

UNITED WAY OF SOUTHERN CAMERON COUNTY

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

June 30, 2023

*The Right Choice.*

**BML**

Burton  
McCumber  
& Longoria, LLP  
*CPAs & Advisors*

Brownsville • McAllen

## **Independent Auditors' Report**

To the Board of Directors of  
United Way of Southern Cameron County

### **Opinion**

We have audited the accompanying financial statements of United Way of Southern Cameron County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 Southern Cameron County as of June 30, 2023, and the results of its operations, changes in its net assets, its cash flows, and its functional expenses for the year 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. 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 Southern Cameron County 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.

**Report on Summarized Comparative Information**

We have previously audited the United Way of Southern Cameron County's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Burton, McCumber, & Longoria LLP*

Brownsville, Texas  
September 11, 2023

**FINANCIAL STATEMENTS**

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2023**

**ASSETS**

|  | 2023                          |                            |                     | 2022<br>(Memorandum) |
|--|-------------------------------|----------------------------|---------------------|----------------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |                      |
| <b>CURRENT ASSETS</b>                      |                               |                            |                     |                      |
| Cash and cash equivalents                  | \$ 1,960,923                  | \$ 1,001                   | \$ 1,961,924        | \$ 2,428,804         |
| Investments                                | 4,657,306                     | -                          | 4,657,306           | 4,159,880            |
| Pledges receivable, net                    | 181,603                       | -                          | 181,603             | 135,766              |
| Grants receivable                          | -                             | -                          | -                   | 42,212               |
| Other receivable                           | 5                             | -                          | 5                   | 1,815                |
| Prepaid expenses                           | 31                            | -                          | 31                  | 1,688                |
| Interfund                                  | ( 430,880)                    | 430,880                    | -                   | -                    |
| <b>Total current assets</b>                | <b>6,368,988</b>              | <b>431,881</b>             | <b>6,800,869</b>    | <b>6,770,165</b>     |
| <b>LAND, BUILDING &amp; EQUIPMENT, NET</b> | <b>438,661</b>                | <b>-</b>                   | <b>438,661</b>      | <b>427,498</b>       |
| <b>Total assets</b>                        | <b>\$ 6,807,649</b>           | <b>\$ 431,881</b>          | <b>\$ 7,239,530</b> | <b>\$ 7,197,663</b>  |

**LIABILITIES AND NET ASSETS**

|   | 2023                          |                            |                     | 2022<br>(Memorandum) |
|---|-------------------------------|----------------------------|---------------------|----------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |                      |
| <b>CURRENT LIABILITIES</b>                    |                               |                            |                     |                      |
| Agency allocations payable                    | \$ 539,253                    | \$ -                       | \$ 539,253          | \$ 547,849           |
| Other payables                                | 13,077                        | 818                        | 13,895              | 46,796               |
| <b>Total current liabilities</b>              | <b>552,330</b>                | <b>818</b>                 | <b>553,148</b>      | <b>594,645</b>       |
| <b>NET ASSETS</b>                             |                               |                            |                     |                      |
| Without donor restrictions - board designated | 638,502                       | -                          | 638,502             | 638,502              |
| Without donor restrictions - undesignated     | 5,616,817                     | -                          | 5,616,817           | 5,491,560            |
| With donor restrictions                       | -                             | 431,063                    | 431,063             | 472,956              |
| <b>Total net assets</b>                       | <b>6,255,319</b>              | <b>431,063</b>             | <b>6,686,382</b>    | <b>6,603,018</b>     |
| <b>Total liabilities and net assets</b>       | <b>\$ 6,807,649</b>           | <b>\$ 431,881</b>          | <b>\$ 7,239,530</b> | <b>\$ 7,197,663</b>  |

The accompanying notes are an integral part of this financial statement.

