,936
Total current liabilities	<u>1,292,758</u>	<u>1,197,598</u>
Long-term Liabilities		
Right-of-use finance lease liability, net of current portion	3,195	5,574
Total long-term liabilities	<u>3,195</u>	<u>5,574.00</u>
NET ASSETS		
Without donor restrictions:		
Board designated (see note 3)	13,341	43,978
Undesignated	2,739,461	2,761,267
Total net assets without donor restrictions	2,752,802	2,805,245
With donor restrictions	560,696	273,739
Total net assets	<u>3,313,498</u>	<u>3,078,984</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,609,451</u></u>	<u><u>\$ 4,282,156</u></u>

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

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Gross campaign results	\$ 1,820,973	\$ 290,000	\$ 2,110,973	\$ 2,274,199	\$ 61,250	\$ 2,335,449
Less: donor designations	(193,492)	-	(193,492)	(266,681)	-	(266,681)
Provisions for uncollectible pledges	(132,300)	-	(132,300)	(238,500)	-	(238,500)
Net campaign revenue	1,495,181	290,000	1,785,181	1,769,018	61,250	1,830,268
Other contributions/income	118,399	-	118,399	154,527	-	154,527
In-kind contributions	35,965	-	35,965	40,150	-	40,150
Investment income	94,127	-	94,127	21,902	-	21,902
Loss on disposal of asset	-	-	-	-	-	-
Net rental income/(loss)	5,117	-	5,117	(7,486)	-	(7,486)
	1,748,789	290,000	2,038,789	1,978,111	61,250	2,039,361
Net Assets Released From Donor Restrictions	3,043	(3,043)	-	28,221	(28,221)	-
TOTAL REVENUE	1,751,832	286,957	2,038,789	2,006,332	33,029	2,039,361
EXPENSES						
Program services						
Gross grants awarded	1,114,848	-	1,114,848	1,104,303	-	1,104,303
Less donor designations	(177,021)	-	(177,021)	(232,127)	-	(232,127)
Net grants awarded	937,827	-	937,827	872,176	-	872,176
Other program services	468,573	-	468,573	447,487	-	447,487
Supporting services	369,628	-	369,628	324,277	-	324,277
United Way Worldwide	28,247	-	28,247	30,060	-	30,060
TOTAL EXPENSES	1,804,275	-	1,804,275	1,674,000	-	1,674,000
INCREASE (DECREASE) IN NET ASSETS	(52,443)	286,957	234,514	332,332	33,029	365,361
NET ASSETS, BEGINNING OF PERIOD	2,805,245	273,739	3,078,984	2,472,913	240,710	2,713,623
NET ASSETS, END OF PERIOD	\$ 2,752,802	\$ 560,696	\$ 3,313,498	\$ 2,805,245	\$ 273,739	\$ 3,078,984

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

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2024 and 2023

	2024				
	Program Services	Supporting Services			
	Program Services	Organizational Administration	Fundraising	UWW Dues	Total
EXPENSES					
Grants awarded	\$ 1,114,848	\$ -	\$ -	\$ -	\$ 1,114,848
(Less donor designations)	(177,021)				(177,021)
Subtotal	937,827	-	-	-	937,827
Community impact programs	126,359	-	-		126,359
Crisis fund	50	-	-	-	50
Special events	5,838	3,920	10,309	-	20,067
Amortization	-	2,225	-	-	2,225
Salaries	203,544	136,660	21,331	-	361,535
Payroll taxes	14,620	9,817	1,532	-	25,969
Employee benefits	27,897	18,730	2,923	-	49,550
Professional fees	-	72,308	-	-	72,308
Supplies	2,338	4,700	245	-	7,283
Postage and shipping	1,759	1,181	184	-	3,124
Telephone and networks	31,945	21,448	5,392	-	58,785
Marketing	23,335	15,667	2,445	-	41,447
Occupancy	11,690	20,849	1,225	-	33,764
Travel	1,990	1,336	209	-	3,535
Insurance	6,533	4,386	685	-	11,604
Interest	-	1,382	-	-	1,382
Miscellaneous	5,092	3,450	533	-	9,075
Board and staff development	3,241	2,416	340	-	5,997
Equipment rental and maintenance	184	110	15	-	309
Dues and subscriptions	2,158	1,449	226	-	3,833
	468,573	322,034	47,594	-	838,201
United Way Worldwide dues	-	-	-	28,247	28,247
TOTAL FUNCTIONAL EXPENSES	\$ 1,406,400	\$ 322,034	\$ 47,594	\$ 28,247	\$ 1,804,275

