

UNITED WAY OF SOUTHERN CAMERON COUNTY

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

June 30, 2021

Independent Auditors' Report

Board of Directors
United Way of Southern Cameron County

Report on the Financial Statements

We have audited the accompanying statements of United Way of Southern Cameron County, which comprise the statement of financial position as of June 30, 2021, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the United Way of Southern Cameron County's June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 4, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Burton, McCumber, & Longoria LLP

Brownsville, Texas
September 3, 2021

FINANCIAL STATEMENTS

UNITED WAY OF SOUTHERN CAMERON COUNTY
STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS

	2021			2020 (Memorandum)
	Without Donor Restrictions	With Donor Restrictions	Total	
CURRENT ASSETS				
Cash and cash equivalents	\$ 6,488,051	\$ 4,564	\$ 6,492,615	\$ 1,257,144
Investments	706,568	-	706,568	1,017,120
Pledges receivable, net	134,474	-	134,474	288,325
Grants receivable	1,000	30,520	31,520	57,500
Other receivable	1,046	-	1,046	3,019
Prepaid expenses	1,774	-	1,774	1,774
Interfund	(423,980)	423,980	-	-
Total current assets	6,908,933	459,064	7,367,997	2,624,882
LAND, BUILDING & EQUIPMENT, NET	434,620	-	434,620	458,817
Total assets	\$ 7,343,553	\$ 459,064	\$ 7,802,617	\$ 3,083,699

LIABILITIES AND NET ASSETS

	2021			2020 (Memorandum)
	Without Donor Restrictions	With Donor Restrictions	Total	
CURRENT LIABILITIES				
Agency allocations payable	\$ 492,713	\$ -	\$ 492,713	\$ 491,472
Current maturities on long-term debt	-	-	-	49,911
Other payables	6,922	1,553	8,475	54,002
Total current liabilities	499,635	1,553	501,188	595,385
LONG-TERM DEBT	-	-	-	62,389
NET ASSETS				
Without donor restrictions - board designated	644,326	-	644,326	644,326
Without donor restrictions - undesignated	6,199,592	-	6,199,592	1,135,066
With donor restrictions	-	457,511	457,511	646,533
Total net assets	6,843,918	457,511	7,301,429	2,425,925
Total liabilities and net assets	\$ 7,343,553	\$ 459,064	\$ 7,802,617	\$ 3,083,699

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, 2021

	2021			2020 (Memorandum)
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUES AND OTHER SUPPORT:				
Campaign support:				
Gross campaign pledges	\$ 681,664	\$ -	\$ 681,664	\$ 956,106
Provision for uncollectible pledges	(78,429)	-	(78,429)	(65,227)
Total campaign support	603,235	-	603,235	890,879
Grant income	5,050,000	1,482,909	6,532,909	846,892
Fiscal sponsorship income	-	-	-	-
Sponsorships	18,500	-	18,500	21,626
Special event income	10,550	-	10,550	5,307
In-kind revenue	115,715	-	115,715	173,412
Interest income	10,538	-	10,538	22,161
Rental income	12,000	-	12,000	12,000
Other income	91,303	-	91,302	206,123
PPP loan forgiveness	112,300	-	112,300	-
Net assets released from restrictions	1,671,931	(1,671,931)	-	-
Total revenues, gains and other support	7,696,072	(189,022)	7,507,049	2,178,400
EXPENSES BY PROGRAM:				
Health	1,508,627	-	1,508,627	442,640
Income	506,140	-	506,140	571,444
Education	422,594	-	422,594	469,032
Community investment	2,286	-	2,286	21,055
Total expenses by program	2,439,648	-	2,439,648	1,504,171
SUPPORT SERVICES:				
Fundraising expense	121,210	-	121,210	132,790
Management and general expenses	70,687	-	70,687	130,296
Total expenses	2,631,545	-	2,631,545	1,767,257
Change in net assets	5,064,527	(189,022)	4,875,505	411,142
Net assets at beginning of year	1,779,391	646,533	2,425,924	2,014,783
Net assets at end of year	\$ 6,843,918	\$ 457,511	\$ 7,301,429	\$ 2,425,925

