

--ooOoo--

UNITED WAY OF GREATER BAYTOWN AREA &  
CHAMBERS COUNTY

FINANCIAL STATEMENTS

June 30, 2021 and 2020

--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	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 13
Supplementary Information	
Statements in Changes of Cash and Investments	14

---

---

---

## INDEPENDENT AUDITORS' 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 statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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, 2021 and 2020, 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.

**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, 2021 and 2020 Statement in Changes of Cash and Investments on page 14 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 15, 2021

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 3,204,029	\$ 3,309,715
Receivables:		
Pledges	987,831	1,125,360
Other	35,682	36,178
(Less Allowance for Uncollectable)	(170,500)	(208,600)
Deposits and Other	100	100
Prepaid Expense	12,994	42,221
Sjolander Property	579,501	-
<b>Total current assets</b>	4,649,637	4,304,974
<b>Property and equipment</b>		
Furniture and equipment	245,837	245,837
Accumulated depreciation	(144,117)	(134,043)
<b>Total property and equipment</b>	101,720	111,794
 <b>TOTAL ASSETS</b>	 <b>\$ 4,751,357</b>	 <b>\$ 4,416,768</b>
 <b>LIABILITIES</b>		
Grants Payable	\$ 1,940,663	\$ 1,709,119
Deferred Revenue	7,500	200,000
PPP Loan Payable	-	101,600
Payroll Taxes and Other Payables	83,870	145,471
<b>Total liabilities</b>	2,032,033	2,156,190
 <b>NET ASSETS</b>		
Without Donor Restrictions:		
Board Designated (see note 3)	28,526	13,012
Undesignated	2,453,961	2,117,145
Total net assets without donor restrictions	2,482,487	2,130,157
With Donor Restrictions	236,837	130,421
<b>Total net assets</b>	2,719,324	2,260,578
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ 4,751,357</b>	 <b>\$ 4,416,768</b>

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

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**STATEMENTS OF ACTIVITIES**  
For the Years Ended June 30, 2021 and 2020

	<b>2021</b>			<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>PUBLIC SUPPORT AND REVENUE</b>						
Gross campaign results	\$ 2,714,698	\$ 175,930	\$ 2,890,628	\$ 3,035,183	\$ 708,770	\$ 3,743,953
Less; donor designations	(427,341)	-	(427,341)	(623,342)	-	(623,342)
Provisions for uncollectible pledges	(170,500)	-	(170,500)	(208,600)	-	(208,600)
Net campaign revenue	<u>2,116,857</u>	<u>175,930</u>	<u>2,292,787</u>	<u>2,203,241</u>	<u>708,770</u>	<u>2,912,011</u>
Grant revenue	-	101,600	101,600	-	-	-
Service contract	114,019	-	114,019	141,591	-	141,591
Other contributions/income	637,267	-	637,267	130,783	-	130,783
Investment income	1,035	-	1,035	9,432	-	9,432
Net rental income/(loss)	7,422	-	7,422	(7,794)	-	(7,794)
	<u>2,876,600</u>	<u>277,530</u>	<u>3,154,130</u>	<u>2,477,253</u>	<u>708,770</u>	<u>3,186,023</u>
<b>Net Assets Released From Donor     Restrictions</b>	<u>171,114</u>	<u>(171,114)</u>	<u>-</u>	<u>1,242,932</u>	<u>(1,242,932)</u>	<u>-</u>
<b>TOTAL REVENUE</b>	<u><u>3,047,714</u></u>	<u><u>106,416</u></u>	<u><u>3,154,130</u></u>	<u><u>3,720,185</u></u>	<u><u>(534,162)</u></u>	<u><u>3,186,023</u></u>
<b>EXPENSES</b>						
Program services						
Gross grants awarded	1,909,480	-	1,909,480	1,709,119	-	1,709,119
Less donor designations	(212,725)	-	(212,725)	(510,744)	-	(510,744)
Net grants awarded	<u>1,696,755</u>	<u>-</u>	<u>1,696,755</u>	<u>1,198,375</u>	<u>-</u>	<u>1,198,375</u>
Other program services	642,214	-	642,214	1,553,107	-	1,553,107
Supporting services	311,738	-	311,738	316,380	-	316,380
United Way Worldwide	44,677	-	44,677	42,930	-	42,930
<b>TOTAL EXPENSES</b>	<u>2,695,384</u>	<u>-</u>	<u>2,695,384</u>	<u>3,110,792</u>	<u>-</u>	<u>3,110,792</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	352,330	106,416	458,746	609,393	(534,162)	75,231
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u>2,130,157</u>	<u>130,421</u>	<u>2,260,578</u>	<u>1,520,764</u>	<u>664,583</u>	<u>2,185,347</u>
<b>NET ASSETS, END OF PERIOD</b>	<u><u>\$ 2,482,487</u></u>	<u><u>\$ 236,837</u></u>	<u><u>\$ 2,719,324</u></u>	<u><u>\$ 2,130,157</u></u>	<u><u>\$ 130,421</u></u>	<u><u>\$ 2,260,578</u></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, 2021 and 2020**