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

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2024 and 2023

EXPENSES	2023				Total
	Program Services	Supporting Services		UWW Dues	
	Program Services	Organizational Administration	Fundraising	UWW Dues	
Grants awarded	\$ 1,104,303	\$ -	\$ -	\$ -	\$ 1,104,303
(Less donor designations)	(232,127)				(232,127)
Subtotal	872,176	-	-	-	872,176
Community impact programs	131,272	-	-		131,272
Crisis fund	27,341	-	-	-	27,341
Special events	6,069	3,484	5,517	-	15,070
Amortization	-	2,225	-	-	2,225
Salaries	171,305	115,015	17,952	-	304,272
Payroll taxes	13,664	9,174	1,432	-	24,270
Employee benefits	13,765	9,253	1,443	-	24,461
Professional fees	110	68,594	12	-	68,716
Supplies	2,602	1,745	270	-	4,617
Postage and shipping	1,355	910	142	-	2,407
Telephone and networks	30,731	20,633	5,169	-	56,533
Marketing	20,934	14,055	2,344	-	37,333
Occupancy	10,627	20,135	1,114	-	31,876
Travel	2,359	1,584	247	-	4,190
Insurance	5,518	3,705	578	-	9,801
Interest	-	1,742	-	-	1,742
Miscellaneous	4,843	9,038	508	-	14,389
Board and staff development	2,748	4,245	288	-	7,281
Equipment rental and maintenance	220	134	19	-	373
Dues and subscriptions	2,024	1,359	212	-	3,595
	447,487	287,030	37,247	-	771,764
United Way Worldwide dues	-	-	-	30,060	30,060
TOTAL FUNCTIONAL EXPENSES	\$ 1,319,663	\$ 287,030	\$ 37,247	\$ 30,060	\$ 1,674,000

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

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS OPERATING ACTIVITIES:		
Increase/(Decrease) in net assets	\$ 234,514	\$ 365,361
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	12,614	12,169
Amortization of right-of-use lease	2,225	2,225
Change in assets and liabilities:		
Net pledges receivable	351,132	(10,579)
Other receivable	797	(797)
Prepaid expense	(5,662)	1,039
Accounts and other payables	(1,321)	13,729
Grants	96,040	(482,084)
Net cash provided/(used) by operating activities	<u>690,340</u>	<u>(98,936)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>(30,679)</u>	<u>(6,724)</u>
Net cash provided/(used) by investing activities	<u>(30,679)</u>	<u>(6,724)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on right-of-use lease liability	<u>(1,936)</u>	<u>(1,576)</u>
Net cash provided/(used) by Financing Activities	<u>(1,936)</u>	<u>(1,576)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	657,725	(107,236)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>3,407,273</u>	<u>3,514,510.00</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u><u>\$ 4,064,998</u></u>	<u><u>\$ 3,407,273</u></u>
Cash paid during the year for:		
Interest	<u>\$ 1,382</u>	<u>\$ 1,742</u>
Income taxes	<u><u>\$ -</u></u>	<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, 2024 and 2023

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.

For the year ended June 30, 2024, 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, 2024 and 2023 the provision for uncollectible pledges was computed as follows:

	2024	2023
Provisions related to current year pledges	\$ 132,300	\$ 238,500
Net Provision	\$ 132,300	\$ 238,500

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, 2024, are as follows:

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2024 and 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	Pledge Receivable	Allowance for Uncollectible Pledges
Current year campaign	\$ 540,687	\$ 132,141
Designations from other United Ways	650	159
Prior year campaign	25,401	25,401
Net provision	<u>\$ 566,738</u>	<u>\$ 157,701</u>

United Way received approximately 54% and 53% of its total pledge contributions from ExxonMobil, its affiliates and employees in each of the years ending in June 30, 2024 and 2023, 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.

