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UNITED WAY OF GREATER BAYTOWN AREA &  
CHAMBERS COUNTY

FINANCIAL STATEMENTS

June 30, 2025 and 2024

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**UNITED WAY OF GREATER BAYTOWN AREA &  
CHAMBERS COUNTY  
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## 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, 2025 and 2024, 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, 2025 and 2024, 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 Auditors' 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, Moxey & Co., P.C.*

Beaumont, Texas  
November 3, 2025

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2025 and 2024**

	2025	2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,065,908	\$ 4,064,998
Receivables:		
Pledges	621,282	566,738
(Less allowance for uncollectible)	(192,096)	(157,701)
Deposits and other	100	100
Prepaid expense	27,843	20,417
<b>Total current assets</b>	4,523,037	4,494,552
<b>Property and equipment</b>		
Furniture and equipment	280,525	280,525
Accumulated depreciation	(183,030)	(170,262)
<b>Total property and equipment</b>	97,495	110,263
<b>Other Assets</b>		
Finance lease right-of-use asset	2,411	4,636
<b>Total other assets</b>	2,411	4,636
<b>TOTAL ASSETS</b>	<b>\$ 4,622,943</b>	<b>\$ 4,609,451</b>
 <b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Grants payable	\$ 1,275,000	\$ 1,234,897
Payroll taxes and other payables	46,281	55,482
Current portion of right-of use finance lease liability	2,923	2,379
<b>Total current liabilities</b>	1,324,204	1,292,758
<b>Long-term Liabilities</b>		
Right-of-use finance lease liability, net of current portion	272	3,195
<b>Total long-term liabilities</b>	272	3,195
 <b>NET ASSETS</b>		
Without donor restrictions:		
Board designated (see note 3)	70,416	13,341
Undesignated	2,687,221	2,739,461
<b>Total net assets without donor restrictions</b>	2,757,637	2,752,802
With donor restrictions	540,830	560,696
<b>Total net assets</b>	3,298,467	3,313,498
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,622,943</b>	<b>\$ 4,609,451</b>

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, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
Gross campaign results	\$ 1,905,723	\$ 290,000	\$ 2,195,723	1,820,973	\$ 290,000	\$ 2,110,973
Less: donor designations	(205,165)	-	(205,165)	(193,492)	-	(193,492)
Provisions for uncollectible pledges	(192,096)	-	(192,096)	(132,300)	-	(132,300)
Net campaign revenue	1,508,462	290,000	1,798,462	1,495,181	290,000	1,785,181
Other contributions income	184,192	-	184,192	118,399	-	118,399
In-kind contributions	26,685	-	26,685	35,965	-	35,965
Investment income	110,109	-	110,109	94,127	-	94,127
Net rental income/(loss)	7,985	-	7,985	5,117	-	5,117
	1,837,433	290,000	2,127,433	1,748,789	290,000	2,038,789
<b>Net Assets Released From Donor Restrictions</b>	309,866	(309,866)	-	3,043	(3,043)	-
<b>TOTAL REVENUE</b>	<u>2,147,299</u>	<u>(19,866)</u>	<u>2,127,433</u>	<u>1,751,832</u>	<u>286,957</u>	<u>2,038,789</u>
<b>EXPENSES</b>						
Program services						
Gross grants awarded	1,260,308	-	1,260,308	1,114,848	-	1,114,848
Less donor designations	(195,579)	-	(195,579)	(177,021)	-	(177,021)
Net grants awarded	1,064,729	-	1,064,729	937,827	-	937,827
Other program services	587,071	-	587,071	468,573	-	468,573
Supporting services	461,994	-	461,994	369,628	-	369,628
United Way Worldwide	28,670	-	28,670	28,247	-	28,247
<b>TOTAL EXPENSES</b>	<u>2,142,464</u>	<u>-</u>	<u>2,142,464</u>	<u>1,804,275</u>	<u>-</u>	<u>1,804,275</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	4,835	(19,866)	(15,031)	(52,443)	286,957	234,514
<b>NET ASSETS, BEGINNING OF PERIOD</b>	2,752,802	560,696	3,313,498	2,805,245	273,739	3,078,984
<b>NET ASSETS, END OF PERIOD</b>	<u>\$ 2,757,637</u>	<u>\$ 540,830</u>	<u>\$ 3,298,467</u>	<u>\$ 2,752,802</u>	<u>\$ 560,696</u>	<u>\$ 3,313,498</u>

