



United Way of the Coastal Bend, Inc.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

June 30, 2024 and 2023



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REPORT





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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of the Coastal Bend, Inc.
Corpus Christi, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of the Coastal Bend, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of the Coastal Bend, Inc. as of June 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of the Coastal Bend, Inc. and to meet our 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 opinions.

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 the Coastal Bend, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government 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 the Coastal Bend, Inc.'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 the Coastal Bend, Inc.'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Report on Summarized Comparative Information

We have previously audited United Way of the Coastal Bend, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare

the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of United Way of the Coastal Bend, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of the Coastal Bend, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of the Coastal Bend, Inc.'s internal control over financial reporting and compliance.

Carr, Rigg & Ingram, L.L.C.

Corpus Christi, Texas
March 28, 2025



FINANCIAL STATEMENTS



United Way of the Coastal Bend, Inc.
Statements of Financial Position

<i>June 30,</i>	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 2,775,008	\$ 2,357,070
Certificates of deposit	986,126	982,844
Grants receivable	477,141	217,174
Campaign pledges receivable, net	1,903,180	2,140,598
Prepaid expenses	41,062	35,971
Total current assets	6,182,517	5,733,657
Non current assets		
Property and equipment, net	2,310,411	2,381,603
Total assets	\$ 8,492,928	\$ 8,115,260
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 175,346	\$ 82,028
Accrued expenses	148,221	89,748
Designations payable	1,359,011	1,189,569
Other payables	3,866	3,866
Performance obligation	77,800	143,700
Total current liabilities	1,764,244	1,508,911
Total liabilities	1,764,244	1,508,911
Net assets		
Net assets without donor restrictions	4,088,980	3,928,172
Net assets with donor restrictions	2,639,704	2,678,177
Total net assets	6,728,684	6,606,349
Total liabilities and net assets	\$ 8,492,928	\$ 8,115,260

The accompanying notes are an integral part of these financial statements.

United Way of the Coastal Bend, Inc.
Statements of Activities

<i>For the years ended June 30,</i>	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Total
Revenues and support				
Gross campaign results	\$ -	\$ 4,981,916	\$ 4,981,916	\$ 4,449,753
Less: donor designations	-	(1,673,181)	(1,673,181)	(1,438,188)
Less: provision for uncollectible pledges	-	(559,777)	(559,777)	(272,369)
Net campaign revenue - current year	-	2,748,958	2,748,958	2,739,196
Federal, state and private grant revenues	2,262,438	7,529	2,269,967	1,713,948
Special events	-	168,697	168,697	135,981
Interest income	84,420	-	84,420	34,474
Rent income	24,000	-	24,000	24,000
Contributions of non-financial assets	7,625	63,438	71,063	56,803
Administrative fee on designated contributions	163,131	-	163,131	149,979
Miscellaneous income	6,122	-	6,122	19,388
Net assets released from restrictions	3,027,095	(3,027,095)	-	-
Total revenue and other support	5,574,831	(38,473)	5,536,358	4,873,769
Expenses				
<i>Program services</i>				
Gross grants to agencies	2,990,750	-	2,990,750	2,811,209
Less: donor designations to agencies	(1,027,452)	-	(1,027,452)	(1,128,894)
Net grants to programs	1,963,298	-	1,963,298	1,682,315
Other program expenses	2,511,035	-	2,511,035	2,111,773
Total program services	4,474,333	-	4,474,333	3,794,088
<i>Support services</i>				
Management and general	540,577	-	540,577	500,674
Fundraising	399,113	-	399,113	376,156
Total supporting services	939,690	-	939,690	876,830
Total expenses	\$ 5,414,023	\$ -	\$ 5,414,023	\$ 4,670,918

(Continued)

The accompanying notes are an integral part of these financial statements.

United Way of the Coastal Bend, Inc.
Statements of Activities (Continued)

<i>For the years ended June 30,</i>	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Total
Change in net assets	\$ 160,808	\$ (38,473)	\$ 122,335	\$ 202,851
Net assets at beginning of year	3,928,172	2,678,177	6,606,349	6,403,498
Net assets at end of year	\$ 4,088,980	\$ 2,639,704	\$ 6,728,684	\$ 6,606,349

The accompanying notes are an integral part of these financial statements.