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.

Donated Goods and Services

Donated goods are recorded as contributions using estimated average prices for identical or similar products or services. Occupancy is valued based on estimated fair value per square foot for similar space.

Reclassifications

Certain amounts in the June 30, 2023 financial statements have been reclassified for comparative purposes to conform with presentation in the June 30, 2024 financial statements.

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2024 and 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; ASU 2018-11, Leases (Topic 842): Targeted Improvements; ASU 2018-20, Narrow-scope Improvements for Lessors; and ASU 2019-01, Leases (Topic 842): Codification Improvements; ASU 2020-05, Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments; and ASU 2021-09, Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

United Way elected to adopt these ASUs effective July 1, 2022 and utilized all of the available practical expedients. The adoption did not have a material impact on either the statement of financial position or statement of activities. The most significant impact was the recognition of a right-of-use asset and lease liability for financing leases. Adoption of the standard required United Way to restate amounts as of July 1, 2022, resulting in an increase in right-of-use lease asset of \$9,086 and finance lease liability of \$9,086.

NOTE 2 -- NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, were as follows:

	2024	2023
Crisis relief	\$ 270,696	\$ 270,746
Back office support	-	2,993
Donor funds for future periods	<u>290,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 560,696</u>	<u>\$ 273,739</u>

NOTE 3 -- 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:

Program	Balance, July 1, 2023	Designations Net	Board released or expenses	Balance, June 30, 2024
Day of Caring	\$ 2,596	\$ 30,000	\$ (29,728)	\$ 2,868
Stamp Out Hunger	(1,674)	3,500	93	1,919
Day of Action	(2,005)	2,000	(640)	(645)
Volunteer Connect	4,067	5,000	(5,663)	3,404
Clothing for School Kids	14,880	30,000	(46,333)	(1,453)
Off-Cycle Grants	13,384	15,000	(27,299)	1,085
Little Free Libraries	(108)	500	(12,677)	(12,285)
Community Conversations	972	500	(972)	500
Quality Improvement Partnership	11,866	48,000	(41,918)	17,948
Total	<u>\$ 43,978</u>	<u>\$ 134,500</u>	<u>\$ (165,137)</u>	<u>\$ 13,341</u>

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2024 and 2023

NOTE 4 -- 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, 2024 and 2023, 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,

	2024	2023
Cash and cash equivalents	\$ 4,064,998	\$ 3,407,273
Accounts receivable	409,037	760,966
Total financial assets	<u>4,474,035</u>	<u>4,168,239</u>
Less amounts not available to be used within one year		
Net assets with donor restrictions	560,696	273,739
Board Designated Funds	<u>13,341</u>	<u>43,978</u>
	<u>574,037</u>	<u>317,717</u>
Financial Assets Available to Meet Cash		
Needs for General Obligations in One Year	<u>\$ 3,899,998</u>	<u>\$ 3,850,522</u>

NOTE 5 -- PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Furniture and equipment	\$ 22,124	\$ 21,692
Leasehold improvements	258,401	236,996
	280,525	258,688
Less: Accumulated depreciation	<u>(170,262)</u>	<u>(166,488)</u>
Property and equipment, net	<u>\$ 110,263</u>	<u>\$ 92,200</u>

NOTE 6 -- 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, 2024 and 2023

NOTE 7 -- GRANTS TO AGENCIES AND PROGRAM SERVICES

Program service community impact awards made during the years ended June 30, 2024 and 2023 were allocated as follows:

	2024	2023
Program Services:		
Basic needs	\$ 339,006	\$ 341,319
Education	238,866	405,750
Financial stability	286,916	90,501
General health services	370,109	362,430
Gross funds awarded/distributed	<u>\$ 1,234,897</u>	<u>\$ 1,200,000</u>

NOTE 8 -- 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 \$18,749 and \$16,657 for the years ended June 30, 2024 and 2023, respectively.