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, 2025 and 2024**

EXPENSES	2025				Total
	Program Services	Supporting Services			
	Program Services	Organizational Administration	Fundraising	UWW Dues	
Grants awarded (Less donor designations)	\$ 1,260,308 (195,579)	\$ -	\$ -	\$ -	\$ 1,260,308 (195,579)
<b>Subtotal</b>	<b>1,064,729</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,064,729</b>
Community impact programs	205,404	-	-	-	205,404
Crisis fund	19,866	-	-	-	19,866
Special events	21,930	10,721	13,805	-	46,456
Amortization	-	2,225	-	-	2,225
Salaries	204,506	169,831	37,974	-	412,311
Payroll taxes	14,655	12,170	2,721	-	29,546
Employee benefits	27,120	22,522	5,035	-	54,677
Professional fees	-	73,607	-	-	73,607
Supplies	3,861	3,207	718	-	7,786
Postage and shipping	1,367	1,135	254	-	2,756
Telephone and networks	30,439	25,278	7,727	-	63,443
Marketing	22,589	18,756	4,193	-	45,538
Occupancy	11,329	22,408	2,104	-	35,841
Travel	2,575	2,138	478	-	5,191
Insurance	7,876	6,541	1,462	-	15,879
Interest	-	939	-	-	939
Miscellaneous	4,615	3,722	832	-	9,169
Board and staff development	7,050	5,855	1,309	-	14,214
Equipment rental and maintenance	-	266	142	-	408
Dues and subscriptions	1,889	1,569	351	-	3,809
	587,071	382,889	79,105	-	1,049,065
United Way Worldwide dues	-	-	-	28,670	28,670
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,651,800</b>	<b>\$ 382,889</b>	<b>\$ 79,105</b>	<b>\$ 28,670</b>	<b>\$ 2,142,464</b>

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, 2025 and 2024

EXPENSES	2024				Total
	Program Services	Supporting Services			
	Program Services	Organizational Administration	Fundraising	UWW Dues	
Grants awarded (Less donor designations)	1,114,848 (177,021)	\$ -	\$ -	\$ -	\$ 1,114,848 (177,021)
Subtotal	<u>937,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>937,827</u>
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
	<u>468,573</u>	<u>322,034</u>	<u>47,594</u>	<u>-</u>	<u>838,201</u>
United Way Worldwide dues	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,247</u>	<u>28,247</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 1,406,400</u>	<u>\$ 322,034</u>	<u>\$ 47,594</u>	<u>\$ 28,247</u>	<u>\$ 1,804,275</u>

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, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS OPERATING ACTIVITIES:</b>		
Increase/(Decrease) in net assets	\$ (15,031)	\$ 234,514
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	12,768	12,614
Amortization of right-of-use lease	2,225	2,225
Change in assets and liabilities:		
Net pledges receivable	(20,149)	351,132
Other receivable	-	797
Prepaid expense	(7,425)	(5,662)
Accounts and other payables	(2,470)	(1,321)
Grants	33,370	96,040
Net cash provided/(used) by operating activities	3,289	690,340
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	-	(30,679)
Net cash provided (used) by investing activities	-	(30,679)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on right-of-use lease liability	(2,379)	(1,936)
Net cash provided (used) by Financing Activities	(2,379)	(1,936)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	910	657,725
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	4,064,998	3,407,273
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	\$ 4,065,908	\$ 4,064,998
Cash paid during the year for:		
Interest	\$ 939	\$ 1,382
Income taxes	\$ -	\$ -

