

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.**  
**FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEARS ENDED**  
**MARCH 31, 2024 AND 2023**

**United Way of Southeast Mississippi, Inc.**  
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H. I. HOLT, CPA | FOUNDER | 1915-1997

## **Independent Auditors' Report**

To the Board of Directors of  
United Way of Southeast Mississippi, Inc.

### **Opinion**

We have audited the accompanying financial statements of United Way of Southeast Mississippi, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Southeast Mississippi, 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 opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Southeast Mississippi, 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 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Southeast Mississippi, 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 Southeast Mississippi, 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.

*Holt & Associates, PLLC*

Laurel, Mississippi

June 24, 2024

**United Way of Southeast Mississippi, Inc.**  
**Statements of Financial Position**  
**As of March 31, 2024 and 2023**

**EXHIBIT A**

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 680,275	\$ 656,609
Certificates of deposit	228,758	-
Investments	775,192	671,919
Promises to give, net	593,905	560,141
Prepaid insurance	-	4,990
Property and equipment, net	87,645	98,960
<b>Total assets</b>	<b>\$ 2,365,775</b>	<b>\$ 1,992,619</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 11,654	\$ 13,393
Accounts payable - agency allocations (designated)	40,352	42,596
Total liabilities	52,006	55,989
<b>Net assets</b>		
Without donor restrictions:		
Board designated	1,217,102	1,073,236
Undesignated	993,047	752,651
With donor restrictions	103,620	110,743
Total net assets	2,313,769	1,936,630
<b>Total liabilities and net assets</b>	<b>\$ 2,365,775</b>	<b>\$ 1,992,619</b>

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

**United Way of Southeast Mississippi, Inc.**  
**Statements of Activities**  
**For the Years Ended March 31, 2024 and 2023**

**EXHIBIT B**

	March 31, 2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Support			
Contributions	\$ 997,163	\$ -	\$ 997,163
In-kind contributions	5,303	174	5,477
Total support	<u>1,002,466</u>	<u>174</u>	<u>1,002,640</u>
Other revenues			
Grants	-	4,000	4,000
Net investment income	120,588	-	120,588
Fundraising events income	236,472	-	236,472
Other income	1,901	48,633	50,534
Net assets released from restrictions			
Satisfaction of program restrictions	<u>59,930</u>	<u>(59,930)</u>	<u>-</u>
Total other revenues	<u>418,891</u>	<u>(7,297)</u>	<u>411,594</u>
Total support and other revenues	<u>1,421,357</u>	<u>(7,123)</u>	<u>1,414,234</u>
Expenses:			
Program services:			
Social and community services	659,672	-	659,672
Supporting services:			
Fundraising and development	230,816	-	230,816
Management and general	<u>146,607</u>	<u>-</u>	<u>146,607</u>
Total expenses	<u>1,037,095</u>	<u>-</u>	<u>1,037,095</u>
Change in net assets	384,262	(7,123)	377,139
Net assets at beginning of year	<u>1,825,887</u>	<u>110,743</u>	<u>1,936,630</u>
Net assets at end of year	<u>\$ 2,210,149</u>	<u>\$ 103,620</u>	<u>\$ 2,313,769</u>

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

**United Way of Southeast Mississippi, Inc.**  
**Statements of Activities**  
**For the Years Ended March 31, 2024 and 2023**

**EXHIBIT B**

	March 31, 2023		
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Operating Activities:			
Support			
Contributions	\$ 711,455	\$ -	\$ 711,455
In-kind contributions	<u>9,112</u>	<u>374</u>	<u>9,486</u>
Total support	<u>720,567</u>	<u>374</u>	<u>720,941</u>
Other revenues			
Grants	-	24,500	24,500
Net investment income	(40,878)	21	(40,857)
Fundraising events income	212,874	17,075	229,949
Other income	1,626	41,457	43,083
Net assets released from restrictions			
Satisfaction of program restrictions	<u>74,579</u>	<u>(74,579)</u>	<u>-</u>
Total other revenues	<u>248,201</u>	<u>8,474</u>	<u>256,675</u>
Total support and other revenues	<u>968,768</u>	<u>8,848</u>	<u>977,616</u>
Expenses:			
Program services:			
Social and community services	816,329	-	816,329
Supporting services:			
Fundraising and development	211,273	-	211,273
Management and general	<u>160,797</u>	<u>-</u>	<u>160,797</u>
Total expenses	<u>1,188,399</u>	<u>-</u>	<u>1,188,399</u>
Change in net assets	(219,631)	8,848	(210,783)
Net assets at beginning of year	<u>2,045,518</u>	<u>101,895</u>	<u>2,147,413</u>
Net assets at end of year	<u>\$ 1,825,887</u>	<u>\$ 110,743</u>	<u>\$ 1,936,630</u>

