

United Way of St. Charles

Financial Statements and
Independent Auditor's Report

Years Ended
June 30, 2024 and 2023

UNITED WAY OF ST. CHARLES
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Independent Auditor's Report
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**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of St. Charles
Luling, Louisiana

Opinion

We have audited the financial statements of United Way of St. Charles, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of St. Charles as of June 30, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of St. Charles and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 St. Charles's ability to continue as a going concern for one year after the date that the financial statements are issued.

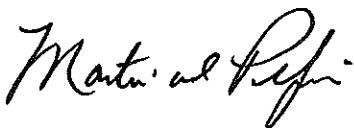
Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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 GAAS 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 GAAS, 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 St. Charles'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 St. Charles'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.



Houma, Louisiana
August 17, 2024

UNITED WAY OF ST. CHARLES

Statements of Financial Position
June 30, 2024 and 2023

	Without Donor Restrictions	
	June 30,	
	2024	2023
ASSETS		
Current assets:		
Cash	\$ 730,446	\$ 285,938
Investments	-	491,796
Pledges receivable (less allowance for uncollectible pledges of \$137,065 and \$187,360)	1,040,803	2,491,597
Unconditional promises to give	20,000	300,500
Prepaid expenses	36,303	24,604
TOTAL CURRENT ASSETS	1,827,552	3,594,435
Property and equipment (less accumulated depreciation of \$56,079 and \$26,062)	4,438,762	4,437,067
TOTAL ASSETS	\$ 6,266,314	\$ 8,031,502
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 60,290	\$ 110,756
Current maturities of notes payable	89,527	84,355
Payable to member agencies	1,589,078	1,864,078
Payable to donor designated entities	170,436	204,650
TOTAL CURRENT LIABILITIES	1,909,331	2,263,839
Notes payable, net of current maturities	2,565,602	2,668,873
TOTAL LIABILITIES	4,474,933	4,932,712
NET ASSETS		
Designated	800,000	800,000
Undesignated	991,381	2,298,790
Total net assets	1,791,381	3,098,790
TOTAL LIABILITIES AND NET ASSETS	\$ 6,266,314	\$ 8,031,502

See accompanying notes.

UNITED WAY OF ST. CHARLES

Statements of Activities
Years Ended June 30, 2024 and 2023

	Without Donor Restrictions	
	Year Ended June 30,	
	2024	2023
REVENUES AND OTHER SUPPORT		
Campaign results:		
Campaign contributions	\$ 3,603,129	\$ 4,013,085
Less donor designated contributions	(1,091,384)	(1,204,744)
Less provision for uncollectible pledges	(570,982)	(57,620)
Net campaign	1,940,763	2,750,721
Interest income	21,720	4,151
Rental income	132,572	77,477
Special events	162,996	186,700
In-kind contributions	12,075	729,200
Other contributions	-	799,188
Other revenues	35,493	184,262
TOTAL REVENUES AND OTHER SUPPORT	2,305,619	4,731,699
ALLOCATIONS AND FUNCTIONAL EXPENSES		
Allocations:		
Funds allocated to agencies	1,331,536	1,956,616
Functional expenses:		
Program services	1,406,817	2,760,467
Management and general	604,182	1,078,223
Resource development/fund raising	270,493	260,163
Total functional expenses	2,281,492	4,098,853
TOTAL ALLOCATIONS AND FUNCTIONAL EXPENSES	3,613,028	6,055,469
CHANGE IN NET ASSETS	(1,307,409)	(1,323,770)
NET ASSETS, BEGINNING OF YEAR	3,098,790	4,456,236
PRIOR PERIOD ADJUSTMENT (SEE NOTE 15)	-	(33,676)
NET ASSETS, END OF YEAR	\$ 1,791,381	\$ 3,098,790

See accompanying notes.