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, 2025 and 2024**

**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, 2025, it is estimated that 9% of pledges for that campaign year will not be collectible. For the year ended June 30, 2024, it was estimated that 6% of pledges for that campaign year would 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, 2025 and 2024 the provision for uncollectible pledges was computed as follows:

	<u>2025</u>	<u>2024</u>
Estimated campaign	\$ 2,134,400	\$ 2,205,000
Estimated allowance percent of campaign	9%	6%
Net Provision for uncollectible pledges	<u>\$ 192,096</u>	<u>\$ 132,300</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, 2025, are as follows:

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2025 and 2024**

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

	Pledge Receivable	Allowance for Uncollectible Pledges
Current year campaign	621,282	192,096
Net provision	\$ 621,282	\$ 192,096

United Way received approximately 50% and 54% of its total pledge contributions from ExxonMobil, its affiliates and employees in each of the years ending in June 30, 2025 and 2024, 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, 2024 financial statements have been reclassified for comparative purposes to conform with presentation in the June 30, 2025 financial statements.

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Years Ended June 30, 2025 and 2024

**NOTE 2 -- NET ASSETS WITH DONOR RESTRICTIONS**

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

	2025	2024
Crisis relief	\$ 250,830	\$ 270,696
Donor funds for future periods	290,000	290,000
Total net assets with donor restrictions	\$ 540,830	\$ 560,696

**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, 2024	Designations Net	Board released or expenses	Balance, June 30, 2025
Day of Caring	\$ 2,868	\$ 30,000	\$ (35,978)	\$ (3,110)
Stamp Out Hunger	1,919	6,000	(7,106)	813
Day of Action	(645)	6,500	(2,047)	3,808
Volunteer Connect	3,404	5,000	(8,600)	(196)
Clothing for School Kids	(1,453)	75,636	(60,785)	13,398
Off-Cycle Grants	1,085	15,000	(15,868)	217
Little Free Libraries	(12,285)	1,000	9,395	(1,890)
Community Conversations	500	500	(500)	500
Quality Improvement Partnership	17,948	30,000	(46,337)	1,611
Elevating Alice	-	106,184	(50,919)	55,265
Total	\$ 13,341	\$ 275,820	\$ (167,826)	\$ 70,416

**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.

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2025 and 2024**

**NOTE 4 -- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)**

The following presents United Way's financial assets as of June 30, 2025 and 2024, 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,

	2025	2024
Cash and cash equivalents	\$ 4,065,908	\$ 4,064,998
Accounts receivable	429,186	409,037
Total financial assets	4,495,094	4,474,035
Less amounts not available to be used within one year		
Net assets with donor restrictions	540,830	560,696
Board Designated Funds	70,416	13,341
	611,246	574,037
Financial Assets Available to Meet Cash Needs for General Obligations in One Year	\$ 3,883,848	\$ 3,899,998

**NOTE 5 -- PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Furniture and equipment	\$ 22,124	\$ 22,124
Leasehold improvements	258,401	258,401
	280,525	280,525
Less: Accumulated depreciation	(183,030)	(170,262)
Property and equipment, net	\$ 97,495	\$ 110,263

**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.

**NOTE 7 -- GRANTS TO AGENCIES AND PROGRAM SERVICES**

Program service community impact awards made during the years ended June 30, 2025 and 2024 were allocated as follows:

	2025
<b>Program Services:</b>	
Community Resiliency	\$ 500,420
Financial security	105,436
Health community	433,644
Youth opportunity	235,500
Gross funds awarded/distributed	\$ 1,275,000

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2025 and 2024**

**NOTE 7 -- GRANTS TO AGENCIES AND PROGRAM SERVICES (CONTINUED)**

	2024
<b>Program Services:</b>	
Basic needs	\$ 339,006
Education	238,866
Financial stability	286,916
General health services	370,109
Gross funds awarded/distributed	\$ 1,234,897

**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 \$23,131 and \$18,749 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024 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, 2025 and 2024 net rental income, including the fair rental value of the space occupied by United Way, consisted of the following:

