UNITED WAY OF SOUTHERN CAMERON COUNTY

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

June 30, 2026

BML Burton McCumber & Longoria, LLP
CPAs & Advisors
Global in Reach - Local in Touch

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, 2026 and the related statements of activities, statement of functional expenses and statement of 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, 2026, 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.

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 Southern Cameron County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Southern Cameron 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 Southern Cameron 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 Summarized Comparative Information

We have previously audited the United Way of Southern Cameron County's June 30, 2025 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 28, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Burton, McCumber & Longoria L.L.P.

Brownsville, Texas
September 8, 2026

FINANCIAL STATEMENTS

UNITED WAY OF SOUTHERN CAMERON COUNTY
STATEMENT OF FINANCIAL POSITION
June 30, 2026

ASSETS

	2026			
	Without Donor Restrictions	With Donor Restrictions	Total	2025 (Memorandum)
CURRENT ASSETS				
Cash and cash equivalents	$ 1,198,083	$ 500	$ 1,198,583	$ 1,339,234
Investments	6,411,548	-	6,411,548	5,789,535
Pledges receivable, net	156,959	-	156,959	144,308
Grants receivable	-	22,316	22,316	13,514
Other receivable	1,658	-	1,658	3,275
Prepaid expenses	31	-	31	931
Interfund	(248,745)	248,745	-	-
Total current assets	7,519,534	271,561	7,791,095	7,290,797
LAND, BUILDING AND EQUIPMENT, NET	364,074	-	364,074	393,175
Total assets	$ 7,883,608	$ 271,561	$ 8,155,169	$ 7,683,972

LIABILITIES AND NET ASSETS

	2026			
	Without Donor Restrictions	With Donor Restrictions	Total	2025 (Memorandum)
CURRENT LIABILITIES				
Agency allocations payable	$ 442,044	$ -	$ 442,044	$ 442,360
Other payables	20,006	10,818	30,824	25,807
Total current liabilities	462,050	10,818	472,868	468,167
NET ASSETS				
Without donor restrictions - board designated	637,100	-	637,100	638,502
Without donor restrictions - undesignated	6,784,458	-	6,784,458	6,341,929
With donor restrictions	-	260,743	260,743	235,374
Total net assets	7,421,558	260,743	7,682,301	7,215,805
Total liabilities and net assets	$ 7,883,608	$ 271,561	$ 8,155,169	$ 7,683,972

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, 2026

	2026			
	Without Donor Restrictions	With Donor Restrictions	Total	2025 (Memorandum)
REVENUES, GAINS AND OTHER SUPPORT:				
Campaign pledges, net	$ 605,086	$ -	$ 605,086	$ 588,761
Grant income	70,000	254,979	324,979	306,571
Special event income	132,746	-	132,746	138,814
In-kind revenue	129,459	-	129,459	124,937
Interest income	60,807	-	60,807	77,172
Rental income	13,200	-	13,200	13,200
Other income	51,421	79,655	131,076	46,554
Net assets released from restrictions	309,265	(309,265)	-	-
Total revenues, gains and other support	1,371,984	25,369	1,397,353	1,296,009
EXPENSES BY PROGRAM:				
Health	374,806	-	374,806	355,923
Income	644,234	-	644,234	529,567
Education	118,970	-	118,970	260,717
Community investment	4,919	-	4,919	1,942
Total expenses by program	1,142,929	-	1,142,929	1,148,149
SUPPORT SERVICES:				
Fundraising expense	225,764	-	225,764	238,797
Management and general expenses	161,888	-	161,888	158,529
Total expenses	1,530,580	-	1,530,580	1,545,475
Operating loss	(158,596)	25,369	(133,227)	(249,466)
Non-operating revenue and (expenses)				
Unrealized gain on investment	259,148	-	259,148	218,368
Investment income	366,115	-	366,115	307,297
Investment expense	(25,541)	-	(25,541)	(22,716)
Change in net assets	441,126	25,369	466,495	253,483
Net assets at beginning of year	6,980,431	235,374	7,215,805	6,962,322
Net assets at end of year	$ 7,421,557	$ 260,743	$ 7,682,300	$ 7,215,805

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, 2026

	Program Services				Support Services			
	Health	Income	Education	Community Investment	Fundraising	Management and General	2026 Total	2025 (Memorandum)
Salaries	$ 38,638	$ 172,388	$ 43,575	$ -	$ 122,708	$ 113,406	$ 490,715	$ 502,852
Fringe benefits	10,714	36,172	10,977	-	32,951	23,024	113,838	120,694
Administration	19,281	46,584	2,636	2,167	8,554	4,893	84,115	83,555
Depreciation	5,230	13,403	2,615	-	7,192	4,250	32,690	31,887
Insurance	10,633	5,106	1,885	-	1,773	3,955	23,351	20,256
Program expense	66,338	76,429	30	2,683	471	-	145,951	120,280
Technology	9,052	4,697	1,605	-	1,509	3,367	20,229	21,473
Training	50	606	593	69	1,369	3,990	6,678	9,945
Professional fees	7,402	3,554	1,312	-	1,234	2,753	16,255	29,039
Memberships	5,851	2,810	1,037	-	976	2,176	12,851	13,875
Campaign	-	-	-	-	46,378	-	46,378	56,062
Board expenses	201	96	36	-	34	75	441	204
Agency allocations	195,000	152,500	52,500	-	-	-	400,000	400,000
Indirect allocation	6,416	1,044	169	-	-	-	7,629	10,416
In-kind expenses	-	128,844	-	-	615	-	129,459	124,937
Total expenses	$ 374,806	$ 644,234	$ 118,970	$ 4,919	$ 225,764	$ 161,888	$ 1,530,580	$ 1,545,475