United Way of the Coastal Bend, Inc.
Statements of Functional Expenses

For the year ended June 30, 2024

	Program Services				Support Services				Summarized Total for the Year Ended June 30, 2023
	Education	Financial Stability	Health	Programs Subtotal	Management & General	Fundraising	Supporting Subtotal	2024 Total	
Gross distributions to agencies	\$ 959,310	\$ 820,450	\$ 1,210,990	\$ 2,990,750	\$ -	\$ -	\$ -	\$ 2,990,750	\$ 2,811,209
Less: donor designations to agencies	(301,255)	(347,282)	(378,915)	(1,027,452)	-	-	-	(1,027,452)	(1,128,894)
Net grants to programs	658,055	473,168	832,075	1,963,298	-	-	-	1,963,298	1,682,315
Advertising expense	1,457	2,778	2,028	6,263	1,627	1,511	3,138	9,401	27,210
Bank and brokerage charges	3,601	1,800	5,041	10,442	4,982	3,421	8,403	18,845	12,337
Depreciation	14,238	7,119	19,934	41,291	16,375	13,526	29,901	71,192	71,192
Dues and subscriptions	18,520	8,468	60,390	87,378	16,036	14,341	30,377	117,755	111,947
Equipment rental	6,844	1,101	11,707	19,652	1,761	3,602	5,363	25,015	13,005
Occupancy	7,879	3,940	21,030	32,849	9,061	7,485	16,546	49,395	48,184
Office expense	1,923	2,144	6,645	10,712	790	1,224	2,014	12,726	14,734
Payments to subcontractors	723,129	15,168	2,797	741,094	7,300	5,216	12,516	753,610	682,937
Payroll taxes and employee benefits	63,632	21,062	151,313	236,007	88,353	62,207	150,560	386,567	335,122
Postage	152	76	564	792	175	144	319	1,111	824
Printing	3,415	330	2,229	5,974	153	2,103	2,256	8,230	3,790
Professional fees	5,700	2,850	7,980	16,530	6,555	5,415	11,970	28,500	29,500
Property insurance	4,481	2,240	9,078	15,799	5,153	4,257	9,410	25,209	24,146
Repairs and maintenance	5,180	2,590	8,582	16,352	6,420	4,921	11,341	27,693	14,727
Salaries	250,006	99,592	660,268	1,009,866	359,442	243,460	602,902	1,612,768	1,414,221
Software and support	44,943	8,869	16,762	70,574	12,583	11,841	24,424	94,998	58,889
Supplies	29,464	1,208	88,507	119,179	557	4,271	4,828	124,007	73,662
Training and recruitment	9,883	7,293	16,975	34,151	3,076	5,906	8,982	43,133	33,905
Travel and mileage	6,401	610	29,119	36,130	178	4,262	4,440	40,570	18,271
Total	\$ 1,858,903	\$ 662,406	\$ 1,953,024	\$ 4,474,333	\$ 540,577	\$ 399,113	\$ 939,690	\$ 5,414,023	\$ 4,670,918

The accompanying notes are an integral part of these financial statements.

United Way of the Coastal Bend, Inc.
Statements of Cash Flows

<i>For the years ended June 30,</i>	2024	2023
Operating Activities		
Change in net assets	\$ 122,335	\$ 202,851
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	71,192	71,192
Changes in operating assets and liabilities		
Certificates of deposit	(3,282)	(1,228)
Grants receivable	(259,967)	150,629
Campaign pledges receivable, net	237,418	(55,468)
Prepaid expenses	(5,091)	(2,574)
Accounts payable	93,318	(44,421)
Accrued expenses	58,473	(8,392)
Designations payable	169,442	147,538
Other payables	-	(16,565)
Performance obligation	(65,900)	20,262
Net cash provided by operating activities	417,938	463,824
Cash and cash equivalents at beginning of year	2,357,070	1,893,246
Cash and cash equivalents at end of year	\$ 2,775,008	\$ 2,357,070

The accompanying notes are an integral part of these financial statements.

United Way of the Coastal Bend, Inc.

Notes to the Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Organization

The United Way of the Coastal Bend, Inc. (the Organization) was incorporated in 1936 as a nonprofit corporation to bring together in united appeal all possible campaigns or community accepted health, welfare, and recreational agencies and to solicit funds and property for such agencies. The Organization serves 60 communities in and around the following counties: Bee, Brooks, Duval, Jim Wells, Live Oak, Kenedy, Kleberg, Nueces, Refugio, and San Patricio.

Below is a summary of the principal community initiatives administered by the Organization:

- Annual United Way of the Coastal Bend Golf Classic – The Golf Classic is an annual event that directly benefits the Community Investment Fund to support education, health, and financial stability initiatives throughout the Coastal Bend.

Education – The Organization provides continuing education to help children reach developmental milestones, strengthen their literacy, gain skills and knowledge, and graduate on time.

- Success By 6 Coalition -The initiative works as a coalition to reduce the barriers to children experiencing healthy, safe, learning environments at home and in their communities. The initiative aims to ensure all Coastal Bend children arrive at school healthy and ready to learn.
- Operation Supply Our Students (Operation SOS) – Operation SOS is a community-wide donation and school supply drive striving to ensure that students have the school supplies needed for the school year.

Financial Stability – The Organization provides job training, literacy courses, financial education and services that help guide members of the community on the path toward financial empowerment.

- Volunteer Income Tax Assistance (VITA) Program – VITA volunteers provide free income tax filing services for individuals and families who earned \$64,000 or less in the previous year. This helps taxpayers avoid fees and receive assistance obtaining all applicable tax credits.
- Caller Times Children’s Christmas Appeal – The appeal is an annual initiative powered by the Corpus Christi Caller Times, United Way of the Coastal Bend and area agencies that provide these children with the happy holidays they desire.
- Women United – Women United mobilizes a powerful network of women dedicated to inspiring, educating and encouraging change in the Coastal Bend by pooling the time, talent and financial resources of its members to bring to the forefront the positive impact women can have on a community.