EXPENSES	2021				Total
	Program Services	Supporting Services			
	Program Services	Organizational Administration	Fundraising	UWW Dues	
Grants Awarded (Less Donor Designations)	\$ 1,909,480 (212,725)	\$ -	\$ -	\$ -	\$ 1,909,480 (212,725)
Subtotal	1,696,755	-	-	-	1,696,755
Community Impact Programs	292,650	-	-	-	292,650
Special Events	663	258	8,711	-	9,632
Salaries	220,879	126,855	19,800	-	367,534
Payroll Taxes	16,830	9,644	1,505	-	27,979
Employee Benefits	42,232	23,024	3,591	-	68,847
Professional Fees	200	62,322	21	-	62,543
Supplies	4,362	2,903	453	-	7,718
Postage and Shipping	2,027	1,361	212	-	3,600
Telephone and Networks	25,601	16,914	4,788	-	47,303
Marketing	4,754	3,192	3,011	-	10,957
Occupancy	12,262	8,234	1,284	-	21,780
Travel	1,414	355	509	-	2,278
Insurance	7,708	4,102	640	-	12,450
Miscellaneous	2,976	1,881	294	-	5,151
Board and Staff Development	2,261	1,459	228	-	3,948
Equipment Rental and Maintenance	4,236	2,844	444	-	7,524
Dues and Subscriptions	1,159	778	121	-	2,058
	642,214	266,126	45,612	-	953,952
United Way Worldwide Dues	-	-	-	44,677	44,677
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 2,338,969</b>	<b>\$ 266,126</b>	<b>\$ 45,612</b>	<b>\$ 44,677</b>	<b>\$ 2,695,384</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, 2021 and 2020**

<b>EXPENSES</b>	2020				<b>Total</b>
	<u>Program Services</u>	<u>Supporting Services</u>			
	Program Services	Organizational Administration	Fundraising	UWW Dues	
Grants Awarded (Less Donor Designations)	\$ 1,709,119 (510,744)	\$ -	\$ -	\$ -	\$ 1,709,119 (510,744)
Subtotal	<u>1,198,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,198,375</u>
Community Impact Programs	1,096,457	-	-	-	1,096,457
Special Events	4,640	2,460	36,534	-	43,634
Salaries	281,925	108,995	17,012	-	407,932
Payroll Taxes	25,780	9,760	1,523	-	37,063
Employee Benefits	51,032	22,581	3,524	-	77,137
Professional Fees	-	61,331	-	-	61,331
Supplies	4,034	2,647	413	-	7,094
Postage and Shipping	1,523	1,023	215	-	2,761
Telephone and Networks	26,801	16,768	4,097	-	47,666
Marketing	10,413	5,356	836	-	16,605
Occupancy	8,149	5,471	854	-	14,474
Travel	11,931	1,054	1,039	-	14,024
Insurance	17,349	2,865	447	-	20,661
Miscellaneous	2,680	1,642	275	-	4,597
Board and Staff Development	4,423	2,606	417	-	7,446
Equipment Rental and Maintenance	4,271	2,868	448	-	7,587
Dues and Subscriptions	1,699	1,141	178	-	3,018
Depreciation Expense	-	-	-	-	-
	<u>1,553,107</u>	<u>248,568</u>	<u>67,812</u>	<u>-</u>	<u>1,869,487</u>
United Way Worldwide Dues	-	-	-	42,930	42,930
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u><u>\$ 2,751,482</u></u>	<u><u>\$ 248,568</u></u>	<u><u>\$ 67,812</u></u>	<u><u>\$ 42,930</u></u>	<u><u>\$ 3,110,792</u></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, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS OPERATING ACTIVITIES:</b>		
Increase in Net Assets	\$ 458,746	\$ 75,231
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities		
Donated Property	(575,000)	-
Depreciation	10,073	9,539
PPP Loan Forgiveness	(101,600)	-
Change in Assets and Liabilities:		
Net Pledges Receivable	99,430	154,076
Other Receivable	494	386,793
Prepaid Expense	29,227	1,037
Accounts and Other Payables	(238,181)	(123,921)
Grants	215,626	(320,057)
Net Cash Provided/(used) by Operating Activities	(101,185)	182,699
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases for investment property	(4,501)	-
Purchase of Fixed Assets	-	(40,796)
Net Cash Used by Investing Activities	(4,501)	(40,796)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from notes payable	-	101,600
Net Cash Provided by Financing Activities	-	101,600
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(105,686)	243,502
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	3,309,715	3,066,213
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	\$ 3,204,029	\$ 3,309,715
Cash paid during the year for:		
Interest	\$ -	\$ -
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, 2021 and 2020**