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Year ended June 30, 2023**

|   | 2023                          |                            |              | 2022<br>(Memorandum) |
|---|-------------------------------|----------------------------|--------------|----------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |                      |
| <b>REVENUES AND OTHER SUPPORT:</b>          |                               |                            |              |                      |
| Campaign support:                           |                               |                            |              |                      |
| Gross campaign pledges                      | \$ 679,700                    | \$ -                       | \$ 679,700   | \$ 583,190           |
| Provision for uncollectible pledges         | ( 38,838)                     | -                          | ( 38,838)    | 7,822                |
| Total campaign support                      | 640,862                       | -                          | 640,862      | 591,012              |
| Grant income                                | 70,000                        | 321,568                    | 391,568      | 604,115              |
| Sponsorships                                | -                             | -                          | -            | 10,500               |
| Special event income                        | 35,455                        | -                          | 35,455       | 11,786               |
| In-kind revenue                             | 136,387                       | -                          | 136,387      | 122,989              |
| Interest income                             | 35,097                        | -                          | 35,097       | 7,326                |
| Rental income                               | 13,100                        | -                          | 13,100       | 12,000               |
| Other income                                | 238,228                       | 18,584                     | 256,812      | 29,997               |
| Net assets released from restrictions       | 382,046                       | ( 382,046)                 | -            | -                    |
| Total revenues, gains and other support     | 1,551,175                     | ( 41,894)                  | 1,509,281    | 1,389,725            |
| <b>EXPENSES BY PROGRAM:</b>                 |                               |                            |              |                      |
| Health                                      | 458,660                       | -                          | 458,660      | 501,818              |
| Income                                      | 656,323                       | -                          | 656,323      | 643,882              |
| Education                                   | 294,736                       | -                          | 294,736      | 337,404              |
| Community investment                        | 887                           | -                          | 887          | 2,204                |
| Total expenses by program                   | 1,410,606                     | -                          | 1,410,606    | 1,485,308            |
| <b>SUPPORT SERVICES:</b>                    |                               |                            |              |                      |
| Fundraising expense                         | 135,397                       | -                          | 135,397      | 105,812              |
| Management and general expenses             | 154,935                       | -                          | 154,935      | 128,010              |
| Total expenses                              | 1,700,938                     | -                          | 1,700,938    | 1,719,130            |
| Operating loss                              | ( 149,763)                    | ( 41,894)                  | ( 191,657)   | ( 329,405)           |
| <b>Non-operating revenue and (expenses)</b> |                               |                            |              |                      |
| Unrealized gain (loss) on investment        | 118,719                       | -                          | 118,719      | ( 341,931)           |
| Investment income                           | 174,470                       | -                          | 174,470      | 33,182               |
| Investment expense                          | ( 18,167)                     | -                          | ( 18,167)    | ( 4,643)             |
| Donation refund                             | -                             | -                          | -            | ( 55,614)            |
| Change in net assets                        | 125,259                       | ( 41,894)                  | 83,366       | ( 698,411)           |
| Net assets at beginning of year             | 6,130,062                     | 472,956                    | 6,603,018    | 7,301,429            |
| Net assets at end of year                   | \$ 6,255,319                  | \$ 431,063                 | \$ 6,686,382 | \$ 6,603,018         |

The accompanying notes are an integral part of this financial statement.

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended June 30, 2023**

|                                  | Program Services  |                   |                   |                      |                   |                        | Support Services    |                     | 2022<br>(Memorandum) |
|----------------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|------------------------|---------------------|---------------------|----------------------|
|                                  | Health            | Income            | Education         | Community Investment | Fundraising       | Management and General | 2023 Total          |                     |                      |
| Salaries                         | \$ 60,056         | \$ 204,889        | \$ 49,025         | \$ -                 | \$ -              | \$ 109,511             | \$ 495,739          | \$ 469,329          |                      |
| United Against Hunger FD Workers | -                 | -                 | -                 | -                    | -                 | -                      | -                   | 21,685              |                      |
| Fringe benefits                  | 13,987            | 43,365            | 12,535            | -                    | 20,257            | 29,292                 | 119,436             | 102,572             |                      |
| Administration                   | 65,562            | 68,666            | 12,747            | 887                  | 10,876            | 14,760                 | 173,498             | 105,539             |                      |
| Depreciation                     | 3,807             | 12,987            | 3,107             | -                    | 4,580             | 6,941                  | 31,422              | 29,775              |                      |
| Insurance                        | 587               | 3,973             | 4,299             | -                    | 2,277             | 2,760                  | 13,896              | 11,733              |                      |
| Volunteer incentives             | -                 | -                 | -                 | -                    | -                 | -                      | -                   | 6,300               |                      |
| Subgrants                        | -                 | -                 | -                 | -                    | -                 | -                      | -                   | 123,030             |                      |
| COVID-19 Expenses                | -                 | -                 | -                 | -                    | -                 | -                      | -                   | 2,982               |                      |
| Community investment activities  | -                 | -                 | -                 | -                    | -                 | -                      | -                   | 54                  |                      |
| Program expense                  | 75,757            | 8,205             | -                 | -                    | 839               | -                      | 84,801              | 3,887               |                      |
| Technology                       | 783               | 5,296             | 5,731             | -                    | 3,310             | 3,679                  | 18,799              | 17,079              |                      |
| Training                         | 141               | 4,738             | 1,060             | -                    | 1,936             | 848                    | 8,723               | 2,744               |                      |
| Professional fees                | 47,345            | 34,410            | 5,157             | -                    | 2,731             | 3,311                  | 92,954              | 107,183             |                      |
| Memberships                      | 1,758             | 11,898            | 12,873            | -                    | 6,818             | 8,264                  | 41,611              | 71,232              |                      |
| Campaign                         | -                 | -                 | -                 | -                    | 9,396             | -                      | 9,396               | 10,577              |                      |
| Board expenses                   | 33                | 203               | 286               | -                    | 119               | 142                    | 783                 | 416                 |                      |
| Agency allocations               | 185,000           | 120,000           | 187,593           | -                    | (                 | 24,573)                | 468,020             | 505,500             |                      |
| Indirect allocation              | 3,844             | 1,306             | 323               | -                    | -                 | -                      | 5,473               | 4,524               |                      |
| In-kind expenses                 | -                 | 136,387           | -                 | -                    | -                 | -                      | 136,387             | 122,989             |                      |
| <b>Total expenses</b>            | <b>\$ 458,660</b> | <b>\$ 656,324</b> | <b>\$ 294,737</b> | <b>\$ 887</b>        | <b>\$ 135,397</b> | <b>\$ 154,935</b>      | <b>\$ 1,700,938</b> | <b>\$ 1,719,130</b> |                      |