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

**United Way of Southeast Mississippi, Inc.**  
**Statement of Functional Expenses**  
**For the Years Ended March 31, 2024 and 2023**

EXHIBIT C

	<u>Fiscal Year Ended March 31, 2024</u>				<u>Fiscal Year Ended March 31, 2023</u>			
	<u>Program Services</u>	<u>Supporting Services</u>			<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Agency Allocations/ Community Services</u>	<u>Fundraising and Development</u>	<u>Management and General</u>	<u>Total</u>	<u>Agency Allocations/ Community Services</u>	<u>Fundraising and Development</u>	<u>Management and General</u>	<u>Total</u>
Payments to participating agencies	\$ 436,935	\$ -	\$ -	\$ 436,935	\$ 542,748	\$ -	\$ -	\$ 542,748
Salaries	73,887	91,468	57,274	222,629	145,963	72,898	68,857	287,718
Legal and accounting	625	-	11,875	12,500	548	-	10,402	10,950
Campaign supplies	220	2,863	220	3,303	254	5,934	293	6,481
Marketing	13,380	13,380	-	26,760	595	595	298	1,488
Auto expense	1,162	1,032	387	2,581	743	1,062	319	2,124
Depreciation	-	-	11,315	11,315	-	-	11,447	11,447
Retirement plan and employee benefits	16,305	12,604	12,362	41,271	21,414	17,120	16,008	54,542
Building and equipment maintenance	1,376	14,334	6,519	22,229	1,588	17,288	7,890	26,766
Fair share to United Way Worldwide	5,479	5,479	-	10,958	5,618	5,618	-	11,236
Insurance	790	-	7,112	7,902	730	-	6,571	7,301
Miscellaneous	-	-	4,442	4,442	-	-	3,330	3,330
Office supplies and printing	373	1,121	374	1,868	166	498	166	830
Meetings and conferences	4,975	2,985	1,990	9,950	6,043	3,626	2,417	12,086
Payroll taxes	7,233	8,957	5,500	21,690	11,647	6,381	5,715	23,743
Organizational dues	695	348	348	1,391	384	192	192	768
Utilities	4,412	6,658	3,704	14,774	4,154	5,968	3,285	13,407
100K Payday event	22,681	68,042	22,680	113,403	23,608	70,823	23,607	118,038
Other United Way programs	68,639	-	-	68,639	50,126	-	-	50,126
Touch-A-Truck	-	30	-	30	-	250	-	250
Power of the Purse	-	-	-	-	-	3,020	-	3,020
Hattiesburg 1/2 Marathon	505	1,515	505	2,525	-	-	-	-
<b>Total expenses</b>	<u>\$ 659,672</u>	<u>\$ 230,816</u>	<u>\$ 146,607</u>	<u>\$ 1,037,095</u>	<u>\$ 816,329</u>	<u>\$ 211,273</u>	<u>\$ 160,797</u>	<u>\$ 1,188,399</u>

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



**United Way of Southeast Mississippi, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended March 31, 2024 and 2023**

**EXHIBIT D**

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 377,139	\$ (210,783)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	11,315	11,447
Net realized and unrealized (gains) losses on investments	94,669	66,936
(Increase) decrease in promises to give, net	(33,764)	22,620
(Increase) decrease in prepaid insurance	4,990	(4,990)
Increase (decrease) in accounts payable and accrued liabilities	(1,739)	(2,364)
Increase (decrease) in accounts payable - agency allocations (designated)	(2,244)	8,685
Net cash provided by operating activities	450,366	(108,449)
Cash flows from investing activities		
Proceeds from sales of investments	-	70,071
Purchase of investments	(197,942)	(28,802)
Purchase of certificates of deposit	(228,758)	-
Net cash provided by investing activities	(426,700)	41,269
Net change in cash and cash equivalents	23,666	(67,180)
Cash and cash equivalents, beginning of year	656,609	723,789
Cash and cash equivalents, ending of year	\$ 680,275	\$ 656,609

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

**United Way of Southeast Mississippi, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended March 31, 2024 and 2023**

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**Note 1 – Summary of Significant Accounting Policies**

United Way of Southeast Mississippi, Inc. (“the Organization”) is a nonprofit organization that was formed for the purpose of performing voluntary services for various segments of society. The Organization is tax exempt, supported by the public and operated on a nonprofit basis. The Organization derives its revenue primarily from voluntary contributions from the general public. The contributions are used for general or specific purposes connected with health, welfare and community service.

**Financial Statement Presentation**

The Organization has adopted FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets (net assets without donor restrictions, net assets with donor restrictions) based upon the existence or absence of donor-imposed restrictions.

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net Assets**

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. These net assets may be used at the discretion of the Organization’s management and the board of directors.

