Audited Financial Statements
United Way of Laredo, Inc.
December 31, 2023

United Way of Laredo, Inc.

Table of Contents

Audited Financial Statements

Independent Auditors' Report..... 1-3

Statements of Financial Position..... 4

Statements of Activities..... 5

Statements of Functional Expenses..... 6

Statements of Cash Flows..... 7

Notes to Financial Statements..... 8-13

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* 14

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
United Way of Laredo, Inc.
Laredo, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of Laredo, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 Laredo, Inc. as of December 31, 2023, and the changes in its 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 of the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Laredo, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Laredo, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgement 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 judgement 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 Laredo, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Laredo, 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, on our consideration of United Way of Laredo, 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 Laredo, 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 Laredo, Inc.'s internal control over financial reporting and compliance.

Conales, Garza & Baum, PLLC

Laredo, Texas
November 15, 2024

UNITED WAY OF LAREDO, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Current Assets:			
Cash and Cash Equivalents	$ 850,500	$ -	$ 850,500
Cash and Cash Equivalents-Restricted		64,197	64,197
Pledges Receivable - United Way		646,114	646,114
Pledges Receivable - SECC		61,386	61,386
Investments	214,288	1,084,426	1,298,714
Total Current Assets	1,064,787	1,856,123	2,920,910
Property & Equipment, net of Accumulated Depreciation	47,579	-	47,579
Total Non Current Assets	47,579	-	47,579
TOTAL ASSETS	$ 1,112,366	$ 1,856,123	$ 2,968,489
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	$ -	$ -	$ -
Collections in Advance for 2023-2024 Campaign		365,278	365,278
Pledges Receivable for 2023-2024 Campaign		612,811	612,811
Donor Designated Payable - SECC		125,583	125,583
Total Current Liabilities	-	1,103,672	1,103,672
NET ASSETS			
Without Donor Restrictions	1,112,366	-	1,112,366
With Donor Restrictions	-	752,451	752,451
TOTAL NET ASSETS	1,112,366	752,451	1,864,817
TOTAL LIABILITIES AND NET ASSETS	$ 1,112,366	$ 1,856,123	$ 2,968,489

See accompanying notes to financial statements.

UNITED WAY OF LAREDO, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Community and State Pledges, 2022-2023 Campaign	$ -	$ 1,050,000	$ 1,050,000
Less: Non-UW and State Designations			-
Uncollected Prior Year Campaign Contributions		(58,457)	(58,457)
Provision for Uncollectible Pledges 2022-2023		(9,891)	(9,891)
Grants and Contracts	186,728		186,728
Interest Income	42,000		42,000
Other Income	33,124		33,124
TOTAL REVENUES, GAINS AND OTHER SUPPORT	261,851	981,652	1,243,503
Net assets released from restrictions	978,813	(978,813)	
TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	1,240,665	2,839	1,243,503
EXPENSES			
Program Services			
Gross Funds Distributed - Note L	764,500		764,500
Other Program Services - Note M	199,908		199,908
Other Program Services	229,965		229,965
Total Program Services	1,194,372	-	1,194,372
Support Services			
Fundraising	56,085		56,085
Management and General	29,410		29,410
Total Support Services	85,495	-	85,495
TOTAL EXPENSES	1,279,867	-	1,279,867
CHANGE IN NET ASSETS	(39,203)	2,839	(36,364)
NET ASSETS AT BEGINNING OF YEAR	1,151,569	749,612	1,901,181
NET ASSETS AT END OF YEAR	$ 1,112,366	$ 752,451	$ 1,864,817

See accompanying notes to financial statements.

UNITED WAY OF LAREDO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Total Program Services	Management and General	Fundraising	Total
SALARIES AND RELATED EXPENSES				
Salaries	$ 96,396	$ 10,414	$ -	$ 106,810
Employee Health and Retirement Benefits	23,785	2,569	-	26,354
Payroll Taxes and Related Expenses	9,365	1,012	-	10,377
TOTAL SALARIES AND RELATED EXPENSES	129,545	13,995	-	143,540
OTHER OPERATING EXPENSES				-
Advertising and Public Relations	11,877	1,283	-	13,160
Bank Charges	3,328	360	-	3,688
Building Occupancy				
Building Supplies	2,605	281	-	2,886
Insurance	14,771	1,596	-	16,367
Land Lease	8,468	915	-	9,383
Repairs and Maintenance	10,649	1,151	-	11,800
Telephone	7,381	797	-	8,178
Utilities	5,174	559	-	5,733
Campaign Events	-	-	53,095	53,095
Conferences and Seminars	30	3	-	33
Equipment Lease	5,770	623	-	6,393
Legal and Professional	-	-	-	-
Membership Dues - UW of Texas and Other	-	4,566	-	4,566
Membership Dues - UW Worldwide	11,865	1,282	-	13,147
Miscellaneous	6,001	648	-	6,649
Postage and Shipping	857	93	-	950
Supplies and Other	3,464	374	2,990	6,828
Total Expenses Before Depreciation	$ 221,786	$ 28,526	$ 56,085	$ 306,397
Depreciation	8,179	884	-	9,063
Total Expenses	$ 229,965	$ 29,410	$ 56,085	$ 315,460

See accompanying notes to financial statements.