The accompanying notes are an integral part of this financial statement.

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**STATEMENT OF CASH FLOWS**  
**Year ended June 30, 2023**

|   | 2023                | 2022<br>(Memorandum) |
|---|---------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |                      |
| Change in net assets  | \$ 83,364           | \$( 698,411)         |
| Adjustments to reconcile change in net assets to net cash (used in) provided operating activities |                     |                      |
| Depreciation expense  | 31,422              | 29,775               |
| Bad debt (recoveries) expense   | 38,838              | ( 7,822)             |
| Unrealized loss on investments  | ( 118,719)          | 341,931              |
| Changes in operating assets and liabilities:  |                     |                      |
| Pledges receivable  | ( 84,675)           | 6,530                |
| Grants receivable   | 42,212              | ( 10,692)            |
| Other receivable  | 1,810               | ( 769)               |
| Prepaid expenses  | 1,657               | 86                   |
| Agency allocations payable  | ( 8,596)            | 55,136               |
| Other payables  | ( 32,901)           | 38,321               |
| <u>Net cash used in operating activities</u>  | <u>( 45,588)</u>    | <u>( 245,915)</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                      |
| Purchase of equipment   | ( 42,585)           | ( 22,653)            |
| Proceeds from sales of investments  | 68,814              | 123,512              |
| Purchases of investments  | ( 443,028)          | ( 3,917,144)         |
| Interest reinvested   | ( 4,493)            | ( 1,611)             |
| <u>Net cash used in investing activities</u>  | <u>( 421,292)</u>   | <u>( 3,817,896)</u>  |
| Net decrease in cash and cash equivalents   | ( 466,880)          | ( 4,063,811)         |
| Cash and cash equivalents at beginning of year  | <u>2,428,804</u>    | <u>6,492,615</u>     |
| Cash and cash equivalents at the end of the year  | <u>\$ 1,961,924</u> | <u>\$ 2,428,804</u>  |

The accompanying notes are an integral part of this financial statement.



**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Nature of Activities and Basis of Presentation

The United Way of Southern Cameron County (“Organization”) is a non-profit tax-exempt organization whose purpose is to “improve lives by mobilizing the caring power of communities to advance the common good.” The Organization was originally founded in 1955 as the United Fund of Brownsville, and later in 1993 adopted the name United Way of Southern Cameron County and extended its efforts to the following communities located in Cameron County, Texas; cities of Los Fresnos, Port Isabel, Laguna Vista and South Padre Island.

The Organization concentrates its efforts of improving the lives of those within the community with four major initiatives: 1) Health – improving people’s health, 2) Income – promoting financial stability and independence, 3) Education – helping children and youth achieve their potential, 4) Community Investment – efforts to address the community’s needs and the potential for impact.

The Organization’s financial statements are presented in accordance with ASC Topic 958 “Not-for-Profit Entities”, in which 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 the Organization 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. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time. See Note F for more information composition of net assets with donor restrictions.

