

UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
MARCH 31, 2025 AND 2024

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

Independent Auditor's 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, 2025 and 2024, 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, 2025 and 2024, 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

July 7, 2025

United Way of Southeast Mississippi, Inc.
Statements of Financial Position
As of March 31, 2025 and 2024

Exhibit A

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 989,194	\$ 576,655
Certificates of deposit	163,352	228,758
Investments	754,840	775,192
Promises to give, net	467,353	517,124
Restricted cash	78,419	103,620
Property and equipment, net	<u>3,198</u>	<u>87,645</u>
Total assets	<u><u>\$ 2,456,356</u></u>	<u><u>\$ 2,288,994</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 20,891	\$ 11,654
Accounts payable - agency allocations (designated)	<u>62,475</u>	<u>40,352</u>
Total liabilities	<u>83,366</u>	<u>52,006</u>
Net assets		
Without donor restrictions:		
Board designated	1,217,195	1,217,102
Undesignated	1,077,376	916,266
With donor restrictions	<u>78,419</u>	<u>103,620</u>
Total net assets	<u>2,372,990</u>	<u>2,236,988</u>
Total liabilities and net assets	<u><u>\$ 2,456,356</u></u>	<u><u>\$ 2,288,994</u></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, 2025 and 2024

Exhibit B

	March 31, 2025		
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Operating activities:			
Support			
Contributions	\$ 661,333	\$ -	\$ 661,333
In-kind contributions	<u>11,157</u>	<u>59,178</u>	<u>70,335</u>
Total support	<u>672,490</u>	<u>59,178</u>	<u>731,668</u>
Other revenues			
Grants	-	113,500	113,500
Net investment income	36,172	-	36,172
Fundraising events income	267,278	-	267,278
Other income	3,983	57,371	61,354
Gain on sale of assets	174,763	-	174,763
Net assets released from restrictions			
Satisfaction of program restrictions	<u>255,250</u>	<u>(255,250)</u>	<u>-</u>
Total other revenues	<u>737,446</u>	<u>(84,379)</u>	<u>653,067</u>
Total support and other revenues	<u>1,409,936</u>	<u>(25,201)</u>	<u>1,384,735</u>
Expenses:			
Program services:			
Social and community services	864,954	-	864,954
Supporting services:			
Fundraising and development	233,132	-	233,132
Management and general	<u>150,647</u>	<u>-</u>	<u>150,647</u>
Total expenses	<u>1,248,733</u>	<u>-</u>	<u>1,248,733</u>
Change in net assets	161,203	(25,201)	136,002
Net assets at beginning of year	<u>2,133,368</u>	<u>103,620</u>	<u>2,236,988</u>
Net assets at end of year	<u>\$ 2,294,571</u>	<u>\$ 78,419</u>	<u>\$ 2,372,990</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, 2025 and 2024

EXHIBIT B

	March 31, 2024		
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Operating activities:			
Support			
Contributions	\$ 920,382	\$ -	\$ 920,382
In-kind contributions	<u>5,303</u>	<u>174</u>	<u>5,477</u>
Total support	<u>925,685</u>	<u>174</u>	<u>925,859</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>1,344,576</u>	<u>(7,123)</u>	<u>1,337,453</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	307,481	(7,123)	300,358
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>\$ 2,133,368</u>	<u>\$ 103,620</u>	<u>\$ 2,236,988</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, 2025 and 2024