**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, 2021, it is estimated that 7% 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, 2021 and 2020 the provision for uncollectible pledges was computed as follows:

	2021	2020
Provisions related to current year pledges	\$ 170,500	\$ 208,600
Net Provision	\$ 170,500	\$ 208,600

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, 2021, are as follows:

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2021 and 2020**

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

	Pledge Receivable	Allowance for Uncollectable Pledges
Current year campaign	\$ 906,819	\$ 161,785
Designations from other United Ways	81,012	8,715
Net provision	\$ 987,831	\$ 170,500

United Way received approximately 49% and 52% of its total pledge contributions from ExxonMobil, its affiliates and employees in each of the years ending in June 30, 2021 and 2020, 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.

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.

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2021 and 2020**

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

New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers”, (Topic 606). The effective date of this standard was for periods beginning after December 15, 2019. This standard, along with its related amendments, requires organizations to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of this standard did not have a material effect on the Organization’s financial statements and required no adjustment.

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

During the year ended June 30, 2020, an emergency fund, Crisis Relief and Recovery Fund, was created to help the community recover from a crisis, which could be the result of a disaster or community-wide emergency. Included in this emergency fund is the sub-fund COVID-19 Emergency Fund. This fund and the sub-funds will be managed by United Way of Greater Baytown Area & Chambers County.

United Way has received grants and pledges restricted for the Crisis Relief and Recovery Fund and COVID-19 Emergency Fund sub-fund. Net assets with donor restrictions totaled \$236,837 of which the full amount was designated to the Crisis Relief and Recovery Fund at June 30, 2021.

**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:

<b>Program</b>	<b>Balance, July 1, 2020</b>	<b>Designations Net</b>	<b>Board released or expenses</b>	<b>Balance, June 30, 2021</b>
Day of Caring	\$ 6,717	\$ 30,000	\$ (12,691)	\$ 24,026
Stamp Out Hunger	1,295	4,000	(1,295)	4,000
Day of Action	5,000	500	(5,000)	500
<b>Total</b>	<u>\$ 13,012</u>	<u>\$ 34,500</u>	<u>\$ (18,986)</u>	<u>\$ 28,526</u>

**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, 2021 and 2020**

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

The following presents United Way's financial assets as of June 30, 2021 and 2020, 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,

	2021	2020
Cash and cash equivalents	\$ 3,204,029	\$ 3,309,715
Accounts receivable	853,013	952,938
Total financial assets	<u>4,057,042</u>	<u>4,262,653</u>
Less amounts not available to be used within one year		
Net assets with donor restrictions	236,837	130,421
Board Designated Funds	28,526	13,012
	<u>265,363</u>	<u>143,433</u>
Financial Assets Available to Meet Cash		
Needs for General Obligations in One Year	<u>\$ 3,791,679</u>	<u>\$ 4,119,220</u>

**NOTE 5 -- PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Furniture and equipment	\$ 8,841	\$ 8,841
Leasehold improvements	236,996	236,996
	245,837	245,837
Less: Accumulated depreciation	(144,117)	(134,043)
Property and equipment, net	<u>\$ 101,720</u>	<u>\$ 111,794</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.

