

**UNITED WAY OF BEAUMONT AND
NORTH JEFFERSON COUNTY**

**FINANCIAL STATEMENTS
TOGETHER WITH AUDITORS' REPORT**

June 30, 2025 and 2024

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February 10, 2026

Board of Directors and Karyn Husbands
United Way of Beaumont and North Jefferson County
700 North St, Ste. H
Beaumont, TX 77701

We have audited the financial statements of United Way of Beaumont and North Jefferson County for the years ended June 30, 2025 and 2024, and we will issue our report thereon dated February 10, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), 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 Beaumont and North Jefferson 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 estimates affecting the financial statements were:

Management's estimate of the pledge's receivable and allowance for uncollectible pledges is based on a historical average adjusted by management based on current economic factors. We have 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.

Management's estimate of the beneficial interest in endowments is based on the lesser of the present value of future contributions or fair value at the year-end date. We evaluated the key factors and assumptions used to develop the value of the beneficial interest in endowments 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. Attached is a list of corrected misstatements that were identified during the audit, as noted

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 Beaumont and North Jefferson 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 Beaumont and North Jefferson 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 Schedule of Allocations to Participating Agencies 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
February 10, 2026

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
STATEMENTS OF FINANCIAL POSITION

June 30, 2025

(with comparative amount for June 30, 2024)

	ASSETS	
	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 776,536	\$ 597,045
Campaign receivables (net)	243,932	221,824
Investments	1,135,496	1,038,980
Other	28,227	21,718
Total Current Assets	2,184,191	1,879,567
PROPERTY AND EQUIPMENT		
Furniture and equipment	92,907	90,347
Accumulated depreciation	(86,629)	(83,873)
Total Property and Equipment	6,278	6,474
OTHER ASSETS		
Beneficial interest in endowments	3,217,000	3,662,100
Right of use asset	46,038	-
Investments	1,228,070	1,296,833
Total Other Assets	4,491,108	4,958,933
Total Assets	\$ 6,681,577	\$ 6,844,974
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 84,763	\$ 82,610
Allocations and designated pledges payable	943,185	921,471
Current portion of right of use lease liability	15,887	-
Deferred revenue	197,530	103,521
Total Current Liabilities	1,241,365	1,107,602
OTHER LIABILITIES		
Right of use lease liability, net of current portion	30,151	-
Total Liabilities	1,271,516	1,107,602
NET ASSETS		
Without donor restrictions:		
Board designated		
Operating reserves	672,997	656,608
Disaster reserves	500,000	500,000
Other	340,983	270,942
Undesignated	679,081	647,722
Total net assets without donor restrictions	2,193,061	2,075,272
With donor restrictions	3,217,000	3,662,100
Total Net Assets	5,410,061	5,737,372
Total Liabilities and Net Assets	\$ 6,681,577	\$ 6,844,974

The accompanying notes are an integral part of these financial statements

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025
(with comparative amount for June 30, 2024)

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2025	2024
SUPPORT, REVENUES, AND GAINS				
Gross campaign results	\$ 1,034,066	\$ -	\$ 1,034,066	\$ 1,114,437
Less amounts designated by donor for specific agencies	(186,064)	-	(186,064)	(108,977)
Less provision for uncollectible pledges	(82,695)	-	(82,695)	(139,235)
Net campaign pledges	765,307	-	765,307	866,225
Other	176,919	-	176,919	173,429
Total Contributions	942,226	-	942,226	1,039,654
Service fees	-	-	-	144
Special events (net)	252,092	-	252,092	60,760
Investment income (net)	132,114	-	132,114	103,776
Change in value of beneficial interest in endowments	-	(445,100)	(445,100)	60,500
Total Revenues	1,326,432	(445,100)	881,332	1,264,834
EXPENSES AND LOSSES				
Agency Allocations				
Gross funds awarded	943,185	-	943,185	911,721
Less net collectible pledges designated by donor for specific agencies	(174,912)	-	(174,912)	(101,892)
Special and emergency grants	8,601	-	8,601	124,203
Net funds awarded	776,874	-	776,874	934,032
Program services				
Fund distribution	110,774	-	110,774	91,136
Community outreach	70,546	-	70,546	59,545
Service support				
Fund raising	112,090	-	112,090	96,491
Management and general	138,359	-	138,359	111,929
Total Expenses and Losses	1,208,643	-	1,208,643	1,293,133
<i>Change in Net Assets</i>	117,789	(445,100)	(327,311)	(28,299)
Net Assets - Beginning	2,075,272	3,662,100	5,737,372	5,765,671
Net Assets - Ending	\$ 2,193,061	\$ 3,217,000	\$ 5,410,061	\$ 5,737,372