Exhibit C

	<u>Fiscal Year Ended March 31, 2025</u>				<u>Fiscal Year Ended March 31, 2024</u>			
	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Agency Allocations/ Community Services</u>	<u>Fundraising and Development</u>	<u>Management and General</u>		<u>Agency Allocations/ Community Services</u>	<u>Fundraising and Development</u>	<u>Management and General</u>	
Payments to participating agencies	\$ 493,657	\$ -	\$ -	\$ 493,657	\$ 436,935	\$ -	\$ -	\$ 436,935
Salaries	76,206	92,455	57,840	226,501	73,887	91,468	57,274	222,629
Legal and accounting	673	-	12,795	13,468	625	-	11,875	12,500
Campaign supplies	175	3,713	127	4,015	220	2,863	220	3,303
Marketing	13,442	13,442	-	26,884	13,380	13,380	-	26,760
Auto expense	1,473	804	402	2,679	1,162	1,032	387	2,581
Depreciation	-	-	7,475	7,475	-	-	11,315	11,315
Retirement plan and employee benefits	16,710	13,194	13,269	43,173	16,305	12,604	12,362	41,271
Building and equipment maintenance	1,267	12,496	5,655	19,418	1,376	14,334	6,519	22,229
Fair share to United Way Worldwide	5,589	5,589	-	11,178	5,479	5,479	-	10,958
Insurance	897	-	8,076	8,973	790	-	7,112	7,902
Miscellaneous	-	-	8,487	8,487	-	-	4,442	4,442
Occupancy	4,691	7,561	4,258	16,510	4,412	6,658	3,704	14,774
Office supplies and printing	253	760	253	1,266	373	1,121	374	1,868
Meetings and conferences	9,419	5,651	3,767	18,837	4,975	2,985	1,990	9,950
Payroll taxes	6,397	7,613	4,792	18,802	7,233	8,957	5,500	21,690
Organizational dues	499	249	249	997	695	348	348	1,391
100K Payday event	23,091	69,272	23,091	115,454	22,681	68,042	22,680	113,403
Other United Way programs	210,404	-	-	210,404	68,639	-	-	68,639
Event expenses	111	333	111	555	505	1,545	505	2,555
Total expenses	<u>\$ 864,954</u>	<u>\$ 233,132</u>	<u>\$ 150,647</u>	<u>\$ 1,248,733</u>	<u>\$ 659,672</u>	<u>\$ 230,816</u>	<u>\$ 146,607</u>	<u>\$ 1,037,095</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, 2025 and 2024

Exhibit D

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 136,002	\$ 300,358
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,475	11,315
Gain on sale of assets	(174,763)	-
Net realized and unrealized (gains) losses on investments	67,922	94,669
(Increase) decrease in promises to give, net	49,771	43,017
(Increase) decrease in prepaid insurance	-	4,990
Increase (decrease) in accounts payable and accrued liabilities	9,237	(1,739)
Increase (decrease) in accounts payable - agency allocations (designated)	<u>22,123</u>	<u>(2,244)</u>
Net cash provided by operating activities	<u>117,767</u>	<u>450,366</u>
Cash flows from investing activities		
Purchase of property and equipment	(1,015)	-
Proceeds from sale of assets	252,750	-
Proceeds from sales of investments	81,435	-
Purchase of investments	(56,344)	(197,942)
Purchase of certificates of deposit	<u>(7,255)</u>	<u>(228,758)</u>
Net cash provided by investing activities	<u>269,571</u>	<u>(426,700)</u>
Net change in cash and cash equivalents	387,338	23,666
Cash, cash equivalents, and restricted cash, beginning of year	<u>680,275</u>	<u>656,609</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 1,067,613</u>	<u>\$ 680,275</u>
Cash and cash equivalents	\$ 989,194	\$ 576,655
Restricted cash	<u>78,419</u>	<u>103,620</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 1,067,613</u>	<u>\$ 680,275</u>

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, 2025 and 2024

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, 2025 and 2024

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, 2025 and 2024.

Cash, Cash Equivalents, and Restricted Cash

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. Cash and highly liquid financial instruments restricted by donors or other long-term purposes are excluded from this definition.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position to the sum of the corresponding amounts within the statements of cash flows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,067,613	\$ 680,275
Restricted cash for programs	<u>78,419</u>	<u>103,620</u>
Total cash, cash equivalents, and restricted cash	<u><u>\$ 1,146,032</u></u>	<u><u>\$ 783,895</u></u>

Certificates of Deposit

As of March 31, 2025, 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.

United Way of Southeast Mississippi, Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies – Continued

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

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.

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.

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, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies – Continued

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.

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">• Quoted prices for similar assets/liabilities in active markets;• Quoted prices for identical or similar assets in non-active markets;• Inputs other than quoted prices that are observable for the asset/liability; and,• Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

United Way of Southeast Mississippi, Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies – Continued

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.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Note 2 – Investments

The following is a summary of investments at March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Equity funds	\$ 453,138	\$ 502,056
Bond funds	189,077	165,323
Marketable alternatives	<u>112,625</u>	<u>107,813</u>
Total	<u><u>\$ 754,840</u></u>	<u><u>\$ 775,192</u></u>

As of March 31, 2025 and 2024, all investments were considered level 1 investments.