UNITED WAY OF LAREDO, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

Cash Flows From Operating Activities:	
Increase (Decrease) in Net Assets	$ (36,364)
Adjustments to Reconcile Change in Net Assets to Cash From Operating Activities:	
Depreciation Expense	9,063
(Increase) Decrease in Assets:	
Pledges Receivable - United Way of Laredo, Inc.	34,590
Pledges Receivable - SECC	3,064
Increase (Decrease) in Liabilities:	
Collections in Advance	(33,714)
Pledges Receivable - 2022-2023 Campaign	(3,715)
Donor Designations Payable SECC	11,891
Net Cash Provided By Operating Activities	(15,185)
Net Increase (Decrease) in Cash & Cash Equivalents	(15,185)
Beginning Cash & Cash Equivalents	929,882
Ending Cash & Cash Equivalents	$ 914,697

See accompanying notes to financial statements.

United Way of Laredo, Inc.
Notes to Financial Statements
December 31, 2023

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The United Way of Laredo, Inc. (the Organization) was incorporated in 1963 under the name of the United Fund of Laredo as a non-profit 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 United Way of Laredo, Inc. has also been designated by the State Employee Charitable Campaign (SECC) as its local fiscal agent for its campaigns and financial activities. The United Way only collects from the local Texas A&M International University and Laredo Community College. All the other local state entities send their collections directly to United Way of Texas.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Net assets of the Organization are classified based on the existence or absence of donor-imposed restrictions. Net assets 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. This class also includes assets previously restricted where restriction have expired or been met.

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 Organization or by the passage of time. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Earnings related to net assets with donor restrictions will be included in net assets without donor restrictions unless specifically required to be included in donor restricted net assets by the donor or by applicable state law.

Campaigns

Campaign years for United Way of Laredo begin on February 1 and end on January 31, of the following year.

During the calendar year of 2023 there were three campaign years open:

Campaign Year 2021-2022	Closed January 31, 2023
Campaign Year 2022-2023	Closed January 31, 2024
Campaign Year 2023-2024	Will close on January 31, 2025

Allocations to agencies are made between January 1 and December 31 and are distributed monthly on the 1st of each month based on the results of the campaign that began in the previous year and ended in the current year. There are no allocations payable from United Way as of December 31, 2023.

The 2023-2024 campaign that began during this year is for allocations to be made during 2024. Pledges collected in 2023 for this campaign are reflected as Collections in Advance for 2023-2024 Campaign in the liabilities section of the Statement of Financial Position.

The pledges receivable for the 2023-2024 Campaign as of December 31, 2023 are reflected as part of the total of pledges receivable and offset by a liability account referred to as Pledges Receivable for 2023-2024 Campaign. This campaign will be recognized as revenue in the 2024 financial statements.

Campaign years for SECC begin on January 1 and end on December 31 of the same year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over $1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to thirty years.

Donated Materials and Services

Donated materials, equipment and services for donated advertising are reflected as contributions in the financial statements at their estimated values at date of receipt. No amounts have been reflected for donated services since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time in the Organization's fund-raising campaigns.

Cost Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Board and Management have determined that 9.75% of United Way's management and general expenses are used for program services. Functional expenses are considered expenses of the year incurred, and accordingly are charged to operations on a current basis.

Federal Income Tax Status

United Way of Laredo, Inc. is a not-for-profit organization that is exempt for federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Pledges Receivable

Pledges receivable are expected to be collected within thirteen months and are recorded at net realizable value.

Compensated Absences

Vacation and sick leave are provided to employees on a use or lose basis. Therefore, an accrual for compensated absences is not applicable to United Way of Laredo.

Concentration of Credit Risk

United Way maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. United Way has not experienced any losses in such accounts. United Way believes it is not exposed to any significant credit risk on cash and certificates of deposit.

NOTE B – ADOPTION OF ACCOUNTING PRONOUNCEMENT

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two - net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about liquidity and availability of resources. The new standard is effective for the year ending December 31, 2018 and thereafter and must be applied on a retrospective basis. The Organization adopted the ASU effective January 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements to net assets or changes in net assets.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

United Way has $1,112,366 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and investments. Some of the Organization’s contributions are restricted. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, certain financial assets may not be available for general

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

expenditures within one year. The Organization has financial assets on hand to meet 60 days of normal operating expense, which are, on average, approximately $199,062. The Organization is structured so that its financial assets are available as its general expenditures, liabilities and other obligations come due.