The accompanying notes are an integral part of these financial statements

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(with comparative amount for June 30, 2024)

	Program Services		Service Support		Total	
	Fund	Community	Fund	Management	2025	2024
	Distribution	Outreach	Raising	& General		
Salaries	\$ 56,765	\$ 36,528	\$ 53,421	\$ 69,861	\$ 216,575	172,483
Employee benefits	11,754	7,662	10,600	14,585	44,601	43,043
Payroll taxes	4,571	2,941	4,309	5,642	17,463	13,109
Total Personnel Expenses	73,090	47,131	68,330	90,088	278,639	228,635
Conferences and meetings	1,105	676	931	1,357	4,069	3,458
Contract services	71	46	68	92	277	364
Depreciation	594	384	1,002	776	2,756	2,347
Equipment rental and maintenance	1,197	775	3,970	1,555	7,497	9,734
Miscellaneous	4,167	2,700	8,189	5,438	20,494	3,083
Occupancy	12,266	8,430	11,381	15,935	48,012	43,034
Postage and shipping	208	81	434	261	984	940
Printing	229	149	6,560	298	7,236	12,649
Professional fees	9,898	5,456	3,849	12,367	31,570	31,795
Supplies	1,252	367	1,240	1,433	4,292	2,487
Telephone	558	362	600	725	2,245	2,131
Travel and transportation	1,177	746	1,141	1,521	4,585	4,592
United Way dues	4,962	3,243	4,395	6,513	19,113	13,852
Total Functional Expenses	\$ 110,774	\$ 70,546	\$ 112,090	\$ 138,359	\$ 431,769	\$ 359,101

The accompanying notes are an integral part of these financial statements

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(with comparative amount for June 30, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (327,311)	\$ (28,299)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operation Activities		
Depreciation	2,756	2,347
Amortized bond premiums	-	3,996
(Gain) loss on securities	(50,693)	(19,419)
Change in value of beneficial interest in endowments	445,100	(60,500)
(Increase) Decrease in:		
Campaign receivables (net)	(22,108)	84,840
Other current assets	(6,509)	(5,808)
Increase (Decrease) in:		
Accounts payable	2,153	3,354
Allocations and designations payable	21,714	(46,179)
Deferred revenue	94,009	20,549
Net Cash Provided (Used) by Operating Activities	159,111	(45,119)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	(2,560)	-
Purchase of investments	(932,960)	(1,173,841)
Proceeds from sales of investments	955,900	845,824
Net Cash Provided (Used) by Investing Activities	20,380	(328,017)
 Net Increase (Decrease) in Cash and Cash Equivalents	 179,491	 (373,136)
Cash and Cash Equivalents - Beginning	597,045	970,181
Cash and Cash Equivalents - Ending	\$ 776,536	\$ 597,045

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the period for

Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES:

Organization

United Way of Beaumont and North Jefferson County (“United Way”) is a nonprofit organization that serves as a federated fund-raising agency for other nonprofit organizations in Jefferson County. Campaign contributions are solicited annually from individuals, companies and their employees. Funds are distributed to member agencies’ programs to provide services to individuals needing assistance.