	2025	2024
<b>Revenues:</b>		
Rents	\$ 61,492	\$ 55,902
Total revenues	61,492	55,902
<b>Expenses:</b>		
Office supplies	667	522
Utilities	16,085	16,715
Repairs & maintenance	13,864	12,826
Waste collection	101	-
Insurance	10,022	8,108
Depreciation	12,768	12,614
Total expense	53,507	50,785
<b>Net rental income/(loss)</b>	\$ 7,985	\$ 5,117

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2025 and 2024**

**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, 2025.

Total right-of-use assets and lease liabilities at June 30, 2025 are as follows:

Finance lease right-of-use asset	<u>\$ 2,411</u>
Current portion of right-of-use lease	\$ 2,923
Finance lease liability	<u>272</u>
Total finance lease liability	<u>\$ 3,195</u>

Total lease costs for the year ended June 30, 2025 are as follows:

Finance lease costs:	
Interest expense	\$ 939
Amortization of right-of-use asset	<u>2,225</u>
Total finance lease cost	<u>\$ 3,164</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>\$ 939</u>
Financing cash flows for financing leases	<u>\$ 2,379</u>

Weighted average lease term and discount rate as of June 30, 2025 were as follows:

Weighted average remaining lease term	13 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:

2026	3,318
2027	1,659
Total lease payments	4,977
Less: imputed interest	<u>(1,782)</u>
Present value of lease liability	<u>\$ 3,195</u>

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2025 and 2024**

**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, 2025, the carrying amount of the Organization's deposits was \$4,065,908 and the bank balance was \$2,596,256. Bank balances in four of these accounts exceeded the FDIC and NCUA coverage as of June 30, 2025.

**NOTE 12 -- CAMPAIGN RESULTS**

Campaign results decreased for the fiscal year 2025 when compared to fiscal year 2024. Some contributions by donors to the campaign were collected by other United Ways during the years ended June 30, 2025 and 2024. These contributions amounted to \$-0- and \$650 for the years ended June 30, 2025 and 2024, 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, 2025:

Campaign materials	\$	220
Events		11,000
Marketing		500
Program materials		1,965
Occupancy		13,000
	<u>\$</u>	<u>26,685</u>

Campaign materials 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 November 3, 2025 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, 2025 and 2024**

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>CASH &amp; INVESTMENTS</b>		
<b>BEGINNING OF PERIOD</b>	\$ 4,064,998	\$ 3,407,273
<b>RECEIPTS:</b>		
Pledges and program revenue	1,683,888	2,024,130
Other contributions and grants	474,196	431,368
Investment income	110,144	94,127
Rental income collected	61,492	55,902
	2,329,720	2,605,527
<b>DISBURSEMENTS:</b>		
Program services paid	1,824,987	1,481,833
Support services paid	455,131	385,028
Purchase fixed assets	-	30,678
Rental expenses paid	48,692	50,263
	2,328,810	1,947,802
<b>CASH &amp; INVESTMENTS,</b>		
<b>END OF PERIOD</b>	\$ 4,065,908	\$ 4,064,998

See independent auditors' report.

November 3, 2025

The Board of Directors  
United Way of Greater Baytown Area & Chambers County  
5309 Decker Dr.  
Baytown, Texas 77520

We have audited the financial statements of United Way of Greater Baytown Area & Chambers County for the years ended June 30, 2025, and 2024, and we will issue our report thereon dated November 3, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 16, 2025. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by United Way of Greater Baytown Area & Chambers County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the pledge's receivable and allowance for uncollectible pledges is based on historical average adjusted by management based on current economic factors. We evaluated the key factors and assumptions used to develop the pledges receivable and allowance for uncollectible pledges in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

##### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 3, 2025.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the board of directors of United Way of Greater Baytown Area & Chambers County and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

LAWRENCE, BLACKBURN, MEEK  
MAXEY & CO., P.C.



Julia Hayes  
Certified Public Accountant