UNITED WAY OF ST. CHARLES

Statement of Functional Expenses Year Ended June 30, 2024

	Program Services	Management and General	Resource Development/ Fund Raising	Total
Hurricane Ida expenses	\$ 581,329	\$ 104,231	\$ -	\$ 685,560
Salaries	97,133	292,909	18,728	408,770
Financial Stability Partnership	146,366	-	-	146,366
Community College	134,152	-	-	134,152
Event expenses	-	-	130,338	130,338
Insurance	35,492	52,929	-	88,421
Success by Six	77,427	-	-	77,427
Public communications	-	-	60,134	60,134
Campaign expenses	-	-	52,017	52,017
UWA memberships	-	43,547	-	43,547
Grants	39,500	-	-	39,500
Back to School Event	33,567	-	-	33,567
Services	-	30,376	-	30,376
Summer Youth Camp	27,660	-	-	27,660
Payroll taxes	6,093	18,375	1,175	25,643
Health Project	22,344	-	-	22,344
Imagination Library	21,536	-	-	21,536
Volunteer expense	20,656	-	-	20,656
Retirement	3,582	10,801	691	15,074
Accounting	-	11,950	-	11,950
Employee benefits	8,781	-	-	8,781
Utilities	-	7,701	-	7,701
Bank charges	-	-	7,140	7,140
Telephone	-	7,068	-	7,068
Supplies	1,094	3,300	212	4,606
Payroll services	-	3,404	-	3,404
Direct aid to individuals	2,786	-	-	2,786
Other memberships	-	2,742	-	2,742
Hospitality	-	2,520	-	2,520
Equipment lease and maintenance	-	1,567	-	1,567
Unemployment taxes	301	908	58	1,267
Building maintenance	-	1,046	-	1,046
Trash Bash	995	-	-	995
Postage	-	807	-	807
Christmas Toys and Gift Cards	580	-	-	580
Travel and training	-	36	-	36
Miscellaneous	-	(1,847)	-	(1,847)
	1,261,374	594,370	270,493	2,126,237
Interest	125,238	-	-	125,238
Depreciation	20,205	9,812	-	30,017
TOTAL FUNCTIONAL EXPENSES	\$ 1,406,817	\$ 604,182	\$ 270,493	\$ 2,281,492

See accompanying notes.

UNITED WAY OF ST. CHARLES

Statement of Functional Expenses Year Ended June 30, 2023

	Program Services	Management and General	Resource Development/ Fund Raising	Total
Hurricane Ida expenses	\$ 1,170,188	\$ 575,031	\$ -	\$1,745,219
Direct aid to individuals	821,950	-	-	821,950
Salaries	95,808	294,817	14,370	404,995
Insurance	78,585	40,029	-	118,614
Event expenses	-	-	116,085	116,085
Financial Stability Partnership	106,325	-	-	106,325
Campaign expenses	-	-	74,479	74,479
Community College	73,630	-	-	73,630
Success by Six	69,855	-	-	69,855
Public communications Services	-	-	47,998	47,998
UWA memberships	-	44,409	-	44,409
Summer Youth Camp	-	41,799	-	41,799
Back to School Event	41,545	-	-	41,545
Imagination Library	33,254	-	-	33,254
Health Project	31,297	-	-	31,297
Payroll taxes	28,807	-	-	28,807
Volunteer expense	6,078	18,702	912	25,692
Grants	17,183	-	-	17,183
Retirement	15,000	-	-	15,000
Accounting	3,531	10,867	530	14,928
Telephone	-	11,000	-	11,000
Employee benefits	-	10,073	-	10,073
Supplies	8,495	-	-	8,495
Miscellaneous	1,956	6,020	293	8,269
Bank charges	(606)	6,509	-	5,903
Payroll services	-	-	5,449	5,449
Christmas Toys and Gift Cards	-	3,561	-	3,561
Utilities	3,193	-	-	3,193
Other memberships	-	2,914	-	2,914
Hospitality	-	2,684	-	2,684
Trash Bash	-	2,074	-	2,074
Postage	1,504	-	-	1,504
Unemployment taxes	-	1,452	-	1,452
Equipment lease and maintenance	313	962	47	1,322
Building maintenance	-	1,164	-	1,164
Travel and training	-	1,027	-	1,027
	-	162	-	162
	2,607,891	1,075,256	260,163	3,943,310
Interest	132,371	-	-	132,371
Depreciation	20,205	2,967	-	23,172
TOTAL FUNCTIONAL EXPENSES	\$ 2,760,467	\$ 1,078,223	\$ 260,163	\$4,098,853