United Way was originally incorporated on June 5, 1952 under the name United Appeals of Beaumont and North Jefferson County and the name was changed on August 6, 1979. United Way is governed by a volunteer board of trustees.

Mission Statement

To provide visionary leadership in uniting the community’s resources of donors, volunteers and organizations.

Basis of Accounting

The financial statements for United Way have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Financial Statement Presentation

The financial statements of United Way have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the Guide). ASC 958-205 was effective January 1, 2018 with early implementation allowed.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of United Way and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of United Way’s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of United Way or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these amounts.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. generally accepted accounting principles (US GAAP) establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). United Way groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Cash and Cash Equivalents

United Way considers all demand deposits at financial institutions to be cash and cash equivalents.

Contributions Receivable

Contribution's receivable, campaign receivables, consists of unconditional promises to give that are expected to be collected within one year and are reported at net realizable value. An allowance for uncollectible receivable is provided when it is believed balances may not be collected in full.

Investments

Investments, which are reflected in the financial statements at fair market value, consist of certificates of deposit, corporate bonds, mutual funds and government bonds. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets.

Furniture and Equipment

Furniture and equipment are recorded at cost if acquired or fair market value if donated. Expenditures in excess of \$500 for furniture and equipment are capitalized. Depreciation is provided using the straight-line method over the useful lives (5-10 years) of the assets.

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and benefits are allocated based on time and effort. Most other expenses are allocated based on full-time equivalents.

Revenue Recognition

Annual campaigns are conducted to raise support for allocation to participating agencies. Pledges are recorded as received and allowances are made for amounts estimated as uncollectible. Unless specifically restricted by the donor, all pledges are considered to be available for unrestricted use. Pledges designated by the donor for distribution to a specific agency are not recognized as revenue by United Way.

Provision for uncollectible pledges are computed based upon a historical average adjusted by management estimates of current economic factors, applied to gross campaign, including donor designations.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Expenditures

All expenditures are recorded on the accrual basis.

Donated Materials and Services

United Way receives a significant amount of donated services from unpaid volunteers who assist in the organization's management and fundraising. No amounts have been recognized in the statement of activities for these services because they do not meet the necessary criteria under US GAAP.

Grants and Designations

United Way routinely grants dollar to partner agencies in the areas within its operating communities. Grants are reviewed and approved by the Board in the grant year in which they would be paid. Donors, at their discretion, may make designated pledges to partner agencies. Any unpaid grants or allocations are recorded as allocation and designation pledges payable.

Income Tax Status

United Way is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the code.

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should only be read in conjunction with United Way's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Leases

United Way records operating and finance lease activity in accordance with FASB ASC 842, *Leases*. United Way determines if contractual agreements contain a lease at inception. Lease agreements include United Way's operating facility. A lease is identified when a contract allows for the right to control an identified asset for a period of time in exchange for consideration. Lease liabilities are recognized at lease commencement, measured using the present value of cash payments expected to be made during the lease term, and represent United Way's obligation to make the lease payments arising from the lease. Right-of-use assets are recognized upon lease commitment, measured using the initial lease plus any payment made at or before commencement of the lease term, and represent the right to use an underlying asset for the lease term. United Way uses a risk-free rate as a discount rate for present value of the lease payments when the rate implicit in the contract is not readily determinable. Certain leases with a term of 12 months or less are not recorded using a right-of-use asset and lease liability, rather the related payments are recognized in the statement of activities and changes in net assets on a straight-line basis over the term of the lease.

New Accounting Pronouncement

Effective July 1, 2023, United Way adopted FASB ASC 326, Credit Losses. The new standard requires entities to measure credit losses for certain financial asset, including accounts receivable, by replacing the historical "incurred loss" approach with an "expected loss" model. The current expected credit loss ("CECL") model requires entities to assess current and expected condition, supported by reasonable forecasts, in addition to historical information to estimate the lifetime losses of certain financial assets.

