

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
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MARCH 31, 2020 AND 2019**

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HOLT & ASSOCIATES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

W. David Dill, CPA
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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.

We have audited the accompanying consolidated financial statements of United Way of Southeast Mississippi, Inc. (a nonprofit organization) and its wholly-owned subsidiary United Way Home Sweet Home, LLC, which comprise the consolidated statements of financial position as of March 31, 2020 and 2019, and the related Consolidated Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Southeast Mississippi, Inc. (a nonprofit organization) and its wholly-owned subsidiary United Way Home Sweet Home, LLC as of March 31, 2020 and 2019, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidated schedules of payments to participating agencies and property & equipment-allowance for depreciation are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Subsequent Event: COVID-19 Pandemic

As discussed in Note 10 to the financial statements, management has evaluated the operational and financial effect on the Company of the COVID-19 pandemic. Our opinion is not modified with respect to that matter.

Holt & Associates, PLLC

Laurel, Mississippi
August 26, 2020

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2020 AND 2019**

EXHIBIT A

	<u>Assets</u>	
	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash	\$ 338,515	\$ 303,220
Certificates of Deposit	137,268	116,952
Investments	552,464	584,552
Pledge Receivable (Net of Allowance)	<u>658,564</u>	<u>680,202</u>
Total Current Assets	<u>1,686,811</u>	<u>1,684,926</u>
Fixed Assets:		
Building and Improvements	218,659	218,659
Furniture and Equipment	112,417	112,417
Less Accumulated Depreciation	<u>(205,528)</u>	<u>(194,558)</u>
Total Fixed Assets	<u>125,548</u>	<u>136,518</u>
Total Assets	<u><u>\$ 1,812,359</u></u>	<u><u>\$ 1,821,444</u></u>
 <u>Liabilities & Net Assets</u> 		
Current Liabilities:		
Accounts Payable	\$ 26,151	\$ 20,978
Accounts Payable - Agency Allocations (Designated)	131,386	166,522
Accrued Payroll	<u>6,829</u>	<u>4,808</u>
Total Liabilities	<u>164,366</u>	<u>192,308</u>
Net Assets:		
Without Donor Restrictions:		
Board Designated	735,442	772,139
Undesignated	811,860	774,829
With Donor Restrictions	<u>100,691</u>	<u>82,168</u>
Total Net Assets	<u>1,647,993</u>	<u>1,629,136</u>
Total Liabilities and Net Assets	<u><u>\$ 1,812,359</u></u>	<u><u>\$ 1,821,444</u></u>

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

UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019 **EXHIBIT B**

	March 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:			
Support			
Contributions	\$ 1,044,488	\$ -	\$ 1,044,488
Less donor designations	(168,443)	-	(168,443)
Less allowance for uncollectible pledges	(6,435)	-	(6,435)
Total support	869,610	-	869,610
Revenues and Gains			
Grants	-	20,175	20,175
Interest and dividend income	20,395	13	20,408
Net realized and unrealized gains (losses) on investments	(59,172)	-	(59,172)
Noncash contributions	5,470	726	6,196
Other income	181,351	30,178	211,529
Rental income	8,450	-	8,450
Net assets released from restrictions			
Satisfaction of program restrictions	32,569	(32,569)	-
Total revenues and gains	189,063	18,523	207,586
Total Support, Revenues and Gains	1,058,673	18,523	1,077,196
Expenses:			
Program Services:			
Social & community services	690,524	-	690,524
Supporting Services:			
Financial Development & Campaign	215,412	-	215,412
Management & General	152,403	-	152,403
Total Expenses	1,058,339	-	1,058,339
Change in net assets	334	18,523	18,857
Net Assets at Beginning of Year	1,546,968	82,168	1,629,136
Net Assets at End of Year	\$ 1,547,302	\$ 100,691	\$ 1,647,993