NOTE 9 -- 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 a building. United Way occupies a portion of the building 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, 2024 and 2023 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, 2024 and 2023 net rental income, including the fair rental value of the space occupied by United Way, consisted of the following:

	2024	2023
Revenues:		
Rents	<u>\$ 55,902</u>	<u>\$ 50,820</u>
Total revenues	<u>55,902</u>	<u>50,820</u>
Expenses:		
Office supplies	522	522
Utilities	16,715	16,359
Repairs & maintenance	12,826	19,645
Insurance	8,108	9,611
Depreciation	12,614	12,169
Total expense	<u>50,785</u>	<u>58,306</u>
Net rental income/(loss)	<u>\$ 5,117</u>	<u>\$ (7,486)</u>

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2024 and 2023

NOTE 10 -- FINANCING LEASE:

United Way leases certain equipment under a long-term finance lease agreement. The lease expires July 2026. The weighted-average discount rate represents the risk-free discount rating using a comparable period with that of the individual lease term.

The following summarizes the line items in the statement of financial position which include amounts for financing leases as of June 30, 2024.

Total right-of-use assets and lease liabilities at June 30, 2024 are as follows:

Finance lease right-of-use asset	<u>\$ 4,636</u>
Current portion of right-of-use lease	\$ 2,379
Finance lease liability	<u>3,195</u>
Total finance lease liability	<u>\$ 5,574</u>

Total lease costs for the year ended June 30, 2024 are as follows:

Finance lease costs:	
Interest expense	\$ 1,382
Amortization of right-of-use asset	<u>2,225</u>
Total finance lease cost	<u>\$ 3,607</u>

Other information related to the lease were as follows:

Supplemental cash flows information

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for financing leases	<u>\$ 1,382</u>
Financing cash flows for financing leases	<u>\$ 1,936</u>

Weighted average lease term and discount rate as of June 30, 2024 were as follows:

Weighted average remining lease term	25 months
Weighted average discount rate	1.73%

Future minimum lease payments required under finance leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows for the year ended June 30:

2025	\$ 3,318
2026	3,318
2027	1,659
Total lease payments	8,295
Less: imputed interest	<u>(2,721)</u>
Present value of lease liability	<u>\$ 5,574</u>

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2024 and 2023

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, 2024, the carrying amount of the Organization’s deposits was \$4,064,998 and the bank balance was \$3,329,712. Bank balances in four of these accounts exceeded the FDIC and NCUA coverage as of June 30, 2024.

NOTE 12 -- CAMPAIGN RESULTS

Campaign results decreased for the fiscal year 2024 when compared to fiscal year 2023. Some contributions by donors to the campaign were collected by other United Ways during the years ended June 30, 2024 and 2023. These contributions amounted to \$650 and \$45,253 for the years ended June 30, 2024 and 2023, respectively. These contributions are passed through to United Way and are included in gross campaign results.

NOTE 14 -- IN-KIND CONTRIBUTIONS

In-kind contributions consisted of the following at June 30, 2024:

Campaign materials	\$ 162
Office supplies	3,133
Professional development	240
Program materials	19,430
Occupancy	13,000
	<u>\$ 35,965</u>

Campaign materials, office supplies, and program materials are valued using estimated average prices for identical or similar products or services. Occupancy was valued based on estimated fair value per square foot for similar space. No in-kind contributions were restricted and all were expensed during the period.

NOTE 15 -- SUBSEQUENT EVENTS

Subsequent events were evaluated through October 3, 2024 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY
STATEMENTS IN CHANGES OF CASH AND INVESTMENTS
For the Years Ended June 30, 2024 and 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
CASH & INVESTMENTS		
BEGINNING OF PERIOD	\$ 3,407,273	\$ 3,514,510
RECEIPTS:		
Pledges and program revenue	2,024,130	2,064,170
Other contributions and grants	431,368	154,527
Investment income	94,127	21,902
Rental income collected	55,902	50,820
	<u>2,605,527</u>	<u>2,291,419</u>
DISBURSEMENTS:		
Program services paid	1,481,833	1,999,792
Support services paid	385,028	336,430
Purchase fixed assets	30,678	6,725
Rental expenses paid	50,263	55,709
	<u>1,947,802</u>	<u>2,398,656</u>
CASH & INVESTMENTS,		
END OF PERIOD	<u>\$ 4,064,998</u>	<u>\$ 3,407,273</u>

See independent auditors' report.