

UNITED WAY OF SOUTHERN CAMERON COUNTY

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

June 30, 2024

## **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, 2024 and the related statements of activities and changes in net assets, 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, 2024, 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, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Burton, McCumber, & Longoria LLP.*

Brownsville, Texas  
September 9, 2024

## FINANCIAL STATEMENTS

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2024**

ASSETS

	2024			2023 (Memorandum)
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,597,958	\$ 1,000	\$ 1,598,958	\$ 1,961,923
Investments	5,258,775	-	5,258,775	4,657,306
Pledges receivable, net	141,160	-	141,160	181,603
Other receivable	52	-	52	6
Prepaid expenses	2,907	-	2,907	31
Interfund	( 326,632)	326,632	-	-
<b>Total current assets</b>	<b>6,674,220</b>	<b>327,632</b>	<b>7,001,852</b>	<b>6,800,869</b>
<b>LAND, BUILDING AND EQUIPMENT, NET</b>	<b>422,951</b>	<b>-</b>	<b>422,951</b>	<b>438,661</b>
<b>Total assets</b>	<b>\$ 7,097,171</b>	<b>\$ 327,632</b>	<b>\$ 7,424,803</b>	<b>\$ 7,239,530</b>

LIABILITIES AND NET ASSETS

	2024			2023 (Memorandum)
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>CURRENT LIABILITIES</b>				
Agency allocations payable	\$ 448,079	\$ -	\$ 448,079	\$ 539,253
Other payables	13,584	818	14,402	13,895
<b>Total current liabilities</b>	<b>461,663</b>	<b>818</b>	<b>462,481</b>	<b>553,148</b>
<b>NET ASSETS</b>				
Without donor restrictions - board designated	638,502	-	638,502	638,502
Without donor restrictions - undesignated	5,997,006	-	5,997,006	5,616,817
With donor restrictions	-	326,814	326,814	431,063
<b>Total net assets</b>	<b>6,635,508</b>	<b>326,814</b>	<b>6,962,322</b>	<b>6,686,382</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,097,171</b>	<b>\$ 327,632</b>	<b>\$ 7,424,803</b>	<b>\$ 7,239,530</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, 2024**

	2024			2023 (Memorandum)
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUES AND OTHER SUPPORT:</b>				
Campaign support:				
Gross campaign pledges	\$ 623,525	\$ -	\$ 623,525	\$ 679,700
Provision for uncollectible pledges	( 51,952)	-	( 51,952)	( 38,838)
Total campaign support	571,573	-	571,573	640,862
Grant income	80,885	299,149	380,034	391,568
Sponsorships	18,550	-	18,550	-
Special event income	80,451	-	80,451	35,455
In-kind revenue	125,684	-	125,684	136,387
Interest income	82,383	-	82,383	35,097
Rental income	13,200	-	13,200	13,100
Other income	32,371	20,180	52,551	256,812
Net assets released from restrictions	423,579	( 423,579)	-	-
Total revenues, gains and other support	1,428,676	( 104,250)	1,324,426	1,509,281
<b>EXPENSES BY PROGRAM:</b>				
Health	391,940	-	391,940	458,660
Income	558,278	-	558,278	656,323
Education	208,088	-	208,088	294,736
Community investment	15,577	-	15,577	887
Total expenses by program	1,173,883	-	1,173,883	1,410,606
<b>SUPPORT SERVICES:</b>				
Fundraising expense	209,577	-	209,577	135,397
Management and general expenses	125,085	-	125,085	154,935
Total expenses	1,508,545	-	1,508,545	1,700,938
Operating loss	( 79,869)	( 104,250)	( 184,119)	( 191,657)
<b>Non-operating revenue and (expenses)</b>				
Unrealized gain on investment	255,664	-	255,664	118,719
Investment income	224,572	-	224,572	174,470
Investment expense	( 20,179)	-	( 20,179)	( 18,167)
Change in net assets	380,188	( 104,250)	275,938	83,365
Net assets at beginning of year	6,255,320	431,064	6,686,384	6,603,017
Net assets at end of year	\$ 6,635,508	\$ 326,814	\$ 6,962,322	\$ 6,686,382

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, 2024**

	Program Services				Support Services		2024 Total	2023 (Memorandum)
	Health	Income	Education	Community Investment	Fundraising	Management and General		
Salaries	\$ 77,967	\$ 196,966	\$ 37,226	\$ -	\$ 104,544	\$ 61,401	\$ 478,104	\$ 495,739
Fringe benefits	12,331	34,776	10,773	-	27,165	22,040	107,085	119,436
Administration	15,891	43,818	1,345	5,126	5,933	26,396	98,509	173,498
Depreciation	5,367	13,558	2,562	-	7,196	4,226	32,909	31,422
Insurance	7,638	3,148	1,532	-	1,420	3,213	16,951	13,896
Program expense	82,244	17,869	-	2,074	561	-	102,748	84,801
Technology	8,391	9,280	1,488	-	1,400	3,100	23,659	18,799
Training	385	3,063	100	8,377	122	371	12,418	8,723
Professional fees	16,188	16,731	1,376	-	11,544	2,857	48,696	92,954
Memberships	3,916	1,880	694	-	654	1,456	8,600	41,611
Campaign	-	-	-	-	49,026	-	49,026	9,396
Board expenses	67	32	11	-	12	25	147	783
Agency allocations	160,000	90,000	150,000	-	-	-	400,000	468,020
Indirect allocation	1,555	1,473	981	-	-	-	4,009	5,473
In-kind expenses	-	125,684	-	-	-	-	125,684	136,387
<b>Total expenses</b>	<b>\$ 391,940</b>	<b>\$ 558,278</b>	<b>\$ 208,088</b>	<b>\$ 15,577</b>	<b>\$ 209,577</b>	<b>\$ 125,085</b>	<b>\$ 1,508,545</b>	<b>\$ 1,700,938</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, 2024**