NOTE D – NET ASSETS – WITH DONOR RESTRICTIONS

The restrictions on net assets at the end of 2023 are related to funds received from various donors and are available for program services. Net assets with Donor Restrictions available for program service expenditures at December 31, 2023 were $752,451. Net assets released from donor restricted net assets subject to expenditure for a specified purpose for the year ended December 31, 2023 is $978,813.

NOTE E – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2023 was $914,597. Interest earned on the certificates of deposit is deposited monthly in the operating checking account.

NOTE F - INVESTMENTS

Investments consisting of certificates of deposits with maturities of six months to one year at December 31, 2023 were $1,298,714. Interest earned on the certificates of deposit is deposited monthly in the operating checking account. On December 31, 2023 all certificates of deposit were FDIC insured.

NOTE G – PLEDGES RECEIVABLE

Pledges receivable of the United Way of Laredo, Inc., net of allowance for uncollectible pledges, at December 31, 2023 consists of the following:

United Way of Laredo 2022-2023 Campaign	$ 92,895
United Way of Laredo 2023-2024 Campaign	612,811
Allowance for Uncollectible	(59,592)
	$ 646,114
Amount due in:	
Less than one year 2022-2023 Campaign	$ 33,303
More than one year 2023-2024	612,811
	$ 646,114

The allowance for uncollectible pledges is based on the 2021-2022 campaign's actual write-off percentage of pledges paid. This percentage was 5.68%. Pledges receivable for SECC are recorded at actual net realizable balances without any allowance for uncollectible pledges.

NOTE H – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Depreciable:	
Building	$ 244,691
Furniture & Equipment	103,277
	347,968
Accumulated Depreciation	(300,389)
Total Property & Equipment, Net	$ 47,579

Total depreciation expense in 2023 was $9,063.

NOTE I – RETIREMENT BENEFITS

Contributions are made to individual employee IRA accounts. The total amount is determined by the board on a yearly basis. The total amount contributed during 2023 was $0. No other post-retirement benefits are provided.

NOTE J – OPERATING LEASES

United Way leases a document copier for $357 per month. The lease is set to expire April 2024.

	PAYMENTS DUE BY YEAR
2024	1,428
	$ 1,428

NOTE K – PAYMENTS TO AFFILIATE ORGANIZATIONS

In accordance with the affiliation agreements with the state and national organizations, dues paid to these organizations were based on a percentage of the United Way's total pledges received or campaign goal for the prior year. United Way of Laredo paid dues to the following affiliated organizations:

United Way America	$ 13,147
United Way of Texas	4,306
Total	$ 17,453

United Way of Laredo, Inc.
Notes to Financial Statements
December 31, 2023

NOTE L - DONOR DESIGNATIONS AND DISTRIBUTIONS TO AGENCIES

United Way of Laredo, Inc. honors donor designations if allocated to the following agencies:

	Donor Designation	Invested by the Community	Total
Bethany House	17,590	45,910	63,500
Boy Scouts	2,068	16,932	19,000
Boys & Girls Clubs of Laredo	12,295	94,705	107,000
Boys & Girls Clubs of Zapata	19,864	13,136	33,000
Casa de Misericordia	13,186	34,814	48,000
Catholic Social Services	4,534	9,466	14,000
Children's Advocacy Center	6,489	21,011	27,500
Communities In Schools	4,220	18,780	23,000
Gateway Community Health Center	4,067	16,933	21,000
Girl Scouts	2,088	15,412	17,500
Imaginarium of South Texas	950	5,050	6,000
Kidney Foundation of Laredo	4,283	15,717	20,000
Laredo Animal Protective Soc	24,221	1,279	25,500
Laredo Cancer Society	3,252	2,748	6,000
Laredo Crime Stoppers	2,202	13,298	15,500
Laredo HSDA HIV/AIDS Svs.	1,254	8,746	10,000
Literacy Volunteers of Am.-Ldo.	3,037	12,463	15,500
PILLAR	5,975	25	6,000
Ruthe B. Cowl Center	4,653	10,847	15,500
Sacred Heart Children's Home	32,828	104,172	137,000
Salvation Army	15,951	56,549	72,500
Serving Children & Adults Need	3,591	10,409	14,000
South Texas Food Bank	13,979	33,521	47,500
United Way	1,564	(1,564)	-
	$ 204,142	$ 560,358	$ 764,500

NOTE M – OTHER PROGRAM SERVICES

Other Program Services consists of the Information and Referral Program. Funds are received from the Health and Human Services Commission to provide for the 211 program.

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CERTIFIED PUBLIC ACCOUNTANTS

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*

Members of the Board of Directors
United Way of Laredo, Inc.
Laredo, 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 the United Way of Laredo, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the United Way of Laredo, Inc.'s internal control over financial reporting (internal control) as a basis for designing the 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 the United Way of Laredo, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the United Way of Laredo, 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 the United Way of Laredo, 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

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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.

Canales, Garza & Baum, PLLC

Laredo, Texas
November 15, 2024