Health – The Organization provides physical and mental health fund services that help people with medical visits, medications and therapy.

- SingleCare Prescription Savings Card Partnership – SingleCare partnered with the Organization to help the community save on prescriptions regardless of coverage or lack of health insurance.

United Way of the Coastal Bend, Inc.

Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

United Way Worldwide Presentation Standards

The Organization's financial statements follow the guidance prescribed by United Way Worldwide titled, *Implementation Requirements for Membership Standard H – Financial Statement Standards* (Standard H). Also, the Organization pledges to comply with the United Way Worldwide's *Implementation Requirements for Membership Standard M – Cost Deduction Requirements*.

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to contributions of non-financial assets, collections of receivables and allocation of functional expenses.

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.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all unrestricted highly liquid investments with an original maturity of 90 days or less.

Certificates of deposit

Certificates of deposit are valued at original cost at purchase plus accrued interest. The safety and security of investments is of utmost importance to the Board of Directors and to the community. The President/CEO and CFO are authorized to make investment decisions concerning the Organization. The Finance Committee of the Organization is responsible for the review of investments of available contributed dollars to ensure the financial stability of the Organization. Yield on investments is maximized within the context of purpose of safety of principal. The Organization does not invest in equity securities without the prior approval of the Finance Committee. Maturity on investments does not exceed three years. The current investment portfolio consists of several certificates of deposit with varying maturity dates in excess of 90 days past the fiscal year end.

United Way of the Coastal Bend, Inc.

Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable

Grants receivable represent amounts owed to the Organization which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for doubtful accounts. The Organization deems all grants receivable to be collectible.

Campaign Pledges Receivable

Contributions are recognized when the donor makes a promise to give (pledge) that is, in substance, unconditional. Restricted contributions are generally reported as increases in net assets with donor restrictions when received. When the donor's stipulation has been satisfied (the stipulated time period has elapsed or the program activities have been carried out), a reclassification is made from net assets with donor restrictions to net assets without donor restrictions to reflect the expiration of the restriction. The Organization recognizes the expiration of a donor-imposed restriction on a contribution in the period in which the restriction expires. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. If two or more donor-imposed restrictions that are temporary in nature are imposed on a contribution, the effect of the expiration of those restrictions shall be recognized in the period in which the last remaining restriction has expired.

Campaign pledges that are expected to be collected within the year are recorded at net realizable value. Campaign pledges that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using a risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. All campaign pledges are expected to be collected within the year.

United Way Worldwide's policy states that all 2022 campaign pledges are considered uncollectible in the current year. Campaigns are run on the calendar year subsequent to the initiation. The 2022 campaign ran from January 1, 2022 through December 31, 2022. As of June 30, 2024, the Organization wrote off all 2022 uncollected campaign pledges receivable (see Note 5).

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance has historically ranged between 3% and 6% of pledged contributions of the general campaign. As of June 30, 2024, the Organization used a rate of 3.95% based on historical 3-year experience, with respect to collectability, and then adjusted for management's analysis of current donor relationships. As of June 30, 2023, the Organization used a rate of 5.44%, based on historical 3-year experience with respect to collectability.

Property and Equipment

All acquisitions of property and equipment in excess of \$25,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

United Way of the Coastal Bend, Inc.

Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Organization leases copier machines. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities the statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statements of financial position.

Management has elected to apply the short-term lease exemption to the underlying assets: copier machines. For the years ended June 30, 2024 and 2023, the Organization had a small number of leases within these classes of underlying assets that qualify for the exemption. The short-term lease cost recognized and disclosed for those leases in 2024 and 2023 totaled \$6,782 and \$7,081, respectively. Lease costs are included in equipment rental on the statements of functional expenses.

Donor Designations

Gifts raised in the Organization's annual campaign in which the Organization agrees to transfer the gift to another beneficiary as designated by the donor constitute agency transactions, and are deducted from gross campaign results to arrive at contribution revenue.

In accordance with the Organization's membership requirements, these designations are presented as part of gross campaign results and gross agency distributions on the statement of activities, but are then deducted to arrive at the Organization's actual revenue and expense.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve (see Note 3).

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

United Way of the Coastal Bend, Inc.

Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition and Campaign Support

Special event revenue and miscellaneous income are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied.

Campaign contributions received are recorded as support with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. The Organization reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

The Organization conducts an annual fundraising campaign for the following year's operations. Thus, campaign contributions are treated as with donor restrictions in the year of the campaign and are transferred to without donor restrictions in the following year when the funds will be used to fund program allocations and the Organization's programs and supporting services. These amounts are included in designations payable within the statements of financial position. The Organization honors designations made to each partner agency by distributing the portion of a donor's pledge to said partner agency.

A significant portion of the Organization's grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Revenue from special events is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

Donated Goods and Services

The Organization recognizes donated goods and other intangible non-financial assets, such as advertising, as a contribution at its estimated market value at the date of the gift.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided program and fundraising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

Fundraising activities include the solicitation of contributions of money. Depreciation and facility management costs are allocated based on square footage.