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, 2021

	Program Services				Supporting Services			2021 Total	2020 (Memorandum)
	Health	Income	Education	Community Investment	Fundraising	Management and General			
Salaries	\$ 235,753	\$ 173,926	\$ 105,819	\$ 1,280	\$ 47,940	\$ -	\$ 564,718	\$ 551,231	
United Against Hunger FD Workers	673,145	-	-	-	-	-	673,145	-	
Fringe benefits	14,005	31,204	24,397	384	14,330	21,902	106,221	116,454	
Administration	98,182	54,591	17,950	364	6,863	2,654	180,604	214,926	
Depreciation	-	-	-	-	-	29,138	29,138	34,167	
Insurance	388	2,624	2,840	-	1,504	1,823	9,179	8,572	
Books	-	-	48	-	-	-	48	2,347	
Volunteer incentives	-	10,953	-	-	-	-	10,953	3,195	
Volunteer recognition	-	-	-	-	-	-	-	22	
Subgrants	70,000	-	-	-	-	-	70,000	-	
Grant expenses-other	-	2,500	-	-	-	-	2,500	-	
COVID-19 Expenses	233,500	-	-	-	-	-	233,500	82,041	
Community investment activities	-	-	-	-	-	-	-	8,500	
Stipends	-	-	-	-	-	-	-	1,000	
Implementation cost	-	-	-	-	-	-	-	55,327	
Technology	783	7,014	5,879	61	4,206	3,744	21,687	17,561	
Training	128	1,089	934	-	495	600	3,245	7,258	
Professional fees	616	26,206	63,620	-	2,389	6,396	99,228	24,238	
Memberships	738	4,992	5,204	197	2,861	3,468	17,460	15,390	
Campaign	-	-	-	-	40,614	-	40,614	21,810	
Board expenses	2	16	17	-	9	11	56	4	
Agency allocations	177,000	75,000	194,594	-	-	-	446,594	427,167	
Indirect allocation	4,387	1,261	1,292	-	-	-	6,940	2,635	
In-kind expenses	-	114,765	-	-	-	950	115,715	173,412	
Total expenses	\$ 1,508,627	\$ 506,140	\$ 422,594	\$ 2,286	\$ 121,210	\$ 70,687	\$ 2,631,545	\$ 1,767,257	

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, 2021

	2021	2020 (Memorandum)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,875,505	\$ 411,142
Adjustments to reconcile change in net assets to net cash provided operating activities		
Depreciation expense	29,138	34,167
Bad debt expense	78,429	65,227
PPP loan forgiveness	(112,300)	-
Changes in operating assets and liabilities:		
Pledges receivable	75,421	(80,319)
Grants receivable	25,980	63,675
Other receivable	1,973	25,218
Prepaid expenses	-	200
Agency allocations payable	1,241	(62,071)
Other payables	(45,527)	47,532
	4,929,860	504,771
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(4,941)	(6,873)
Interest reinvested	(3,127)	(14,099)
Redemption of investments	313,679	3,000
	305,611	(17,972)
CASH FLOWS FROM FINANCING ACTIVITIES		
PPP loan proceeds	-	112,300
	-	112,300
Net cash provided by financing activities	-	112,300
Net increase in cash and cash equivalents	5,235,471	599,099
Cash and cash equivalents at beginning of year	1,257,144	658,045
Cash and cash equivalents at the end of the year	\$ 6,492,615	\$ 1,257,144

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

UNITED WAY OF SOUTHERN CAMERON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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”). Accordingly, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”). If the transfer of assets is determined to be a contribution the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets.

UNITED WAY OF SOUTHERN CAMERON COUNTY
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

2. Revenue Recognition- Continued

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.

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 are carried at approximately their fair value and consist of CD's with an initial maturity greater than three months.

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 \$84,290 at June 30, 2021.

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 was recognized for the year ended June 30, 2021.

UNITED WAY OF SOUTHERN CAMERON COUNTY
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021

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 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 2018, 2019, and 2020 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, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. 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, 2021, the Organization recognized donated services of \$115,715 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. 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.

12. 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.

UNITED WAY OF SOUTHERN CAMERON COUNTY
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

13. 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, 2020, from which the summarized information was derived.

14. 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.

The following reflects the Organization’s financial assets as of June 30, 2021 expected to be available within one year to meet cash needs for general expenditures:

Cash and cash equivalents	\$	6,492,615
Pledges receivable, net		134,474
Grants receivable		31,520
Other receivable		1,046
Investments		706,568
Total financial assets, at year end		7,366,223
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purposed restrictions	(459,064)
Agency allocation payable	(492,713)
Financial assets available to meet cash need for general expenditures within one year	\$	6,414,446

UNITED WAY OF SOUTHERN CAMERON COUNTY
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021

NOTE C – PLEDGES RECEIVABLE

Pledges receivable and the allowance for uncollectible pledges consisted of the following at June 30, 2021:

Gross pledges receivable	\$ 218,764
Less allowance for uncollectible pledges	<u>(84,290)</u>
 Total pledges receivable	 <u><u>\$ 134,474</u></u>