	2024	2023 (Memorandum)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 275,938	\$ 83,365
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation expense	32,909	31,422
Allowance for credit losses	51,952	38,838
Unrealized gain on investments	( 255,664)	( 118,720)
Changes in operating assets and liabilities:		
Pledges receivable, net	( 11,508)	( 84,675)
Grants receivable	-	42,212
Other receivable	( 45)	1,810
Prepaid expenses	( 2,875)	1,657
Agency allocations payable	( 91,175)	( 8,596)
Other payables	507	( 32,901)
	39	( 45,588)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	( 17,199)	( 42,585)
Proceeds from sales of investments	374,226	68,814
Purchases of investments	( 595,612)	( 443,028)
Interest reinvested	( 124,419)	( 4,493)
	( 363,004)	( 421,292)
Net cash used in investing activities	( 363,004)	( 421,292)
Net decrease in cash and cash equivalents	( 362,965)	( 466,880)
Cash and cash equivalents at beginning of year	1,961,923	2,428,803
Cash and cash equivalents at the end of the year	\$ 1,598,958	\$ 1,961,923

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

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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, 2024**

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 Current Expected Credit Losses

On September 1, 2023, the Organization implemented ASU 2016-13 Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). The Organization used the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures. This standard replaced the incurred loss methodology with an expected credit loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost. Financial assets measured at amortized cost are presented at the net amount expected to be collected by using an allowance for credit losses.

Pledges, less an estimated allowance for credit losses, are recorded as receivables in the year made. The allowance for credit losses is based upon actual collections from previous campaigns. Allowance for credit losses totaled \$51,952 at June 30, 2024.

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

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2024**

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 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, 2024.

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 2021, 2022, and 2023 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

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2024**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

9. Donated Assets and Services - Continued

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, 2024, the Organization recognized donated services of \$125,684 and are reported within revenues and expenses on the Statement of Activities and Changes in Net Assets.

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, 2024 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 \$5,830 for the year ended June 30, 2024 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.

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**June 30, 2024**

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.

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, 2023, from which the summarized information was derived.

15. 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, 2024**

NOTE B – LIQUIDITY AND AVAILABILITY – Continued

The following reflects the Organization’s financial assets as of June 30, 2024 expected to be available within one year to meet cash needs for general expenditures:

Cash and cash equivalents	\$ 1,598,958
Investments	5,258,775
Pledges receivable, net	141,160
Other receivable	52
Total financial assets, at year end	6,998,945
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purposed restrictions	( 327,632)
Agency allocation payable	( 461,663)
Total contractual or donor-imposed restrictions, at year end	( 789,295)
Financial assets available to meet cash need for general expenditures within one year	\$ 6,209,650

NOTE C – PLEDGES RECEIVABLE

Pledges receivable and the allowance for credit losses consisted of the following at June 30, 2024:

Gross pledges receivable	\$ 193,112
Less allowance for credit losses	( 51,952)
Total pledges receivable	\$ 141,160

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, 2024:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Level 1 Measurement	Level 2 Measurement	Level 3 Measurement
Mutual funds	4,421,683	4,421,683	-	-
Certificates of deposit maturing between July 2024 and September 2025	837,092	\$ -	\$ 837,092	\$ -
	5,258,775	\$ 4,421,683	\$ 837,092	\$ -

**UNITED WAY OF SOUTHERN CAMERON COUNTY  
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**June 30, 2024**

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

Land, building and equipment consist of the following at June 30, 2024:

Computer equipment	\$	101,285
Office equipment		62,955
Software		79,754
Buildings and improvements		578,148
		822,142
Less: accumulated depreciation	(	553,190)
		268,952
Land		154,000
		422,951
Total land, building and equipment	\$	422,951

Depreciation expense totaled \$32,909 for the year ended June 30, 2024 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, 2024:

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. 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.



**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2024**

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, 2024 totaled \$1,104,299. 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 \$966,075 at June 30, 2024, 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, 2024:

Health program	\$	238,468
Income program		40,522
Education program		21,594
Community program		<u>26,230</u>
 Total donor restricted net assets	 \$	 <u><u>326,814</u></u>

**UNITED WAY OF SOUTHERN CAMERON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2024**

NOTE I – PROGRAM ALLOCATIONS

Program allocations consisted of the following for the year ending June 30, 2024:

Tip of Texas Family Outreach	\$	33,000
Los Fresnos Boys & Girls Club		40,000
Cameron County Children's Advocacy Center		27,000
Friendship of Women		30,000
Moody Clinic		30,000
Ozanam Center		35,000
Proyecto Juan Diego		50,000
Community Development Corporation of Brownsville		15,000
Communities in Schools Camron County		32,500
Guadalupe Regional Middle School		7,500
Laguna Madre Youth Center		20,000
Garriga Elementary		20,000
Good Neighbor Settlement House		40,000
Derry Elementaty		20,000
		<hr/>
Total program allocations	\$	<u>400,000</u>

NOTE J – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 9, 2024, the date these financial statements were available to be issued.