See accompanying notes.

UNITED WAY OF ST. CHARLES

Statements of Cash Flows Years Ended June 30, 2024 and 2023

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,307,409)	\$ (1,323,770)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	30,017	23,172
Prior period adjustment (note 15)	-	(33,676)
Changes in operating activities:		
Decrease in pledges receivable	1,450,795	39,742
Decrease in unconditional promises to give	280,500	250,000
Increase in prepaid expenses	(11,699)	(6,332)
Increase (decrease) in accounts payable and accrued expenses	(50,466)	71,834
Increase (decrease) in payable to member agencies	(275,000)	206,000
Increase (decrease) in payable to donor designated entities	(34,215)	66,885
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	82,523	(706,145)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemptions of investments, net	491,796	66,691
Purchases of property and equipment	(31,712)	(42,977)
NET CASH PROVIDED BY INVESTING ACTIVITIES	460,084	23,714
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payments of notes payable	(98,099)	(60,362)
NET INCREASE (DECREASE) IN CASH	444,508	(742,793)
CASH AT BEGINNING OF YEAR	285,938	1,028,731
CASH AT END OF YEAR	\$ 730,446	\$ 285,938
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the year for interest	\$ 125,238	\$ 132,371

See accompanying notes.

UNITED WAY OF ST. CHARLES

Notes to the Financial Statements
Years Ended June 30, 2024 and 2023

NOTE 1 – ORGANIZATION AND OPERATIONS

The United Way of St. Charles is a not-for-profit Organization whose mission is “To lead and unite the community in providing a program of health and human services that is comprehensive, efficient, and effective.” The Organization solicits pledges and distributes funds to various qualified service agencies within St. Charles Parish.

Annual campaigns are conducted in the fall of each year to support programs primarily in the subsequent year. Individual donors may designate that their contributions be transferred from the Organization to a United Way in another geographic area. Also, the Organization sponsors a Donor Option Program whereby a donor may designate that all or part of his or her contribution is given to any qualified non-profit organization.

Annual fall campaign results are reduced by pledges collected on behalf of others or pledged to a specific organization and by a provision for uncollectible pledges.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the United Way of St. Charles are described below:

A. BASIS OF ACCOUNTING

United Way prepares its financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

B. CASH AND CASH EQUIVALENTS

The Organization considers all investments with an original maturity of three months or less to be cash equivalents.

C. PROMISES TO GIVE/PLEDGES RECEIVABLE

Unconditional promises to give are generally expected to be collected within one year and are recorded at their net realizable value. Conditional promises to give are not included as support until such time as the conditions are substantially met.

D. ALLOWANCE FOR UNCOLLECTIBLE PLEDGES

The Board provides an allowance for uncollectible pledges based on past collection experience and current economic conditions.

UNITED WAY OF ST. CHARLES

Notes to the Financial Statements
Years Ended June 30, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

E. PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. Depreciation is computed on the straight-line basis over the estimated useful lives (5 - 40 years) of the assets. The Organization's policy is to capitalize acquired property and equipment that has both a cost in excess of \$750 and an estimated useful life in excess of one year.

F. DONOR-IMPOSED RESTRICTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as net assets with donor restrictions.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction.