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, 2026

	2026	2025 (Memorandum)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 466,495	$ 253,483
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	32,690	31,887
Unrealized gain on investments	(259,148)	(218,368)
Changes in operating assets and liabilities:		
Pledges receivable, net	(12,651)	(3,148)
Grants receivable	(8,802)	(13,514)
Other receivable	1,617	(3,223)
Prepaid expenses	900	1,977
Agency allocations payable	(317)	(5,719)
Other payables	5,017	11,404
Net cash provided by operating activities	225,801	54,779
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(3,588)	(2,112)
Proceeds from sales of investments	630,094	1,203,966
Purchases of investments	(970,667)	(1,488,548)
Interest reinvested	(22,291)	(27,809)
Net cash used in investing activities	(366,452)	(314,503)
Net decrease in cash and cash equivalents	(140,651)	(259,724)
Cash and cash equivalents at beginning of year	1,339,234	1,598,958
Cash and cash equivalents at the end of the year	$ 1,198,583	$ 1,339,234

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

UNITED WAY OF SOUTHERN CAMERON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2026

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 without 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.

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 and Allowance for Uncollectible Pledges

Unconditional promises to give are recognized as revenue in the period the promise is received. Pledges receivable are recorded at the amount management expects to collect. The Organization maintains an allowance for uncollectible pledges based on historical collection experience, an assessment of outstanding pledges, donor-specific factors, current economic conditions, and other relevant information. Management reviews the adequacy of the allowance annually and adjusts it as necessary. Amounts determined to be uncollectible are charged against the allowance when collection efforts have been exhausted. At June 30, 2026, gross pledges receivable totaled $214,653. An allowance for uncollectible pledges of $57,694 was recorded, resulting in net pledges receivable of $156,959.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

6. Land, Building and Equipment - Continued

Management reviews assets carrying amounts whenever amounts or circumstances indicate that such carrying amounts may not be recoverable. 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, 2026.

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 2023, 2024, and 2025 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

9. Donated Assets and Services - Continued

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.

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, 2026, the Organization received donated professional services of $129,459 in support of its Volunteer Income Tax Assistance (VITA) program. These services were utilized in providing income tax preparation and related assistance to qualifying individuals within the Organization and reported within revenues and expenses on the Statement of Activities.

10. 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.

11. 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, 2026 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, 2026 which is included in the statement of functional expenses under administration expenses.

12. 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

12. Supporting Services - Continued

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.

13. 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 and depreciation expense.

14. 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, 2025, from which the summarized information was derived.

15. Functional Allocation of Expenses

The statement of functional expenses presents 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.

NOTE B – LIQUIDITY AND AVAILABILITY – Continued

The following reflects the Organization's financial assets as of June 30, 2026 expected to be available within one year to meet cash needs for general expenditures:

Cash and cash equivalents	$	1,198,583
Investments		6,411,548
Pledges receivable, net		156,959
Grants receivable		22,316
Other receivable		1,658
Total financial assets, at year end		7,791,064
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purposed restrictions	(	271,561)
Agency allocation payable	(	442,044)
Total contractual or donor-imposed restrictions, at year end	(	713,605)
Financial assets available to meet cash need for general expenditures within one year	$	7,077,459

NOTE C – PLEDGES RECEIVABLE

Pledges receivable and the allowance for credit losses consisted of the following at June 30, 2026:

Gross pledges receivable	$	214,653
Less allowance for credit losses	(	57,694)
Total pledges receivable	$	156,959

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, 2026:

			Fair Value Measurements at Reporting Date Using		
	Fair Value		Level 1 Measurement	Level 2 Measurement	Level 3 Measurement
Mutual funds	$	5,524,354	$ 5,524,354	$ -	$ -
Certificates of deposit maturing between July 2026 and February 2027		887,194	-	887,194	-
	$	6,411,548	$ 5,524,354	$ 887,194	$ -

NOTE E – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consist of the following at June 30, 2026:

Computer equipment	$	106,984
Office equipment		62,955
Software		79,754
Buildings and improvements		578,148
		827,841
Less: accumulated depreciation	(	617,767)
		210,074
Land		154,000
Total land, building and equipment, net	$	364,074

Depreciation expense totaled $32,690 for the year ended June 30, 2026 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 determined by the Board of Directors.

Board designated funds consisted of the following at June 30, 2026:

Contingency	$	566,396
VITA Emergency Funds		32,148
United Against Hunger		30,000
Kaboom		6,052
Summer Initiative		2,504
	$	637,100

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. Most 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.

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, 2026 totaled $689,703. 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 $655,190 at June 30, 2026, 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, 2026:

Health program	$	115,198
Income program		122,941
Education program		7,578
Community program		15,026
Total donor restricted net assets	$	260,743

NOTE I – PROGRAM ALLOCATIONS

Program allocations consisted of the following for the year ending June 30, 2026:

Tip of Texas Family Outreach	$	27,500
Cameron County Childrens' Advocacy Center		27,500
Friendship of Women		30,000
Moody Clinic		35,000
Ozanam Center		40,000
Proyecto Juan Diego		50,000
Community Development Corporation of Brownsville		22,500
Communities in Schools Cameron County		25,000
Guadalupe Regional Middle School		7,500
Laguna Madre Youth Center		25,000
Garriga Elementary		20,000
Good Neighbor Settlement House		40,000
Los Fresnos Education and Recreation Club		50,000
Total program allocations	$	400,000

NOTE J – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 8, 2026 the date these financial statements were available to be issued.