United Way of the Coastal Bend, Inc.

Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (Continued)

Information technology costs are allocated based on number of computer units utilized by each area. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on the proportion of full-time employee equivalents.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. During the years ended June 30, 2024 and 2023, advertising costs totaled \$9,401 and \$27,210, respectively.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes.

Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2024 and 2023, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective June 30, 2023 and evaluated leases existing at, or entered into after, June 30, 2022 (the beginning of the earliest comparative period presented) using a modified retrospective approach, with certain practical expedients available. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates.

United Way of the Coastal Bend, Inc.
Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Organization adopted ASU 2016-13 on July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 28, 2025. See Note 17 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>June 30,</i>	2024	2023
Total assets at year end	\$ 8,492,928	\$ 8,115,260
Less non-financial assets		
Prepaid expenses	(41,062)	(35,971)
Property and equipment, net	(2,310,411)	(2,381,603)
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,141,455	\$ 5,697,686

Unrestricted Net Asset Reserve Policy

The Organization maintains an unrestricted net asset balance (net of property, plant and equipment) that enables the Organization to effectively address cash flow interruptions, community emergencies or disasters, meet commitments, obligations, or other contingencies as they arise. The reserve maintained by the Organization is equal to a minimum of four months and a maximum of eight months of the annual allocations and operating budget of the Organization.

Additionally, investments are maintained in securities which can be liquidated on a short-term basis. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Net assets that are reported with donor restrictions for time purposes are all considered available within one year as the time restriction expires within one year.

United Way of the Coastal Bend, Inc.
Notes to the Financial Statements

Note 4: CERTIFICATES OF DEPOSIT

Certificates of deposit are valued at original cost at purchase plus accrued interest. See Note 17 for certificates of deposit renewed with new maturity dates subsequent to year-end.

A detail of certificates of deposits by maturity date is as follows:

<i>June 30,</i>			2024
<hr/>			
International Bank of Commerce			
March 9, 2025	4.00%	\$	246,126
Kleberg Bank			
August 22, 2024	4.50%		245,000
Charter Bank			
May 16, 2025	4.00%		250,000
Security Service Federal Credit Union			
August 21, 2024	4.89%		245,000
<hr/>			
Total		\$	986,126
<hr/>			
<i>June 30,</i>			2023
<hr/>			
International Bank of Commerce			
September 9, 2023	2.65%	\$	99,780
September 2, 2023	2.65%		100,000
June 22, 2023	1.40%		46,346
Kleberg Bank			
September 20, 2023	3.37%		245,000
Charter Bank			
May 16, 2024	2.75%		246,718
Security Service Federal Credit Union			
January 21, 2024	4.65%		245,000
<hr/>			
Total		\$	982,844
<hr/>			

United Way of the Coastal Bend, Inc.
Notes to the Financial Statements

Note 5: PLEDGES AND GRANTS RECEIVABLE

Pledges receivable consist of the following:

<i>June 30,</i>	2024	2023
Campaign pledges receivable		
Designated	\$ 480,148	\$ 658,050
Undesignated	1,745,794	1,605,184
Total campaign pledges receivable	2,225,942	2,263,234
Less allowance for doubtful accounts	(322,762)	(122,636)
Total net campaign pledges receivable	\$ 1,903,180	\$ 2,140,598

As of June 30, 2024 and 2023, pledge write-offs totaled \$565,687 and \$295,430, respectively. All pledges receivable are expected to be collected within one calendar year. Uncollectible campaign pledges totaled \$559,777 and \$272,369 for the years ended June 30, 2024 and 2023, respectively. Grants receivables for the years ended June 30, 2024 and 2023 consisted solely of government grants in the amount of \$477,141 and \$217,174, respectively, and therefore are considered fully collectible.

Note 6: PROPERTY AND EQUIPMENT

The components of property and equipment at June 30, 2024 and 2023 is as follows:

<i>June 30,</i>	Estimated Useful Lives (in years)	2,024	2,023
Non depreciable assets			
Land		\$ 87,045	\$ 87,045
Total non depreciable assets		87,045	87,045
Depreciable assets			
Building	39	2,729,682	2,729,682
Office equipment	3-5	21,586	21,586
Computer equipment	2-5	71,168	71,168
Furniture and fixtures	10	12,000	12,000
Total depreciable assets		2,834,436	2,834,436
Less accumulated depreciation		(611,070)	(539,878)
Total net depreciable assets		2,223,366	2,294,558
Total property and equipment, net		\$ 2,310,411	\$ 2,381,603

Depreciation expense for the years ended June 30, 2024 and 2023 was \$71,192 and \$71,192, respectively.