G. CONTRIBUTED EQUIPMENT, MATERIALS, AND SERVICES

Contributed equipment and materials are recorded at fair value on the date of donation. If donors stipulate how long the assets must be used, then the contributions are recorded as with donor restrictions. In the absence of such stipulations, contributions of equipment and materials are recorded as without donor restrictions (in-kind contributions).

Contributed services are recorded if (1) the services received create or enhance nonfinancial assets or require specialized skills, (2) are provided by individuals possessing those skills, and (3) would typically need to be purchased if not provided by donation. A significant amount of time has been donated by volunteers and board members of the Organization; however, such services are not reflected in these financial statements under accounting principles generally accepted in the United States of America.

H. INCOME TAXES

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no provision for income taxes is made in the accompanying financial statements. The Internal Revenue Service has further determined the Organization not to be a private foundation as within the meaning of IRC Section 509(a).

UNITED WAY OF ST. CHARLES

Notes to the Financial Statements
Years Ended June 30, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

I. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period. Actual results could differ from those estimates. The Organization's most significant estimates are the allowance for uncollectible pledges and the salvage value of its buildings.

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

At June 30, 2024, the Organization has received \$20,000 of promises to give related to its community college project. It is expected that the collection of these amounts will occur in the next fiscal year.

NOTE 4 - ALLOWANCE FOR UNCOLLECTIBLE PLEDGES

Each year, the Organization solicits pledges for contributions that are to be received in the upcoming year. Due to changes in employment and changes in business economic conditions, all pledges are not always paid to the United Way of St. Charles; therefore, management establishes an allowance for uncollectible pledges based on a percentage of current pledged receivables. The adequacy of this allowance is not actually determined until after year-end. Any overages or shortfalls in actual collections over those estimated are credited (charged) to revenues in the year that the final determination is made.

NOTE 5 – INVESTMENTS

Management determines the appropriate classification of securities at the time of purchase. If management has the intent and the Organization has the ability at the time of purchase to hold securities until maturity or on a long-term basis, they are classified as investments and carried at historical cost. Securities to be held for indefinite periods of time and not intended to be held to maturity or on a long-term basis are classified as available for sale and carried at fair value. Securities held for indefinite periods of time include securities that management intends to use as part of its asset and liability management strategy and that may be sold in response to changes in interest rates, resulting in prepayment risk and other factors related to interest rates.

Realized gains and losses on dispositions are based on the net proceeds and the adjusted book value of securities sold, using the specific identification method.

During the years ended June 30, 2024 and 2023, the investment securities portfolio was comprised of securities classified as held to maturity carried at cost.

UNITED WAY OF ST. CHARLES

Notes to the Financial Statements
Years Ended June 30, 2024 and 2023

NOTE 5 – INVESTMENTS (Cont.)

The cost and fair value of investment securities as of June 30, 2023 were:

	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	<u>\$ 491,796</u>	<u>\$ 472,708</u>

At June 30, 2024, the Organization held no investments.

NOTE 6 – CHANGES IN PROPERTY AND EQUIPMENT

A summary of changes in property and equipment and accumulated depreciation follows:

	<u>Property & Equipment</u>	<u>Accumulated Depreciation</u>
Balance as of June 30, 2023	\$ 4,463,129	\$ 26,062
Additions	31,712	30,017
Deletions	-	-
	<u> </u>	<u> </u>
Balance as of June 30, 2024	<u>\$ 4,494,841</u>	<u>\$ 56,079</u>

NOTE 7 – NOTES PAYABLE

The following is a summary of notes payable as of June 30, 2024:

Note payable to a bank dated December 18, 2019 with an interest rate of 5.25%, secured by real estate. Monthly payments of \$17,970 are required with final payment due on September 9, 2042.

\$ 2,515,152

Note payable to the United States Small Business Administration dated July 4, 2020 with an interest rate of 2.75%, unsecured. Monthly principal and interest payments of \$641 are required beginning July 1, 2022 with final payment due on July 1, 2050.