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, 2021:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Level 1 Measurement	Level 2 Measurement	Level 3 Measurement
Certificates of deposit maturing between September 2021 and December 2021	\$ 706,568	\$ -	\$ 706,568	\$ -
	<u>\$ 706,568</u>	<u>\$ -</u>	<u>\$ 706,568</u>	<u>\$ -</u>

NOTE E – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consist of the following at June 30, 2021:

Computer equipment	\$ 96,318
Office equipment	57,293
Software	79,754
Buildings and improvements	<u>506,339</u>
	739,704
Less: accumulated depreciation	<u>(459,084)</u>
	280,620
Land	<u>154,000</u>
 Total land, building and equipment	 <u><u>\$ 434,620</u></u>

Depreciation expense totaled \$29,138 for the year ended June 30, 2021 which is included in the statement of functional expenses in the administration account.

UNITED WAY OF SOUTHERN CAMERON COUNTY
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021

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, 2021:

Contingency	\$ 566,396
VITA funds	35,562
Summer Melt Initiative	2,561
Kaboom	9,807
United Against Hunger	<u>30,000</u>
	<u><u>\$ 644,326</u></u>

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.

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, 2021 totaled \$6,007,142. 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 \$6,001,400 at June 30, 2021, and is included in cash and cash equivalents in the statement of net position. The Organization has not experience any losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents.

NOTE H – NET ASSETS – WITH DONOR RESTRICTIONS

Donor restricted net assets are available for the following purposes at June 30, 2021:

Health program	\$ 158,087
Income program	220,347
Education program	75,742
Community program	<u>3,335</u>
Total donor restricted net assets	<u><u>\$ 457,511</u></u>

UNITED WAY OF SOUTHERN CAMERON COUNTY
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021

NOTE I – PROGRAM ALLOCATIONS

Program allocations consisted of the following for the year ending June 30, 2021:

Tip of Texas Family Outreach	\$ 38,000
Los Fresnos Boys & Girls Club	44,994
Cameron County Children's Advocacy Center	30,000
Friendship of Women	40,000
Moody Clinic	40,000
Ozanam Center	40,000
Proyecto Juan Diego	45,500
Community Development Corporation of Brownsville	20,000
Communities in Schools Camron County	37,000
Guadalupe Regional Middle School	15,000
Laguna Madre Youth Center	13,500
Garriga Elementary	11,600
Good Neighbor Settlement House	29,000
Derry Elementaty	7,000
La Puerta	10,000
Valley Initiative for Development and Advancement	25,000
	<hr/>
Total program allocations	<u>\$ 446,594</u>

NOTE J – LEASES

The Organization entered into a non-cancelable lease for the use of office equipment for 36 months starting June 2018. Monthly lease payments are \$545 and expired in June 2021. Contract was renewed in June 2021 with monthly lease payments of \$530 starting July 2021 through June 2024.

Lease expense totaled \$6,540 for the year ended June 30, 2021 which is included in the statement of functional expenses in the administration account.

Future minimum lease payments are as follows:

<u>Year ended June 30,</u>	
2022	\$ 6,360
2023	6,360
2024	<u>6,360</u>
	<hr/>
Total minimum lease payments	<u>\$ 19,080</u>

UNITED WAY OF SOUTHERN CAMERON COUNTY
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021

NOTE K – PPP LOAN

In April 2020, the Organization received loan proceeds of \$112,300 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, provides for loans to qualifying businesses. Under the terms of the PPP, up to 100% of the loan (and related interest) may be forgiven if the proceeds are used for covered expenses and certain other requirements related to wage rates and maintenance of full-time equivalents are met. The Organization applied for forgiveness with the lender and received full forgiveness of \$112,300 from the Small Business Administration (SBA) on November 25, 2020. The amount of loan forgiveness is presented as a component of revenues and other support in the statement of activities and changes in net assets.

The SBA may undertake a review of a loan of any size during the six-year period following forgiveness or repayment of the loan. The review may include the loan forgiveness application, as well as whether the Organization received proper loan amount. The timing and outcome of any SBA review is not known.

NOTE L – UNCERTAINTIES

Due to COVID-19 known as the Coronavirus, in March of 2020, the President of the United States declared a National Health Emergency and the Governor of the State of Texas declared a State of Disaster. On March 2, 2021, the Governor issued Executive Order GA-34 effective March 10, 2021, which lifted all previously enacted emergency mandate associated with the disaster declaration. The effect of these declarations on the Organization's investments, employees, grantors, vendors, lessors, lenders, and overall operations are uncertain. Accordingly, these financial statements have not been adjusted as the effects on the Organization's financial position, statement of activities and change in net assets, and cash flow are unknown.

NOTE M – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 3, 2021, the date these financial statements were available to be issued.