Note 3 – Promises to Give

Unconditional promises are expected to be collected as of March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
In one year or less	\$ 507,478	\$ 567,930
Less: allowance for uncollectible promises to give	<u>(40,125)</u>	<u>(50,806)</u>
Promises to give, net	<u><u>\$ 467,353</u></u>	<u><u>\$ 517,124</u></u>

United Way of Southeast Mississippi, Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

Note 4 – Summary of Property and Equipment

The following is a summary of property and equipment as of March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ -	\$ 218,659
Furniture and equipment	<u>15,505</u>	<u>73,537</u>
	15,505	292,196
Less accumulated depreciation	<u>(12,307)</u>	<u>(204,551)</u>
	<u><u>\$ 3,198</u></u>	<u><u>\$ 87,645</u></u>

Depreciation expense for the fiscal years ended March 31, 2025 and 2024 is \$7,475 and \$11,315, respectively.

Note 5 – 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, 2025 and 2024, the Organization contributed 10 percent for each qualified employee, resulting in contributions to the plan of \$22,849 and \$22,350, respectively. During the fiscal year ended March 31, 2025 and 2024, the Plan had operating expenses of \$42 and \$930, respectively.

Note 6 – 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 \$430,412 and \$309,710 at March 31, 2025 and 2024, 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.

Promises to Give – 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.

United Way of Southeast Mississippi, Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

Note 7 – Net Assets

Net assets with donor restrictions for the years ended March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Disaster and recovery	\$ 44,748	\$ 48,736
Bank on Hattiesburg	9,064	10,314
Imagination Library	19,264	36,696
Community Baby Shower	2,822	2,201
Born Learning Trail	404	3,852
Perry County Early Childhood	418	-
Excel by 5	1,699	1,821
Total with donor restrictions	<u>\$ 78,419</u>	<u>\$ 103,620</u>

Net assets without donor restrictions for the years ended March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 1,077,376	\$ 916,266
Board designated for reserves	1,194,176	1,182,906
Board designated for community development grants	23,019	34,196
Total without donor restrictions	<u>\$ 2,294,571</u>	<u>\$ 2,133,368</u>

United Way of Southeast Mississippi, Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

Note 8 – 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.

	<u>2025</u>	<u>2024</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 1,067,613	\$ 680,275
Certificate of deposits	163,352	228,758
Investments	754,840	775,192
Promises to give	467,353	517,124
Less contractual or donor-imposed restrictions:		
Net assets with donor restrictions	(78,419)	(103,620)
Board designated for community development grants	<u>(23,019)</u>	<u>(34,196)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,351,720</u></u>	<u><u>\$ 2,063,533</u></u>

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.

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Note 9 - In-kind Contributions

For the years ended March 31, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included the following:

	<u>2025</u>	<u>2024</u>
Meeting spaces	\$ 4,625	\$ -
Pest control	268	268
Food	912	234
Professional services	2,543	1,575
Event support services	646	250
Advertising	3,150	3,510
Printing	291	-
Books	<u>57,900</u>	<u>-</u>
Total In-Kind Contributions	<u>\$ 70,335</u>	<u>\$ 5,837</u>

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, advertising, printing, and books 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.

Unrestricted gifts-in-kind received during the years ended March 31, 2025 and 2024 were \$11,157 and \$5,303, respectively. Restricted gifts-in-kind received during the years ended March 31, 2025 and 2024 were \$59,178 and \$174, respectively.

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Note 10 – Restatement of Financial Statements

As a result of an internal review of the Organization's promises to give and billing information during 2025, the Organization discovered the promises to give had been overstated for the year ended March 31, 2024. Accordingly, the Organization restated its results for the affected year 2024. The effect of the restatement was to decrease the change in net assets for \$76,781.

The effect of the restatement on the change in net assets without donor restrictions and financial position as of and for the year ended March 31, 2024 as follows:

	2024	
	As previously report	Restated
Total support	\$ 1,002,640	\$ 925,859
Change in net assets	377,139	300,358
Promises to give	\$ 593,905	\$ 517,124
Net assets without donor restrictions	2,210,149	2,133,368

Note 11 – Subsequent Events

The Organization has evaluated subsequent events through July 7, 2025, which is the date the financial statements were available to be issued.