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 the Non-Profit Organization or by passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. See Note H for more information composition of net assets with donor restrictions.

2. Revenue Recognition

The Organization derives its revenue from pledges, grants, and other sources.

The Organization recognizes revenue from contributions, grants, and contracts in accordance with Accounting Standards Update (“ASU”) 2018-08, Not-For-Profit Entities (ASC Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (“ASU 2018-08”).

Campaign contributions are received as donations or promises to give in the form of pledges. Contributions arise from fundraising efforts conducted by the Organization and volunteers from the community. Contributions with restrictions that are more specific than the broad limits of the nature, purpose, and overall environment of the Organization are classified as donor restrictions until such restrictions are fulfilled or released by the passage of time.

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2023**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

2. Revenue Recognition- Continued

Grant revenue is recognized as either conditional or unconditional contributions. Unconditional grant funds are recognized as revenue when received. Conditional grant funds are recognized as revenue when conditions have been satisfied or fulfilled. Funds from conditional grants received in advance are recorded as deferred revenue until conditions of recognition are satisfied.

3. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash on hand and in financial institutions as well as all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

4. Investments

Investments in securities with readily determinable fair values are recorded in investments in the statement of financial position, with changes in fair value recognized in unrealized loss on investments in the statement of activities and changes in net assets in accordance with FASB ASU 2016-01, “Financial Instruments – Overall”. In addition, investments in CD’s with initial maturity greater than three months are carried at approximately their fair value.

5. Pledges Receivable

Pledges, less an estimated allowance for uncollectible amounts, are recorded as receivables in the year made. The allowance for uncollectible pledges is based upon actual collections from previous campaigns. Allowance for uncollectible pledges totaled \$42,019 at June 30, 2023.

6. Land, Building and Equipment

Land, building and equipment is recorded at historical cost. Depreciation is calculated using the straight-line method over the following useful lives:

|                            |               |
|----------------------------|---------------|
| Computer equipment         | 3 - 5 years   |
| Office equipment           | 5 - 7 years   |
| Software                   | 3 - 5 years   |
| Buildings and improvements | 15 - 39 years |

Management reviews assets carrying amounts whenever amounts or circumstances indicate that such carrying amounts may not be revocable. When considered impaired, the carrying amount of the asset is reduced by charge to the statement of activities and changes in net assets. No impairments were recognized for the year ended June 30, 2023.

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2023**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

7. Fair Value of Financial Instruments

ASC Topic 820, “Fair Value Measurements and Disclosures,” defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy is described as follows:

Level 1: Inputs that are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs that are unobservable for the asset or liability.

Investments are classified within the Level 1 and Level 2 of the calculation hierarchy. See Note D for classifications of investments. The carrying amount of cash and cash equivalents, pledges receivable, net, grants receivable, other receivables, prepaid expenses, agency allocations and other payables approximate fair value due to the relative short-term nature of these instruments.

8. Federal Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

The Organization’s Forms 990, *Return of Organization exempt from Income Tax*, for the years ended 2020, 2021, and 2022 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. However, the Organization is not currently under audit nor has the Organization been contacted by its jurisdiction.

The Organization follows FASB ASC Topic 740, “Income Taxes”, as it relates to uncertain tax positions. Management has reviewed its current and past federal income tax positions and has determined, based on clear and unambiguous tax law and regulations, that the tax positions taken are certain and there is no likelihood a material tax assessment would be made if government agency examined tax returns to audit. Accordingly, no provisions for the effects of uncertain tax positions have been recorded.

9. Donated Assets and Services

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at the date of donation. The Organization reports the donations as unrestricted direct support, unless explicit donor stipulations specify how the donated assets must be used and gifts, cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2023**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

10. Donated Assets and Services - Continued

Donated services that do not either require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements as the value cannot be reasonably estimated.

For the year ended June 30, 2023, the Organization recognized donated services of \$136,387 and are reported within revenues and expenses on the Statement of Activities and Changes in Net Assets.

11. Program Services

The Organization awards grants to other non-profit organizations within the community with the net distribution reported as agency allocations on the statement of functional expenses. The grantees are required to submit applications and comply with grant guidelines established by the community investment team of the Organization.

Program service expenditures are allocated among these four major internal initiatives of the Organization which are health, income, education and community investment. Each program is funded by a combination of unrestricted contributions and grant funds. Grant funds are received from private foundations, public entities and government agencies.