United Way of the Coastal Bend, Inc.
Notes to the Financial Statements

Note 7: NET ASSETS

A summary of net assets with donor restrictions follows:

<i>June 30,</i>	2024	2023
Specific Purpose:		
United Way campaign promises	\$ 2,639,704	\$ 2,678,177
Total net assets with donor restrictions	\$ 2,639,704	\$ 2,678,177

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

<i>For the years ended June 30,</i>	2024	2023
Specific Purpose:		
United Way campaign promises	\$ 2,436,112	\$ 2,205,823
Community resiliency fund	40,000	411,730
Operation SOS	133,614	90,354
Christmas appeal	58,058	82,633
United Way Golf Classic	176,550	45,971
Administrative fees on designations	173,511	149,979
HEB VITA grant	5,000	5,180
Emergency Food and Shelter Program	4,250	-
Total net assets released from restriction	\$ 3,027,095	\$ 2,991,670

As of June 30, 2024 and 2023, the Organization had net assets without donor restrictions of \$4,088,980 and \$3,928,172, respectively.

Note 8: REVENUE

The Organization recognizes revenue at a point in time for special event revenue and miscellaneous income. As of June 30, 2024, there is \$77,800 of performance obligations to be satisfied, all of which is expected to be recognized in revenue as of the year ended June 30, 2025.

As of June 30, 2023, there was \$143,700 of performance obligations to be satisfied, all of which was recognized in revenue as of the year ended June 30, 2024. These performance obligations are based on special event revenues, relating to the 2024 and 2023 Golf Classic, which is held in October, that was not recognized as of June 30, 2024 and 2023, respectively. The Organization recognizes revenue based on the output method for performance obligations to be utilized over time.

Disaggregated Revenue

Special event revenue, which is subject to ASC 606, was recognized at a point in time for the years ended June 30, 2024 and 2023, respectively.

United Way of the Coastal Bend, Inc.
Notes to the Financial Statements

Note 8: REVENUE (Continued)

Disaggregated Revenue (Continued)

A summary of disaggregated revenue is as follows:

<i>For the years ended June 30,</i>	2024	2023
Contracts with customers		
Recognized at a point in time	\$ 174,819	\$ 155,369
Total revenues	174,819	155,369
Revenue not subject to ASC 606		
Federal, state and private grant revenues	2,269,967	1,713,948
Interest income	84,420	34,474
Rent income	24,000	24,000
Contributions of non-financial assets	71,063	56,803
Administrative fees	163,131	149,979
Campaign support, net (Note 9)	2,748,958	2,739,196
Total revenues and other support	\$ 5,536,358	\$ 4,873,769

Contract assets and liabilities related to revenue from contracts with customers consists of the following:

<i>For the years ended June 30,</i>	2024	2023
Contract assets - no beginning or ending balances		
Contract liabilities		
Performance obligation liability, beginning of year	\$ 143,700	\$ 123,438
Performance obligation liability, end of year	\$ 77,800	\$ 143,700

Note 9: CAMPAIGN SUPPORT

Amounts raised

The Organization conducts an annual campaign to raise funds to be distributed to participating agencies in the subsequent fiscal year. Total contributions consist of cash and pledges from the United Way General Campaign less an allowance for doubtful accounts. Amounts that are donor designated are also deducted from total campaign support since these amounts are accounted for as custodial accounts, or liabilities.

United Way of the Coastal Bend, Inc.
Notes to the Financial Statements

Note 9: CAMPAIGN SUPPORT (Continued)

Donor Designated Contributions

The Organization is the agent responsible for distributing pledges that are designated by donors to specific affiliated agencies. In accordance with Statement of Financial Accounting Standards (SFAS) No. 136, campaign support that is donor-designated is reported as a liability since the pledge is to donor-specific agencies rather than revenue.

Community Investment Grants

Community investment grant allocations to participating agencies are budgeted on a fiscal year basis and monthly payments are made to participating agencies. For the year ended June 30, 2024, the amount allocated is \$1,963,298 that will be distributed monthly to participating agencies beginning July 1, 2024. For the year ended June 30, 2023, the amount allocated was \$1,682,315, which was distributed monthly to participating agencies beginning July 1, 2023 and was fully distributed as of June 30, 2024.

The board of directors deem agency allocations as intentions to fund programs of area agencies contingent on collection of campaign promises to give and on agency performance. Designated agencies should not construe these allocations as pledges receivable or promises to give by the Organization.

Note 10: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

All donated services and goods were utilized by the Organization's program and supporting services. Contributed goods for education program services contain donor imposed restrictions for use in Operation Supply Our Students. Contributed goods for fundraising supporting services contain donor imposed restrictions for use in the annual golf tournament. There were no donor-imposed restrictions associated with contributed services.

The components of donated services and goods contributed to the Organization consists of the following for the year ended June 30, 2024:

<i>For the year ended June 30, 2024</i>	Donated Services	Donated Goods	Total
Program services			
Education	\$ -	\$ 60,681	\$ 60,681
Financial stability	-	1,127	1,127
Supporting services			
Management and general	6,498	2,757	9,255
Total contributed services and goods	\$ 6,498	\$ 64,565	\$ 71,063

United Way of the Coastal Bend, Inc.
Notes to the Financial Statements

Note 10: CONTRIBUTIONS OF NON-FINANCIAL ASSETS (Continued)

The components of donated services and goods contributed to the Organization consists of the following for the year ended June 30, 2023:

<i>For the year ended June 30, 2023</i>	Donated Services	Donated Goods	Total
Program services			
Education	\$ -	\$ 31,640	\$ 31,640
Supporting services			
Management and general	22,120	43	22,163
Fundraising	-	3,000	3,000
Total contributed services and goods	\$ 22,120	\$ 34,683	\$ 56,803

In accordance with the guidance of United Way Worldwide, which recommends that all United Way's record an allocation of airtime based upon the calculation of a multiplication factor of total annual dues provided to members by United Way Worldwide, the Organization estimated the fair value of the NFL media donated services in the amount of \$6,498 and \$22,120 for the years ended 2024 and 2023, respectively.