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 donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Income Taxes**

No provision has been made for income taxes in the financial statements. The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). This code section enables the Organization to accept donations that qualify as charitable contributions to the donor.

**United Way of Southeast Mississippi, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended March 31, 2024 and 2023**

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**Note 1 – Summary of Significant Accounting Policies – Continued**

The Organization follows the provision of uncertain tax positions as addressed in FASB ASC 740, Income Taxes. The Organization files an income tax return in the U.S. federal jurisdiction.

The Organization is no longer subject to U.S. federal income tax examinations by the tax authority for the years before 2020. The Organization recognizes interest accrued related to unrecognized tax benefits in interest and penalties in operating expenses. No such interest or penalties were recognized during the periods presented. The Organization had no accruals for interest and penalties at March 31, 2024 and 2023.

**Cash and Cash Equivalents**

The Organization’s cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio, which are invested for long-term purposes.

**Certificates of Deposit**

As of March 31, 2024, the Organization had three certificates of deposit. The certificates bore an interest rate between 3.75% - 5%, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

**Investments**

Investments consist of marketable equity securities with readily determinable fair values. All investments are categorized as available for sale and are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Financial Position. Investment income and gains not restricted by a donor are reported as increases in net assets without donor restrictions in the reporting period in which the income and gains are recognized on the Statement of Activities.

**Property and Equipment**

Property and equipment are stated at cost or donated value less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives are indicated below:

Building	39 years
Building improvements	10 – 15 years
Furniture and equipment	5 – 7 years

**United Way of Southeast Mississippi, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended March 31, 2024 and 2023**

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**Note 1 – Summary of Significant Accounting Policies – Continued**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The majority of expenses can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among program and supporting services based on the time and effort by the Organization's staff.

**Promises to Give**

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value. The allowance for uncollectible promises is computed based upon historical averages, management's consideration of current economic factors, and subsequent collections. Promises to give are written off when deemed uncollectible. At March 31, 2024 and 2023, the allowance was \$8,645 and \$1,791.

**In-kind Contributions**

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period.

Accordingly, actual results could differ from those estimates. Management makes estimates in the calculation of allowance for uncollectible pledges and the useful life of property and equipment used in the calculation of depreciation expense.

**United Way of Southeast Mississippi, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended March 31, 2024 and 2023**

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**Note 1 – Summary of Significant Accounting Policies – Continued**

**Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs).

The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels are:

- |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.                                                                                                                                                                                                                                                                                                                                                   |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none"><li>• Quoted prices for similar assets/liabilities in active markets;</li><li>• Quoted prices for identical or similar assets in non-active markets;</li><li>• Inputs other than quoted prices that are observable for the asset/liability; and,</li><li>• Inputs that are derived principally from or corroborated by other observable market data.</li></ul> |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data.                                                                                                                                                                                                                                                                                                                                                                                          |

**Revenue and Revenue Recognition**

The Organization conducts an annual campaign to raise funds to support various social service agencies. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions on which they depend have been met.

**United Way of Southeast Mississippi, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended March 31, 2024 and 2023**

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**Note 2 – Adoption of New Accounting Standards**

In September 2020, FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which aims to increase transparency of contributed nonfinancial assets, commonly known as gifts in kind, through enhancements to presentation and disclosures. The Organization has evaluated the effect the provisions of ASU 2020-07 had on the financial statements for fiscal year ending March 31, 2024, and no material restatement was required.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. The new standard is effective for the Organization for the year ending March 31, 2024. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization has evaluated the effect the provisions of ASU 2016-02 had on the financial statements for fiscal year ending March 31, 2024, and no material restatement is required.

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Organization adopted the standard effective April 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

**Note 3 – Investments**

The following is a summary of investments at March 31, 2024 and 2023:

	2024	2023
Equity funds	\$ 502,056	\$ 410,793
Bond funds	165,323	158,509
Marketable alternatives	107,813	102,617
Total	\$ 775,192	\$ 671,919

As of March 31, 2024 and 2023, all investments were considered level 1 investments.

**United Way of Southeast Mississippi, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended March 31, 2024 and 2023**

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**Note 4 – Promises to Give**

Unconditional promises are expected to be collected as of March 31, 2024 and 2023:

	2024	2023
In one year or less	\$ 644,711	\$ 602,302
Less: allowance for promises to give	(50,806)	(42,161)
Promises to give, net	\$ 593,905	\$ 560,141

**Note 5 – Summary of Property and Equipment**

The following is a summary of property and equipment as of March 31, 2024 and 2023:

	2024	2023
Buildings and improvements	\$ 218,659	\$ 218,659
Furniture and equipment	73,537	73,537
	292,196	292,196
Less accumulated depreciation	(204,551)	(193,236)
	\$ 87,645	\$ 98,960

Depreciation expense for the fiscal years ended March 31, 2024 and 2023 is \$11,315 and \$11,447, respectively.