12. Leases

In accordance with ASU No. 2016-02, *Leases (Topic 842)*, The Organization, when material, as lessee will account for lease agreements by recording on its balance sheet a Right-of-Use (ROU) lease asset and liability to reflect the rights and obligations of the lease agreements, respectively. The Organization elected the short-term lease practical expedient and accordingly, does not record ROU lease asset or lease liability with terms less than 12 months. Current leases at June 30, 2023 are immaterial to the financial statements, therefore the Organization expenses lease obligations when incurred, and as a result the ROU lease asset and lease liability are not reflected in the balance sheet. Lease expense totaled \$6,360 for the year ended June 30, 2023 which is included in the statement of functional expenses under administration expenses.

13. Supporting Services

General and Administrative

This supporting service category includes the functions necessary to secure proper administrative functioning of the Organization's governing board, maintain an adequate working environment, and manage financial responsibilities of the Organization.

Fundraising

This supporting service category includes expenditures which provide the structure necessary to encourage and secure private financial support for the Organization's own operations.

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2023**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

14. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Organization's most significant estimate is the allowance for uncollectible pledges.

15. Comparative Financial Information

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

16. Functional Allocation of Expenses

The statement of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of general and administrative cost that benefit multiple functional areas have been allocated across programs and other supporting services based on the proportion of time engaged in work related to multiple functional areas.

NOTE B – LIQUIDITY AND AVAILABILITY

The Organization manages its liquid resources by focusing on fundraising efforts to ensure the entity has adequate contributions and grants to cover the programs that are being conducted. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2023**

**NOTE B – LIQUIDITY AND AVAILABILITY – Continued**

The following reflects the Organization’s financial assets as of June 30, 2023 expected to be available within one year to meet cash needs for general expenditures:

|   |    |           |
|---|----|-----------|
| Cash and cash equivalents   | \$ | 1,961,924 |
| Investments   |    | 4,657,306 |
| Pledges receivable, net   |    | 181,603   |
| Other receivable  |    | 5         |
| Total financial assets, at year end   |    | 6,800,838 |
|   |    |           |
| Less those unavailable for general expenditures within one year, due to:              |    |           |
| Contractual or donor-imposed restrictions:  |    |           |
| Restricted by donor with time or purposed restrictions                                | (  | 431,881)  |
| Agency allocation payable   | (  | 539,253)  |
| Total contractual or donor-imposed restrictions, at year end                          | (  | 971,134)  |
|   |    |           |
| Financial assets available to meet cash need for general expenditures within one year | \$ | 5,829,704 |

**NOTE C – PLEDGES RECEIVABLE**

Pledges receivable and the allowance for uncollectible pledges consisted of the following at June 30, 2023:

|  |    |         |
|--|----|---------|
| Gross pledges receivable                 | \$ | 223,622 |
| Less allowance for uncollectible pledges | (  | 42,019) |
| Total pledges receivable                 | \$ | 181,603 |

**NOTE D – INVESTMENTS**

The Organization’s investments are reported at fair value in the accompanying statement of financial position. Investments consisted of the following at June 30, 2023:

|   | Fair Value | Fair Value Measurements<br>at Reporting Date Using |                        |                        |
|---|------------|--|------------------------|------------------------|
|   |            | Level 1<br>Measurement                             | Level 2<br>Measurement | Level 3<br>Measurement |
| Mutual funds  | 3,944,633  | 3,944,633  | -                      | -                      |
| Certificates of deposit maturing between<br>November 2023 and December 2024 | 712,672    | \$ -   | \$ 708,179             | \$ -                   |
|   | 4,657,306  | \$ 3,944,633                                       | \$ 708,179             | \$ -                   |

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2023**

**NOTE E – LAND, BUILDING AND EQUIPMENT**

Land, building and equipment consist of the following at June 30, 2023:

|                                    |    |          |
|------------------------------------|----|----------|
| Computer equipment                 | \$ | 99,066   |
| Office equipment                   |    | 62,955   |
| Software                           |    | 79,754   |
| Buildings and improvements         |    | 563,168  |
|                                    |    | 804,943  |
| Less: accumulated depreciation     | (  | 520,281) |
|                                    |    | 284,662  |
| Land                               |    | 154,000  |
|                                    |    | 438,662  |
| Total land, building and equipment | \$ | 438,661  |

Depreciation expense totaled \$31,422 for the year ended June 30, 2023 which is included in the statement of functional expenses.