Donated goods are valued at the wholesale prices that would be received for selling similar products.

Note 11: CONCENTRATIONS

The Organization maintains cash deposits with financial institutions at June 30, 2024 and 2023, in excess of federally insured limits of \$945,079 and \$475,967 respectively.

The Organization also manages its temporary cash investments with investment managers in investment accounts. These cash balances are covered by the Securities Investor Protection Corporation (SIPC), up to a limit of \$250,000. As of June 30, 2024 and 2023, cash balances in excess of SIPC coverage protection amounted to approximately \$779,903 and \$890,393, respectively. The Organization has not experienced any losses from maintaining cash accounts in excess of these insured limits and management believes that it is not exposed to any significant credit risk on cash and cash equivalent balances in these accounts.

As of June 30, 2024, three entities accounted for 67% of total receivables (see Note 12). As of June 30, 2023, two entities accounted for 49% of total receivables. For the year ended June 30, 2024, two donor organizations accounted for 48% of total revenues and support and one grantor organization accounted for 40% of total revenues and support. For the year ended June 30, 2023, two donor organizations accounted for 37% of total revenues and support and one grantor organization accounted for 33% of total revenues and support.

As of June 30, 2024 and 2023, one vendor accounted for 12% and 13% of total payables, respectively.

United Way of the Coastal Bend, Inc.

Notes to the Financial Statements

Note 12: RELATED PARTIES

During the years ended June 30, 2024 and 2023, the Organization's Treasurer was also the President and CEO of Goodwill Industries of South Texas (a nonprofit organization). Goodwill Industries of South Texas is a recipient of an annual Community Investment Fund Grant provided by United Way of the Coastal Bend, Inc. In addition, Goodwill Industries of South Texas receives donor designations, payments for shredding services and reimbursements from United Way of the Coastal Bend, Inc. as a subcontractor on the Organization's Volunteer Income Tax Assistance (VITA) grant. During the years ended June 30, 2024 and 2023, the Organization received donations from Goodwill Industries of South Texas in the amount of \$1,414 and \$1,300, respectively. During the years ended June 30, 2024 and 2023, the Organization paid \$117,601 and \$103,630 to Goodwill Industries of South Texas, respectively.

During the years ended June 30, 2024 and 2023, the Organization's Board Member was also the President of Kleberg Bank. During the years ended June 30, 2024 and 2023, the Organization maintained a main operation account, money market fund, 401(k) account and a brokerage account at Kleberg Bank. During the years ended June 30, 2024 and 2023, the Organization received revenue in the amounts of \$65,399 and \$51,084, respectively. During the years ended June 30, 2024 and 2023, the Organization paid bank fees to Kleberg Bank in the amounts of \$1,860 and \$1,625, respectively. As of June 30, 2024 and 2023, the Organization had receivables totaling \$11,237 and \$10,099, respectively.

During the years ended June 30, 2024 and 2023, the Organization's Board Member was also the President and COO of AEP Texas. During the years ended June 30, 2024 and 2023, the Organization received donations from AEP Texas in the amount of \$73,242 and \$92,540, respectively. As of June 30, 2024 and 2023, the Organization had receivables totaling \$48,124 and \$57,410, respectively.

During the year ended June 30, 2023, the Organization's Board Member was also the Fire Chief of the City of Corpus Christi. He retired in January 2023. During the year ended June 30, 2023, the Organization received donations from the City of Corpus Christi in the amount of \$162,470.

During the year ended June 30, 2023 the Organization paid utilities expense to the City of Corpus Christi in the amount of \$2,058. As of June 30, 2023 the Organization had receivables totaling \$78,329.

During the years ended June 30, 2024 and 2023, the Organization's Board Member was also the General Manager of a local HEB chain store. During the years ended June 30, 2024 and 2023, the Organization received donations from HEB in the amount of \$313,768 and \$235,524, respectively. In addition, during the years ended June 30, 2024 and 2023, the Organization purchased gift cards for distribution totaling \$41,668 and \$28,273. As of June 30, 2024 and 2023, the Organization had receivables totaling \$73,374 and \$146,480, respectively. As of June 30, 2024, the Organization had payables totaling \$2,980.

During the years ended June 30, 2024 and 2023, the Organization's Board Member was also CEO of the Port of Corpus Christi. During the years ended June 30, 2024 and 2023, the Organization received donations from the Port of Corpus Christi in the amount of \$50,000 and \$80,000, respectively. As of June 30, 2023, the Organization had receivables totaling \$43,225.