United Way adopted ASC 326 using the modified retrospective method, which requires United Way to apply the new credit standard through a cumulative effect adjustment to the beginning balance of net assets, if necessary, as of the first reporting period in which the standard is effective.

The adoption of FASB ASC 326 did not have a material impact to United Way's results of operations or cash flows.

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

NOTE 2 – AVAILABILITY AND LIQUIDITY:

The following represents United Way’s financial assets at June 30, 2025 and 2024:

	2025	2024
Financial Assets at year-end		
Cash and cash equivalents	\$ 776,536	\$ 597,045
Pledges receivable	243,932	221,824
Investments	2,363,566	2,335,813
Total Financial Assets	\$ 3,384,034	\$ 3,154,682
Less amounts not available to be used within one year:		
Board designated reserves	1,013,980	927,550
Total Financial Assets	\$ 1,013,980	\$ 927,550
Financial Assets available to meet general expenditures over the next twelve months	\$ 2,370,054	\$ 2,227,132

United Way’s goal is to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts, certificates of deposit, and U S Treasury obligations.

NOTE 3 – CAMPAIGN RECEIVABLES:

Campaign receivables as of June 30, 2025 and 2024, consisted of:

	2025	2024
Pledges Receivable	\$ 560,242	\$ 516,893
Allowance for Uncollectibles	(316,310)	(295,069)
Net Campaign Receivables	\$ 243,932	\$ 221,824

All pledges are due within one year.

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

NOTE 4 – INVESTMENTS:

Investments are composed of the following:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Certificates of deposit	\$ 313,525	\$ 313,525	\$ 307,931	\$ 307,931
Government obligations	1,453,302	1,458,530	1,551,972	1,526,053
Corporate bonds	448,669	457,711	277,370	277,201
Mutual funds	140,117	133,800	232,285	224,628
Total	<u>\$ 2,355,613</u>	<u>\$ 2,363,566</u>	<u>\$ 2,369,558</u>	<u>\$ 2,335,813</u>

Investment returns for the years ended June 30, 2025 and 2024 were composed of the following:

	2025	2024
Investment income:		
Interest and dividend income	\$ 88,151	\$ 89,803
Investment manager fees	(6,730)	(5,447)
Gains and (losses)		
Realized	8,995	(15,090)
Unrealized	41,698	34,510
Total investment returns	<u>\$ 132,114</u>	<u>\$ 103,776</u>

As of June 30, 2025 and 2024, all investments were considered level 1 investments.

NOTE 5 – BENEFICIAL INTEREST IN ENDOWMENTS:

Various donors have established endowed funds for the benefit of United Way with a non-profit community foundation which distributes an amount based on the value of the endowment as of December 31st and a distribution rate approved on an annual basis. The present value of the future benefits to be received is calculated based on the average annual distribution received during the previous ten years at a discount rate based on the yield of US Treasury obligations. The present value is limited to the fair market value of the endowed fund, when applicable. The fair market value of the endowed fund is valued using level 1 inputs, which are based on an unadjusted quoted price within active markets.

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

NOTE 6 – RESULTS OF ANNUAL CAMPAIGNS:

Pledges received and allowance for uncollectible pledges for the years ended June 30, 2025 and 2024, are as follows:

	<u>Undesignated</u>	<u>to Specific Agencies</u>	<u>Total</u>
<i>Year ended June 30, 2025</i>			
Pledges Received			
2022 Campaign	\$ -	\$ -	\$ -
2023 Campaign	63,033	-	63,033
2024 Campaign	784,969	186,064	971,033
Total Pledges	848,002	186,064	1,034,066
Allowance for Uncollectibles			
2023 Campaign	(8,329)	-	(8,329)
2024 Campaign	(74,366)	(11,152)	(85,518)
Net Pledges	<u>\$ 765,307</u>	<u>\$ 174,912</u>	<u>\$ 940,219</u>
<i>Year ended June 30, 2024</i>			
Pledges Received			
2021 Campaign	\$ 201	\$ -	\$ 201
2022 Campaign	79,719	-	79,719
2023 Campaign	925,540	108,977	1,034,517
Total Pledges	1,005,460	108,977	1,114,437
Allowance for Uncollectibles			
2022 Campaign	15,341	-	15,341
2023 Campaign	(154,576)	(7,085)	(161,661)
Net Pledges	<u>\$ 866,225</u>	<u>\$ 101,892</u>	<u>\$ 968,117</u>

NOTE 7 –NET ASSETS:

Net assets with donor restrictions as of June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Not Subject to Appropriation or Expenditure		
Beneficial interest in endowments	\$ 3,217,000	\$ 3,662,100
Total Net Assets with Donor Restrictions	<u>\$ 3,217,000</u>	<u>\$ 3,662,100</u>

**UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024**

NOTE 7 –NET ASSETS (continued):

	2025	2024
Undesignated	\$ 679,081	\$ 647,722
Designated by the Board		
Operating reserves	672,997	656,608
Disaster reserves	500,000	500,000
Major equipment	6,192	6,192
Emergency	60,767	60,767
Endowment	274,024	203,983
Total Net Assets without Donor Restrictions	\$ 2,193,061	\$ 2,075,272

The Board has designated net assets without donor restrictions as follows:

Operating reserve – This reserve is to provide for operations and community investments in the event of an unforeseen event or severe economic downturn. The reserve is maintained at a minimum of three and maximum of six months operating expenses and allocations.

Disaster reserve – This reserve is to enable United Way to respond quickly to the community in the aftermath of a disaster.

Major equipment – This reserve is for unanticipated repairs or maintenance or purchases of capital equipment.

Emergency – This reserve is to provide funding to partner agencies in the event of emergency needs.

Endowment – The board has designated the amounts received from two bequests to establish an endowment.

NOTE 8 –ALLOCATIONS AND DESIGNATED PLEDGES PAYABLE:

Unconditional allocations authorized but unpaid and estimated net collectible designated pledges at year end are reported as liabilities. The allocations and designated pledges payable at June 30, 2025 and 2024, are to be disbursed by United Way within one year, thus no discount has been calculated.

NOTE 9 – RETIREMENT PLAN:

United Way maintains a defined contribution retirement plan covering substantially all employees. Contributions to the plan are discretionary but may not exceed 15% of compensation. Contributions to the plan totaled \$11,652 and \$14,082 for the years ending June 30, 2025 and 2024, respectively.

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

NOTE 10 – LEASE OBLIGATIONS:

United Way has entered into an operating lease agreement for the rental of office space expiring September 1, 2027. United Way adopted FASB ASC 842, *Leases*, which required it to recognized as a right-of-use lease asset and lease liability on its statement of financial position for all leases in excess of one year in duration. The total lease payments under the current operating lease agreement were \$30,562.

Future minimum lease payments under this operating lease agreement at June 30, 2025 are as follows:

Year ending June 30,	
2026	\$ 33,779
2027	33,779
2028	5,630
	<u>\$ 73,188</u>

Weighted average remaining lease term and discount rate at June 30, 2025 are as follows:

Remaining lease term - operating	2.17 years
Discount rate - operating	3.79%

The net present value of the future minimum lease payments at June 30, 2025 is as follows:

Total minimum lease payments	\$ 73,188
Amount representing interest	<u>(27,150)</u>
Present value of minimum lease payments	46,038
Current portion	(15,887)
Long-term lease payable	<u>\$ 30,151</u>

NOTE 11 – CONCENTRATION OF CREDIT RISK:

As of June 30, 2025 and 2024, United Way had funds on deposit with local banks in excess of FDIC insurance coverage by approximately \$235,926 and \$0.00, respectfully.