**NOTE F – BOARD DESIGNATED FUNDS**

The Organization established a contingency fund in June 1985 to provide a source of funds in the event a future campaign goal, net of expenses, is not achieved. The fund is to be distributed in a manner to be determined by the Board of Directors.

Board designated funds consisted of the following at June 30, 2023:

|                       |    |         |
|-----------------------|----|---------|
| Contingency           | \$ | 566,396 |
| VITA Emergency Funds  |    | 33,550  |
| United Against Hunger |    | 30,000  |
| Kaboom                |    | 6,052   |
| Summer Initiative     |    | 2,504   |
|                       |    | 638,502 |
|                       | \$ | 638,502 |

**NOTE G – CONCENTRATIONS OF CREDIT RISK**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, custodial funds and investments held at creditworthy financial institutions. The majority of financial investments are held in trust in the name of the Organizations which protects against credit risk of the financial institution holding the investments. There is also a limited credit risk associated with contributions, and accounts receivable. The credit risk with respect to receivables is limited because the Organization deals with a large number of members, donors and customers.

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2023**

**NOTE G – CONCENTRATIONS OF CREDIT RISK -- Continued**

The Organization maintains its cash in financial institutions located in Brownsville, Texas. Balances in accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, bank balances may exceed insured limits set by the FDIC. Balance at risk not covered by the FDIC at June 30, 2023 totaled \$1,242,246. The Organization has entered into a repurchase agreement with IBC Bank whereby an established sweep deposit account is invested in certain direct obligations of the United States Government or one of its Agencies. The repurchase agreement is not covered by FDIC deposit insurance. However, IBC Bank by agreement has unconditionally promised to repurchase the repurchase obligation. The balance of the sweep deposit account totaled \$1,218,775 at June 30, 2023, and is included in cash and cash equivalents in the statement of net position. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents.

The Organization maintains a portion of its investments with a brokerage firm in Brownsville, Texas that is a Securities Investor Protection Corporation (SIPC) member, which protects against the loss of cash and securities held in a client accounts of a SIPC member firm in the event of the member's insolvency and liquidation. SIPC coverage is limited to \$500,000 per customer, including up to \$250,000 for cash. SIPC coverage is not the same as, nor is it a substitute for, FDIC deposit insurance; securities purchased through the financial institution are not FDIC-insured. The brokerage firm also has additional coverage beyond the SIPC coverage. In which, they provide an additional coverage above the SIPC limits for any missing securities and cash in investment accounts up to a firm aggregate limit of \$1 billion, including up to \$1.9 million in cash per client. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on its investments.

**NOTE H – NET ASSETS – WITH DONOR RESTRICTIONS**

Donor restricted net assets are available for the following purposes at June 30, 2023:

|                                       |                              |
|---------------------------------------|------------------------------|
| Health program                        | \$ 139,562                   |
| Income program                        | 225,770                      |
| Education program                     | 50,730                       |
| Community program                     | <u>15,001</u>                |
| <br>Total donor restricted net assets | <br><u><u>\$ 431,063</u></u> |



**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2023**

**NOTE I – PROGRAM ALLOCATIONS**

Program allocations consisted of the following for the year ending June 30, 2023:

|   |                   |
|---|-------------------|
| Refunded agency allocation                        | \$( 24,573)       |
| Tip of Texas Family Outreach                      | 38,000            |
| Los Fresnos Boys & Girls Club                     | 45,000            |
| Cameron County Children's Advocacy Center         | 27,000            |
| Friendship of Women                               | 30,000            |
| Moody Clinic                                      | 40,000            |
| Ozanam Center                                     | 40,000            |
| Proyecto Juan Diego                               | 57,500            |
| Community Development Corporation of Brownsville  | 25,000            |
| Communities in Schools Camron County              | 40,000            |
| Guadalupe Regional Middle School                  | 7,500             |
| Laguna Madre Youth Center                         | 20,000            |
| Garriga Elementary                                | 21,993            |
| Good Neighbor Settlement House                    | 25,000            |
| Derry Elementaty                                  | 20,600            |
| La Puerta   | 25,000            |
| Valley Initiative for Development and Advancement | 30,000            |
|   | <hr/>             |
| Total program allocations                         | <u>\$ 468,020</u> |

During 2023, the Organization received a refund from Derry and Garriga – PIISD, a supported agency of the Organization, totaling \$24,573. The amount refunded was allocated to total program allocations for the year ending June 30, 2023.

**NOTE J – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 11, 2023, the date these financial statements were available to be issued.