During the years ended June 30, 2024 and 2023, the Organization's Board Member was also the Plant Manager of Chemours. During the years ended June 30, 2024 and 2023, the Organization received donations from Chemours in the amounts of \$112,638 and \$87,157, respectively. In addition, during the year ended June 30, 2023, the Organization paid designations from the United Way of Delaware to the Chemours campaign in the amount of \$14,322. As of June 30, 2024 and 2023, the Organization had receivables totaling \$34,027 and \$34,530, respectively.

United Way of the Coastal Bend, Inc.

Notes to the Financial Statements

Note 12: RELATED PARTIES (Continued)

During the year ended June 30, 2023, the Organization's former Board Member was also the Vice President and General Manager of Valero Corpus Christi Refineries. During the year ended June 30, 2023, the Organization received donations from Valero Corpus Christi Refineries in the amount of \$1,247,243. During the year ended June 30, 2023, the Organization had receivables totaling \$375,046.

During the years ended June 30, 2024 and 2023, the Organization's Board Member was also the Vice President and General Manager of Valero Three Rivers Refinery. During the years ended June 30, 2024 and 2023, the Organization received donations from Valero Three Rivers Refinery in the amounts of \$587,303 and \$591,926, respectively. As of June 30, 2023, the Organization had receivables totaling \$558,000.

During the year ended June 30, 2024, the Organization's Board Member was also the Senior Manager at Howard Energy Partners. During the year ended June 30, 2024, the Organization received donations from Howard Energy Partners in the amount of \$101,587. As of June 30, 2024, the Organization had receivables totaling \$15,262.

During the year ended June 30, 2024, the Organization's Board Member was also the Site Manager at Gulf Coast Growth Ventures. Gulf Coast Growth Ventures is a joint venture with ExxonMobil. During the year ended June 30, 2024 and 2023, the Organization received donations from Gulf Coast Growth Ventures and ExxonMobil in the amount of \$170,234 and \$351,246, respectively. As of June 30, 2024 and 2023, the Organization had receivables totaling \$58,744 and \$57,964, respectively.

Note 13: CONTINGENCIES

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions.

No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date. The Organization expects such amounts, if any, to be immaterial.

Note 14: LEASE COMMITMENTS

The Organization leases office copiers. Both leases are on a month to month basis. The other lease was replaced with a new lease agreement in August 2023. For the years ended June 30, 2024 and 2023, rent expense under these operating leases was approximately \$6,781 and \$7,081, respectively. Future minimum lease payments under the operating lease that has a remaining term in excess of one year is \$18,670.

The Organization receives rental income from the leasing of their parking lot. For the years ended June 30, 2024 and 2023, the Organization received \$24,000 in rental income.

Note 15: PAYMENTS TO AFFILIATES

In accordance with affiliation agreements with the state and national organizations, dues payments to these organizations were based on a percentage of the Organization's total pledges received or campaign goal for the prior year.

United Way of the Coastal Bend, Inc.

Notes to the Financial Statements

Note 15: PAYMENTS TO AFFILIATES (Continued)

Amounts expensed for dues to the United Way World Wide and the United Way of Texas totaled \$71,976 and \$80,314 for the fiscal years ended June 30, 2024 and 2023, respectively.

Note 16: DEFINED CONTRIBUTION PLAN

The Organization sponsors a defined contribution plan covering substantially all full-time employees at least 21 years of age with one year of active service. Retirement expense is based upon a percentage of eligible payroll. During both 2024 and 2023, the percentage was 6% of eligible payroll. The annual percentage is determined by the Board of Directors. Retirement expense amounted to \$93,111 and \$91,822 for the years ended June 30, 2024 and 2023, respectively.

Note 17: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after June 30, 2024 through March 28, 2025, the date the Organization's financial statements were available to be issued. The following items occurred:

On August 21, 2024, the Organization's certificate of deposit held at Security Service Federal Credit Union matured. The Organization renewed the certificate of deposit with a maturity date of August 21, 2025 and an interest rate of 1.49% (see Note 4).

On August 22, 2024, the Organization's certificate of deposit held at Kleberg Bank matured. The Organization renewed the certificate of deposit with a maturity date of May 22, 2025 and an interest rate of 4.10% (see Note 4).

In August 2024, the Organization purchased a new certificate of deposit with Kleberg Bank in the amount of \$300,000, with a maturity date of August 28, 2025 and an interest rate of 3.75%.

In February 2025, the Organization purchased two new certificates of deposit with Kleberg Bank, one for \$750,000 with a maturity date of May 27, 2025 and an interest rate of 4.10% and one for \$205,000 with a maturity date of August 27, 2025 and an interest rate of 4.00%.

On March 9, 2025, the Organization's certificate of deposit held at International Bank of Commerce matured. The Organization renewed the certificate of deposit with a maturity date of March 9, 2026 and an interest rate of 3.4% (see Note 4).