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

Program service community impact awards made during the years ended June 30, 2021 and 2020 were allocated as follows:

	2021	2020
<b>Program Services:</b>		
Basic needs	\$ 391,925	\$ -
Education	476,730	622,659
Financial stability	551,540	547,656
General Health Services	550,469	538,805
Gross funds awarded/distributed	<u>\$ 1,970,664</u>	<u>\$ 1,709,120</u>

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2021 and 2020**

**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 \$15,828 and \$17,428 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020 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, 2021 and 2020 net rental income, including the fair rental value of the space occupied by United Way, consisted of the following:

	2021	2020
<b>Revenues:</b>		
Rents	\$ 47,861	\$ 43,728
Total Revenues	47,861	43,728
<b>Expenses:</b>		
Office supplies	39	-
Utilities	9,354	10,991
Repairs & Maintenance	18,598	27,314
Insurance	2,414	3,678
Depreciation	10,073	9,539
Total Expense	40,478	51,522
<b>Net Rental Income/(Loss)</b>	<b>\$ 7,383</b>	<b>\$ (7,794)</b>

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 \$7,524 and \$7,587 for the years ended June 30, 2021 and 2020, respectively.

Future minimum rental payments under the lease are as follows:

2022	\$	4,015
2023		-
	\$	4,015

**UNITED WAY OF GREATER BAYTOWN AREA & CHAMBERS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2021 and 2020**

**NOTE 10 -- 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, 2021, the carrying amount of the Organization's deposits was \$3,204,029 and the bank balance was \$3,204,180. Bank balances in four of these accounts exceeded the FDIC and NCUA coverage as of June 30, 2021.

**NOTE 11 -- CAMPAIGN RESULTS**

Campaign results decreased for the fiscal year 2021 when compared to fiscal year 2020. Some contributions by donors to the campaign were collected by other United Ways during the years ended June 30, 2021 and 2020. These contributions amounted to \$124,470 and \$70,711 for the years ended June 30, 2021 and 2020, respectively. These contributions are passed through to United Way and are included in gross campaign results.

**NOTE 12 -- PPP LOAN**

On April 10 2020, United Way, was granted a loan (the "Loan") from Texas First Bank in the aggregate amount of \$101,600, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated April 10, 2020 issued by the Borrower, matures on April 10, 2022 and bears interest at a rate of 1.0% per annum. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Company used the entire Loan amount for qualifying expenses. On April 13, 2021, United Way was notified that the PPP loan was forgiven.

**NOTE 13 -- UNCERTAINTY**

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. The coronavirus outbreak has severely restricted the level of economic activity worldwide. Given the uncertainty of the spread of the coronavirus, the related financial impact to the Organization, if any, cannot be determined at this time.

**NOTE 14 -- DONATED PROPERTY**

In 2021, real property located at 4464 Sjolander Road in Baytown, Texas was donated to the Organization. This property was valued at \$575,000 and recognized as a contribution on the statement of activities. There were no donor restrictions on the contribution. The property is currently listed to be sold.

**NOTE 15 -- SUBSEQUENT EVENTS**

Subsequent events were evaluated through October 15, 2021 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, 2021 and 2020**

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>CASH &amp; INVESTMENTS</b>		
<b>BEGINNING OF PERIOD</b>	\$ 3,309,715	\$ 3,066,213
<b>RECEIPTS:</b>		
Pledges and program revenue	2,790,069	4,114,845
Other contributions and grants	61,217	130,693
Investment income	1,035	9,432
Rental income collected	47,861	43,728
Loan proceeds	-	101,600
	2,900,182	4,400,298
<b>DISBURSEMENTS:</b>		
Program services paid	2,604,513	3,705,168
Support services paid	356,415	359,310
Purchase fixed assets	4,501	40,796
Rental expenses paid	40,439	51,522
	3,005,868	4,156,796
<b>CASH &amp; INVESTMENTS,</b>		
<b>END OF PERIOD</b>	\$ 3,204,029	\$ 3,309,715

See independent auditors' report.