As of June 30, 2025 and 2024, United Way had funds on deposit with brokerage firm in excess of SIPC insurance coverage by approximately \$1,700,000 and \$1,800,000, respectively.

Campaign pledges received from one corporation and its employees provided approximately 59% and 54%, respectively, of the total pledges for the years ended June 30, 2025 and 2024. Pledges receivable from this corporation and its employees as of June 30, 2025 and 2024 were approximately \$182,000 and \$114,000, respectively.

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

NOTE 12 –COST DEDUCTIONS:

United Way has committed to and was in compliance with the Cost Deduction Requirements for Membership Requirement M, as established by United Way Worldwide. The standard establishes uniform rules for deducting resource development and organizational administration expenses from donor pledges.

NOTE 13 –SUBSEQUENT EVENTS:

Management has evaluated subsequent events through February 10, 2026, the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

UNITED WAY OF BEAUMONT AND NORTH JEFFERSON COUNTY
SCHEDULE OF ALLOCATIONS TO PARTICIPATING AGENCIES
FOR THE YEAR ENDED JUNE 30, 2025
(with comparative amount for June 30, 2024)

	Awarded from Current Campaign		Special and Emergency Grants	Total	
	United Way	Donor Designated		2025	2024
Anayat House	\$ 2,605	\$ 4,396	\$ -	\$ 7,001	\$ 6,000
The ARC of Greater Beaumont	12,192	15,808	-	28,000	28,000
Boys' Haven of America, Inc.	-	-	-	-	(9,750)
Capland Center	(1,209)	1,209	-	-	5,000
CASA of Southeast Texas	16,515	3,485	-	20,000	20,000
Catholic Charities	80,849	19,151	-	100,000	85,000
Communities in Schools	47,310	2,690	-	50,000	50,000
Family Services of Southeast Texas, Inc	5,297	19,703	-	25,000	25,000
Legacy Community Health	3,150	1,850	-	5,000	15,000
Recovery Council of Southeast Texas	95,057	4,943	-	100,000	100,000
Nutrition and Services for Seniors	147,147	17,853	-	165,000	165,000
Rape and Suicide Crisis Center of Southeast Texas, Inc.	33,805	10,195	-	44,000	44,000
Salvation Army	114,945	10,055	-	125,000	125,000
Samaritan Counseling Center of Southeast Texas	11,041	959	-	12,000	12,000
San Jacinto Girl Scouts	40,225	1,775	-	42,000	42,000
Richard L. Shorkey Education & Rehabilitation Center	88,834	11,166	-	100,000	88,500
Southeast Texas Family Resource Cente	19,939	5,060	-	24,999	25,000
Southeast Texas Food Bank	18,497	21,503	-	40,000	40,000
Southeast Texas Hospice, Inc.	2,228	9,772	-	12,000	12,000
Three Rivers Council, Boy Scouts of America	29,846	5,154	-	35,000	25,000
	768,273	166,727	-	935,000	902,750
Designated to other United Ways, their member agencies, and other non-profit organizations	-	8,185	8,601	16,786	133,174
	\$ 768,273	\$ 174,912	\$ 8,601	\$ 951,786	\$ 1,035,924

See independent auditors' report

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of United Way of Beaumont and North Jefferson County
Beaumont, Texas

Opinion

We have audited the accompanying financial statements of United Way of Beaumont and North Jefferson 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 Beaumont and North Jefferson 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 Beaumont and North Jefferson 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 Beaumont and North Jefferson 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

above the identified misstatements were reviewed and corrected by management. The accumulation of the identified misstatements was material when aggregated.

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 February 10, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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.

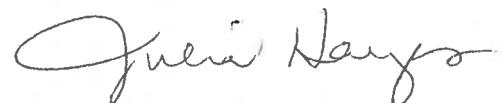
Other Matters

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 board of directors and management of United Way of Beaumont and North Jefferson 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