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

UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019 **EXHIBIT B**

	March 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:			
Support			
Contributions	\$ 1,115,640	\$ -	\$ 1,115,640
Less donor designations	(213,490)	-	(213,490)
Less allowance for uncollectible pledges	<u>(5,424)</u>	<u>-</u>	<u>(5,424)</u>
Total support	<u>896,726</u>	<u>-</u>	<u>896,726</u>
Revenues and Gains			
Grants	-	9,840	9,840
Interest and dividend income	16,144	8	16,152
Net realized and unrealized gains (losses) on investments	(3,394)	-	(3,394)
Noncash contributions	18,383	4,362	22,745
Other income	189,937	26,228	216,165
Rental income	15,600	-	15,600
Net assets released from restrictions			
Satisfaction of program restrictions	<u>40,132</u>	<u>(40,132)</u>	<u>-</u>
Total revenues and gains	<u>276,802</u>	<u>306</u>	<u>277,108</u>
Total Support, Revenues and Gains	<u>1,173,528</u>	<u>306</u>	<u>1,173,834</u>
Expenses:			
Program Services:			
Social & community services	761,827	-	761,827
Supporting Services:			
Financial Development & Campaign	216,916	-	216,916
Management & General	<u>145,703</u>	<u>-</u>	<u>145,703</u>
Total Expenses	<u>1,124,446</u>	<u>-</u>	<u>1,124,446</u>
Change in net assets	49,082	306	49,388
Net Assets at Beginning of Year	<u>1,497,886</u>	<u>81,862</u>	<u>1,579,748</u>
Net Assets at End of Year	<u>\$ 1,546,968</u>	<u>\$ 82,168</u>	<u>\$ 1,629,136</u>

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

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

EXHIBIT C

	<u>Fiscal Year Ended March 31, 2020</u>				<u>Fiscal Year Ended March 31, 2019</u>			
	<u>Membership Program Services</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>Total</u>	<u>Membership Program Services</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>Total</u>
EXPENDITURES								
Payments to Participating Agencies	\$ 483,867	\$ -	\$ -	\$ 483,867	\$ 560,392	\$ -	\$ -	\$ 560,392
Salaries - Director	10,887	48,308	26,350	85,545	12,832	47,050	25,663	85,545
Salaries - Other	69,542	23,152	41,458	134,152	73,287	24,254	40,720	138,261
Legal and Accounting	529	-	10,042	10,571	528	-	10,042	10,570
Campaign Supplies	-	1,286	-	1,286	-	4,484	-	4,484
Marketing Expense	1,392	1,392	697	3,481	-	-	-	-
Auto Expense	975	1,396	420	2,791	826	1,177	354	2,357
Depreciation	-	-	10,970	10,970	-	-	11,307	11,307
Retirement Plan and Expenses	10,404	5,049	7,805	23,258	7,806	3,811	5,474	17,091
Office and Equipment Maintenance	636	8,269	3,817	12,722	724	9,411	4,343	14,478
Fair Share to United Way	5,512	5,512	-	11,024	5,212	5,212	-	10,424
Insurance	615	-	5,536	6,151	258	-	2,321	2,579
Employee Benefits	6,026	8,394	7,102	21,522	6,061	8,442	7,143	21,646
Miscellaneous	-	-	2,139	2,139	3	40	1,876	1,919
Office Supplies and Printing	2,548	7,645	2,548	12,741	1,838	5,513	1,838	9,189
Meetings and Conferences	5,043	3,026	2,017	10,086	8,359	5,016	3,344	16,719
Payroll Taxes	6,351	5,350	5,086	16,787	6,625	5,109	4,660	16,394
Organizational Dues	1,031	516	516	2,063	987	494	493	1,974
Telephone	2,723	2,723	1,363	6,809	2,650	2,649	1,325	6,624
Utilities	1,359	3,397	2,038	6,794	1,414	3,534	2,120	7,068
100K Payday Event	-	89,997	22,499	112,496	-	90,720	22,680	113,400
Miscellaneous United Way Programs	54,365	-	-	54,365	45,842	-	-	45,842
Community Development Grants	15,897	-	-	15,897	9,000	-	-	9,000
Community Baby Shower Program	1,012	-	-	1,012	7,354	-	-	7,354
Pinebelt Community Diaper Bank	5,494	-	-	5,494	-	-	-	-
Tornado Relief	-	-	-	-	5,000	-	-	5,000
Bank on Hattiesburg	539	-	-	539	1,508	-	-	1,508
Volunteer Hattiesburg	3,777	-	-	3,777	3,321	-	-	3,321
Total Expenses	<u>\$ 690,524</u>	<u>\$ 215,412</u>	<u>\$ 152,403</u>	<u>\$ 1,058,339</u>	<u>\$ 761,827</u>	<u>\$ 216,916</u>	<u>\$ 145,703</u>	<u>\$ 1,124,446</u>