SINGLE AUDIT REPORTS AND REQUIRED SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS





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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
United Way of the Coastal Bend, Inc.
Corpus Christi, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of the Coastal Bend, Inc.'s (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of the Coastal Bend, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of the Coastal Bend, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of the Coastal Bend, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

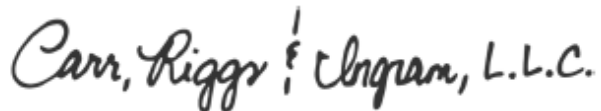
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of the Coastal Bend, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

Corpus Christi, Texas
March 28, 2025



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
United Way of the Coastal Bend, Inc.
Corpus Christi, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Way of the Coastal Bend, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of United Way of the Coastal Bend, Inc.'s major federal programs for the year ended June 30, 2024. United Way of the Coastal Bend, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way of the Coastal Bend, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the audit of Compliance section of our report.

We are required to be independent of United Way of the Coastal Bend, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of United Way of the Coastal Bend, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to United Way of the Coastal Bend, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Way of the Coastal Bend, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about United Way of the Coastal Bend, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 United Way of the Coastal Bend, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of United Way of the Coastal Bend, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of United Way of the Coastal Bend, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant

deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Corpus Christi, Texas
March 28, 2025

United Way of the Coastal Bend, Inc.

Schedule of Expenditures of Federal Awards

GRANTOR	Assistance Listing Number	Grant Number	Passed through to Subrecipients	Expenditures, Indirect Costs, And Refunds
<u>Department of Health and Human Services</u>				
<i>Passed through the</i>				
Texas Department of Family and Protective Services				
Maternal, Infant, and Early Childhood Home Visiting				
Grant Program				
COVID-19 Maternal, Infant, and Early Childhood Home				
Visiting Grant Program	93.870	HHS001105400019	\$ -	\$ 153,076
COVID-19 Maternal, Infant, and Early Childhood Home				
Visiting Grant Program	93.870	HHS001105400019	-	1,721,134
Total Maternal, Infant, and Early Childhood Home				
Visiting Grant Program			-	1,874,210
Every Student Succeeds Act/Preschool				
Development Grants Program	93.434	HHS001105400019	-	119,027
Total U.S Department of Health and Human Services			-	1,993,237
<u>Department of the Treasury</u>				
Volunteer Income Tax Assistance Matching Grant Program	21.009	24VITA0264	-	55,757
Total Department of the Treasury			-	55,757
<u>US Department of Homeland Security</u>				
<i>Passed through the</i>				
United Way of America				
Emergency Food and Shelter National Board Program	97.024	828400-010	-	4,250
Total US Department of Homeland Security			-	4,250
Total Expenditures of Federal Awards			\$ -	\$ 2,053,244

United Way of the Coastal Bend, Inc.
Notes to the Schedule of Expenditures of Federal Awards

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the United Way of the Coastal Bend, Inc. (the Organization) under programs of the Federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

The Organization has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: NONCASH ASSISTANCE

The Organization has not received any noncash assistance for the fiscal year ended June 30, 2024.

Note 5: LOAN AND LOAN GUARANTEES

The Organization has not received any loan or loan guarantees for the fiscal year ended June 30, 2024.

Note 6: FEDERALLY FUNDED INSURANCE

The Organization has not received any federally funded insurance for the fiscal year ended June 30, 2024.

Note 7: CONTINGENCIES

Grant monies received and disbursed by the Organization are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the Organization does not believe that such disallowance, if any, would have a material effect on the financial position of the Organization.

Note 8: SUBRECIPIENTS

During the year ended June 30, 2024, the Organization did not expend any funds to subrecipients.

United Way of the Coastal Bend, Inc.
Notes to the Schedule of Expenditures of Federal Awards

Note 9: FEDERAL PASS-THROUGH FUNDS

The Organization was the sub-recipient of federal funds for the year ended June 30, 2024.

United Way of the Coastal Bend
Schedule of Findings and Questioned Costs
June 30, 2024

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements? | No |

Federal Awards:

- | | | | | | | | |
|---|---|------------------------|----------------|--|--------|---|--|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified | | | | | | |
| 2. Internal control over major programs: | | | | | | | |
| a. Material weaknesses identified? | No | | | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No | | | | | | |
| 4. Identification of major programs: | | | | | | | |
| <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"><u>Assistance Listing</u></td> <td style="width: 50%; text-align: center;"><u>Federal Program</u></td> </tr> <tr> <td style="text-align: center;"><u>Numbers</u></td> <td></td> </tr> <tr> <td style="text-align: center;">93.870</td> <td>Maternal, Infant, and Early Childhood Home Visiting Grant Program</td> </tr> </table> | <u>Assistance Listing</u> | <u>Federal Program</u> | <u>Numbers</u> | | 93.870 | Maternal, Infant, and Early Childhood Home Visiting Grant Program | |
| <u>Assistance Listing</u> | <u>Federal Program</u> | | | | | | |
| <u>Numbers</u> | | | | | | | |
| 93.870 | Maternal, Infant, and Early Childhood Home Visiting Grant Program | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 | | | | | | |
| 6. Auditee qualified as low-risk auditee? | No | | | | | | |

SECTION II: FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III: FEDERAL AWARD FINDINGS

None noted.

**United Way of the Coastal Bend
Schedule of Findings and Questioned Costs
June 30, 2024**

SECTION IV: SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None noted.