**Note 6 – Employee Benefit Plan**

The Organization has a tax-deferred 403(b) thrift plan (the Plan) covering all full-time employees. Employees may voluntarily contribute a percentage of their earnings to the Plan, up to the maximum amount contribution allowed by the IRS. The assets are held for each employee in an individual account maintained by an investment firm. During the years ended March 31, 2024 and 2023, the Organization contributed 10 percent for each qualified employee, resulting in contributions to the plan of \$22,350 and \$28,313, respectively. During fiscal year ended March 31, 2024 and 2023, the Plan had operating expenses of \$930 and \$480, respectively.

**United Way of Southeast Mississippi, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended March 31, 2024 and 2023**

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**Note 7 – Risks, Uncertainties and Concentrations**

*Cash Deposits* – The Organization maintains cash balances at several institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. The Organization was underinsured by \$309,710 and \$202,479 at March 31, 2024 and 2023, respectively.

*Marketable Securities* – Marketable securities and other investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and those changes could materially affect the Organization’s net assets.

*Pledges Receivable* – Concentrations of credit risk with respect to pledges receivable are primarily due to the large number of contributors comprising the Organization’s contributor base which are located in the southeast region of Mississippi.

**Note 8 – Compensated Absences**

Employees of the Organization are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization’s policy is to recognize the costs of compensated absences when actually used by employees.

**Note 9 – Net Assets**

Net assets with donor restrictions for the years ended March 31, 2024 and 2023 are as follows:

	2024	2023
Disaster and recovery	\$ 48,736	\$ 48,736
Bank on Hattiesburg	10,314	11,109
Imagination Library	36,696	37,965
Community Baby Shower	2,201	2,858
Read to Succeed	-	1,115
Born Learning Trail	3,852	633
Volunteer Program	-	3,897
Community Literacy	-	1,029
Excel by 5	1,821	3,401
Total with donor restrictions	\$ 103,620	\$ 110,743



**United Way of Southeast Mississippi, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended March 31, 2024 and 2023**

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**Note 9 – Net Assets – Continued**

Net assets without donor restrictions for the years ended March 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Undesignated	\$ 993,047	\$ 752,651
Board designated for reserves	1,182,906	1,007,807
Board designated for community development grants	<u>34,196</u>	<u>65,429</u>
Total without donor restrictions	<u>\$ 2,210,149</u>	<u>\$ 1,825,887</u>

**Note 10 – Liquidity and Availability of Financial Assets**

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As described in the *Finance Policies*, the Organization’s goal is generally to maintain unrestricted, undesignated reserves equal to 30% (+/-5%) of the board-approved budget expenses for the year. As part of its liquidity plan, excess cash is invested in various investments, including equities, fixed income, cash and equivalents and alternative investments.

The Organization’s governing board has designated a portion of its unrestricted resources for various community programs. Those amounts are identified as board-designated in the table above.

	<u>2024</u>	<u>2023</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 680,275	\$ 656,609
Certificates of deposit	228,758	-
Investments	775,192	671,919
Pledges receivable	593,905	560,141
Less contractual or donor-imposed restrictions:		
Net assets with donor restrictions	(103,620)	(110,743)
Board designated for community development grants	<u>(34,196)</u>	<u>(65,429)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,140,314</u>	<u>\$ 1,712,497</u>

**United Way of Southeast Mississippi, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended March 31, 2024 and 2023**

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**Note 11 - In-kind Contributions**

For the years ended March 31, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included the following:

	2024	2023
Meeting spaces	\$ -	\$ 800
Pest control	268	268
Food	234	323
Accounting services	1,575	1,575
Donated Auction Items	-	3,120
Event support services	250	250
Advertising	3,150	3,150
 Total In-Kind Contributions	 \$ 5,477	 \$ 9,486

Contributed meeting spaces are reasonably located and provide ample space to host different meetings in a generic setting. Contributed spaces are recognized at fair value based on current meeting space rates.

Pest control is provided by professional pest control services and is recognized at fair value based on the company's current service rates.

Contributed food and advertising are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution.

Contributed accounting services are provided by a professional accounting firm who assists in auditing an event that sources a large portion of the annual contribution income. The value is recognized based on the firm's ongoing rates.

Donated auction items were valued at the sale price received.

Unrestricted gifts-in-kind received during the years ended March 31, 2024 and 2023 were \$5,308 and \$9,112, respectively. Restricted gifts-in-kind received during the years ended March 31, 2024 and 2023 were \$174 and \$374, respectively.

**Note 12 – Subsequent Events**

The Organization has evaluated subsequent events through June 24, 2024, which is the date the financial statements were available to be issued.