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

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019** **EXHIBIT D**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 18,857	\$ 49,388
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	10,970	11,307
Net Realized and Unrealized (Gain) Loss on Investments	52,773	(2,832)
(Increase) Decrease in Pledges Receivable (Net of Allowance)	21,638	(25,591)
Increase (Decrease) in Accounts Payable	5,173	(15,466)
Increase (Decrease) in Accounts Payable - Agency Allocations (Designated)	(35,136)	11,424
Increase (Decrease) in Accrued Payroll and Payroll Taxes Payable	2,021	(1,295)
Increase (Decrease) in Retirement Plan Payable	<u>-</u>	<u>(21,290)</u>
Net Cash Provided by Operating Activities	<u>76,296</u>	<u>5,645</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	75,273	148,406
Increase in Certificates of Deposit	(20,316)	(311)
Purchase of Investments	(95,958)	(142,308)
Purchase of Furniture and Equipment	<u>-</u>	<u>(1,587)</u>
Net Cash Provided by Investing Activities	<u>(41,001)</u>	<u>4,200</u>
Net Increase (Decrease) in Cash and Cash Equivalents	35,295	9,845
Beginning Cash and Cash Equivalents	<u>303,220</u>	<u>293,375</u>
Ending Cash and Cash Equivalents	<u>\$ 338,515</u>	<u>\$ 303,220</u>

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

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

NOTE 1 – DESCRIPTION OF THE ORGANIZATION

United Way of Southeast Mississippi, Inc. (a nonprofit organization) and its wholly-owned subsidiary United Way Home Sweet Home, LLC (the Organization) 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated 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 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

United Way of Southeast Mississippi, Inc. is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. Federal law requires the filing of Form 990, Return of Organization Exempt from Income Taxes, for informational purposes. The Organization files its income tax return as a consolidated group with its wholly-owned subsidiary, United Way Home Sweet Home, LLC. The Organization's tax returns are subject to examination by the IRS, generally for three years after they were filed. With few exceptions, the Organization is no longer subject to United States federal, state or local examinations by tax authorities for years before 2017.

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 & Equipment

Property & Equipment is 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:

Buildings	39 years
Building improvements	10-15 years
Furnishings 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.

Reclassification

Certain reclassifications have been made to the 2020 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annual Campaign, Pledges Receivable, Designations, and Provisions for Uncollectible Pledges

The Organization conducts an annual campaign to raise funds to support various social service agencies. Pledges received from individuals and businesses are recorded as revenue and as a receivable upon receipt of the pledge, and an allowance is provided for amounts estimated as uncollectible. Included in these pledges are contributions designated by donors for other nonprofit organizations, for which the Organization serves as primary fiscal agent in the solicitation and distribution of such pledges, net of related administrative fees. These pledges are included in campaign support and are deducted as donor designations in the statement of activities to arrive at net campaign support.

The provision for uncollectible pledges is computed based upon historical averages and management's consideration of current economic factors that could affect pledge collections.

Donated Materials and Services

Donated materials and equipment are reflective as revenues in the consolidated financial statements at the estimated fair values at the date of their receipt. Amounts have not been reflected for donated services, as no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant contributions of time in the Organization's program services and in its fundraising campaigns.

During the fiscal years ended March 31, 2020 and 2019, the Organization had non-cash donations of \$6,196 and \$22,745, respectively. These contributions consist mostly of advertising expenses and office equipment.

Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts 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 & equipment used in the calculation of depreciation expense.

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

NOTE 2 – 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">• 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. |

Principles of Consolidation

The consolidated financial statements include the accounts of the Organization and its wholly-owned subsidiary, United Way Home Sweet Home, LLC, which was organized on July 7, 2012, by the Organization. All material inter-company accounts and transactions have been eliminated. The purpose of United Way Home Sweet Home, LLC is to receive the proceeds from raffle ticket sales and to disburse the related expenses from the home raffle. The assets and liabilities are consolidated with the Organization's consolidated statement of financial position. For the year ended March 31, 2020, United Way Home Sweet Home, LLC did not have any assets, liabilities or net assets reported on the consolidated statement of financial position. As of March 31, 2019, United Way Home Sweet Home, LLC had total cash (current asset) and net assets without donor restriction of \$965 consolidated on the statement of financial position.

The revenue and expenses are consolidated with the Organization's consolidated statement of activities as other income. For the years ended March 31, 2020 and 2019, United Way Home Sweet Home, LLC did not incur any related income or expenses.