139,977
2,655,129

Less current portion

89,527

Notes payable, net of current maturities

\$ 2,565,602

UNITED WAY OF ST. CHARLES

Notes to the Financial Statements
Years Ended June 30, 2024 and 2023

NOTE 7 – NOTES PAYABLE (Cont.)

Maturities of notes payable are as follows:

<u>June 30,</u>	
2025	\$ 89,527
2026	94,241
2027	99,206
2028	104,435
2029	109,941
2030-2034	643,142
2035-2039	832,129
2040-2044	644,837
2045-2049	35,000
2050	<u>2,671</u>
Total	<u>\$ 2,655,129</u>

NOTE 8 – IN-KIND CONTRIBUTIONS

In-kind contributions represent the estimated fair value of general corporate goods and services provided. Contributed goods are valued at fair market value on the date of the donation. Contributed services are reflected in the financial statements at the fair value of the services received. In-kind contributions for the year ended June 30, 2024 includes \$12,075 related to special events totaled. In-kind contributions for the year ended June 30, 2023 included \$720,000 of trailers distributed as a result of tornado damage in the area and \$9,200 related to special events.

NOTE 9 – ALLOCATIONS AND DESIGNATIONS

Agency allocations consist of budgeted allocations to other non-profit organizations approved by the Board of Directors. The allocation year is July 1 to June 30.

At June 30, 2024, the Board of Directors has designated \$150,000 of net assets without donor restrictions for disaster contingency, \$175,000 for operating contingency and \$475,000 for long-term contingency.

UNITED WAY OF ST. CHARLES

Notes to the Financial Statements
Years Ended June 30, 2024 and 2023

NOTE 10 – RETIREMENT PLAN

The Organization offers a 401(k) Retirement Plan to all eligible employees. Employees may join the plan immediately following the first day of employment. The Organization matches contributions on a discretionary basis up to 5% of the participant's annual compensation as determined by the Board of Directors. Contributions to the plan were \$15,074 and \$14,928 for the years ended June 30, 2024 and 2023, respectively.

NOTE 11 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of functional expenses has been made on the basis of time records and on estimates made by United Way of St. Charles' management.

NOTE 12 – CONCENTRATION OF CREDIT RISK

The United Way of St. Charles maintains its cash in a financial institution located in Louisiana. The Federal Deposit Insurance Corporation (FDIC) insures the balances up to \$250,000. The Organization's bank deposits exceeded FDIC coverage at times during the year. The Organization does not believe that it is exposed to significant credit risk in connection with its cash deposits.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of pledges receivable, substantially all of which are from individuals or businesses in St. Charles Parish. Concentrations of credit risk are limited due to the large number of donors comprising the Organization's donor base. As a result, as of June 30, 2024, United Way of St. Charles does not consider itself to have any significant concentrations of credit risk with respect to pledges receivable.

NOTE 13 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, investments, pledges receivable, unconditional promises to give, accounts payable, and notes payable. Management estimates that the fair value of all financial instruments as of June 30, 2024 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statements of financial position.

UNITED WAY OF ST. CHARLES

Notes to the Financial Statements
Years Ended June 30, 2024 and 2023

NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2024, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Current assets	\$ 1,827,552
Less those unavailable for general expenditures within one year:	
Prepaid expenses	36,303
Amounts allocated to member agencies	1,589,078
Amounts payable to donor designated entities	<u>170,436</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 31,735</u>

NOTE 15 – PRIOR PERIOD ADJUSTMENT – JUNE 30, 2023

During the year ended June 30, 2023, management identified \$155,380 of fixed assets that were impaired due to Hurricane Ida. These assets had \$121,704 of accumulated depreciation. The cost in excess of accumulated depreciation, \$33,676, has been presented on the Statement of Activities as a prior period adjustment.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through August 17, 2024, which is the date the financial statements were available to be issued, and it was determined that no events occurred that requires disclosure.