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

NOTE 3 – INVESTMENTS

The following is a summary of investments at March 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Equity funds	\$ 304,725	\$ 355,115
Bond funds	152,519	139,018
Marketable alternatives	95,220	90,419
	<u>\$ 552,464</u>	<u>\$ 584,552</u>

As of March 31, 2020 and 2019, all investments were considered level 1 investments.

NOTE 4 – PLEDGES RECEIVABLE

Unconditional promises are included in the consolidated financial statements as pledges receivable and revenue of the appropriate net asset category. An allowance for uncollectible pledges receivable is provided based upon management's judgement.

Unconditional promises are expected to be realized in the following periods as of March 31, 2020:

In One Year or Less	\$ 720,159
Less: Allowance for Uncollectible Pledges	<u>(61,595)</u>
Total	<u>\$ 658,564</u>

Unconditional promises are expected to be realized in the following periods as of March 31, 2019:

In One Year or Less	\$ 735,361
Less: Allowance for Uncollectible Pledges	<u>(55,159)</u>
Total	<u>\$ 680,202</u>

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

NOTE 5 – SUMMARY OF PROPERTY & EQUIPMENT

The following is a summary of property & equipment as of March 31, 2020:

<u>Asset Description</u>	<u>Method</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Fixed Assets</u>
Furniture and Equipment	Straight-line	\$ 112,417	\$ (102,412)	\$ 10,005
Building	Straight-line	<u>218,659</u>	<u>(103,116)</u>	<u>115,543</u>
Total		<u>\$ 331,076</u>	<u>\$ (205,528)</u>	<u>\$ 125,548</u>

The following is a summary of property & equipment as of March 31, 2019:

<u>Asset Description</u>	<u>Method</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Fixed Assets</u>
Furniture and Equipment	Straight-line	\$ 112,417	\$ (99,490)	\$ 12,927
Building	Straight-line	<u>218,659</u>	<u>(95,068)</u>	<u>123,591</u>
Total		<u>\$ 331,076</u>	<u>\$ (194,558)</u>	<u>\$ 136,518</u>

Depreciation expense for the fiscal years ended March 31, 2020 and 2019 is \$10,970 and \$11,307, respectively.

NOTE 6 – EMPLOYEE BENEFIT PLAN

The Organization had a Money Purchase Pension Plan covering substantially all employees. However, as of January 1, 2019, the Organization has a tax-deferred 403(b) thrift plan covering all full-time employees. The assets are held for each employee in an individual account maintained by an investment firm. The Organization's contribution is 10% for each qualified employee.

During fiscal year ended March 31, 2020, the Plan had contributions of \$20,196 and \$3,062 in Plan operating expenses.

During fiscal year ended March 31, 2019, the Plan had contributions of \$15,243 and \$1,848 in Plan operating expenses.

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

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. The Organization was underinsured by \$159,383 and \$100,221 at March 31, 2020 and 2019, 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 – NET ASSETS

Net assets with donor restrictions for the years ended March 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Disaster & Recovery	\$ 45,524	\$ 45,524
Bank on Hattiesburg	14,582	14,109
Imagination Library	37,025	19,247
Pinebelt Community Diaper Bank	-	2,387
Community Baby Shower	1,807	-
Read to Succeed	1,115	-
Born Learning Trail	633	901
Covid 19 Relief	5	-
Total with donor restrictions	<u>\$ 100,691</u>	<u>\$ 82,168</u>

Net assets without donor restrictions for the years ended March 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Undesignated	\$ 811,860	\$ 774,829
Board designated for reserves	714,040	732,839
Board designated for Community Development Grants	21,402	37,300
Board designated for Pinebelt Community Diaper Bank	-	2,000
Total without donor restrictions	<u>\$ 1,547,302</u>	<u>\$ 1,546,968</u>

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

NOTE 9 – 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>2020</u>	<u>2019</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 328,301	\$ 303,220
Certificate of deposits	137,268	116,952
Investments	552,464	584,552
Pledges receivable	658,564	680,202
Less contractual or donor-imposed restrictions:		
Net assets with donor restrictions	(100,691)	(82,168)
Board designated for Community Development Grants	(21,402)	(37,300)
Board designated for Pinebelt Community Diaper Bank	-	(2,000)
	<u> </u>	<u> </u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,554,504</u>	<u>\$ 1,563,458</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 & 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.

NOTE 10 – SUBSEQUENT EVENTS

In accordance with ASC 855, the Organization evaluated subsequent events through August 26, 2020, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements. As a result of the spread of the COVID-19 Coronavirus and the resulting stay-at-home orders issued by the Mississippi Governor in which the Organization operates, the Organization is experiencing reduced contributions. The duration of the reduction in contributions may be only temporary. However, the related financial impact and duration cannot be reasonably estimated at this time.

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

NOTE 10 – SUBSEQUENT EVENTS (CONTINUED)

Subsequent to year end, the Organization applied for and was approved a \$58,747 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

**UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND IT'S WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
CONSOLIDATED PAYMENTS TO PARTICIPATING AGENCIES
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

SCHEDULE 1

	<u>2020</u>	<u>2019</u>
Aldersgate Mission	\$ 30,000	\$ 30,000
Big Brothers/Big Sisters	1,667	31,667
Breakthrough Community Services	-	10,000
Pine Burr Area Council of The Boy Scouts	25,000	25,000
Christian Services, Inc.	35,000	40,000
Domestic Abuse Family Shelter	25,000	20,000
Dubard School for Children with Language Disorders	50,000	50,000
Edward's Street Fellowship Center	30,000	30,000
Extra Table	10,000	5,000
Kid's Hub Advocacy Center	29,000	20,925
South Mississippi Children's Center	-	10,000
Assoc. for the Rights of Citizens with Dev. Disorders	50,000	44,800
Habitat for Humanity	25,000	25,000
The Family "Y"	25,000	31,000
The Children's Center for Communication and Development	30,000	51,000
The Salvation Army	55,000	55,000
Shafer Center for Crisis Intervention	45,000	45,000
South New Summit School	5,833	10,000
Pine Belt Association for Families	12,367	26,000
TOTAL	<u>\$ 483,867</u>	<u>\$ 560,392</u>

See Accountants' Report.

**THE UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
CONSOLIDATED PROPERTY & EQUIPMENT - ALLOWANCE FOR DEPRECIATION
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

SCHEDULE 2

EXPLANATION	Purchase Date	PROPERTY & EQUIPMENT				ALLOWANCE FOR DEPRECIATION				
		Balance 3/31/2019	Additions (Disposals)	Balance 3/31/2020	Method	Balance 3/31/2020	Depreciation Expense	(Disposals) Additions	Balance 3/31/2020	
Filing Cabinets	9/20/1990	\$ 952	\$ -	\$ 952	SL/5 Yr.	\$ 952	\$ -	\$ -	\$ 952	
TV/VCR Combo	10/18/1991	450	-	450	SL/5 Yr.	450	-	-	450	
File Cabinets	3/11/1994	128	-	128	SL/7 Yr.	128	-	-	128	
Wall Divider	7/1/1998	650	-	650	SL/5 Yr.	650	-	-	650	
Light Duty Letter Folder	9/30/1999	100	-	100	SL/7 Yr.	100	-	-	100	
Fire Proof Sentry Safe	9/30/1999	140	-	140	SL/7 Yr.	140	-	-	140	
Building 210 Front St.	4/15/2000	159,159	-	159,159	SL/39 Yr.	77,549	4,081	-	81,630	
Computer Desk/Floor Mat	2/27/2001	332	-	332	SL/5 Yr.	332	-	-	332	
Office Chair	3/28/2002	95	-	95	SL/7 Yr.	95	-	-	95	
Scanner	4/26/2002	237	-	237	SL/5 Yr.	237	-	-	237	
Monitor	8/6/2002	249	-	249	SL/5 Yr.	249	-	-	249	
Legal Filing Cabinet	1/21/2003	270	-	270	SL/7 Yr.	270	-	-	270	
Painting/Rail	4/17/2002	1,003	-	1,003	SL/15 Yr.	1,003	-	-	1,003	
Painting/Rail	4/26/2002	1,052	-	1,052	SL/15 Yr.	1,052	-	-	1,052	
Ceiling Tiles	10/1/2002	115	-	115	SL/15 Yr.	115	-	-	115	
Web Page Software	2/19/2003	164	-	164	SL/5 Yr.	164	-	-	164	
4 Filing Cabinets	5/28/2003	235	-	235	SL/7 Yr.	235	-	-	235	
4 Legal Filing Cabinets	6/27/2003	1,082	-	1,082	SL/7 Yr.	1,082	-	-	1,082	
Compressor for Front System	8/8/2003	1,312	-	1,312	SL/5 Yr.	1,312	-	-	1,312	
Parking Lot Striping	9/2/2003	515	-	515	SL/15 Yr.	514	-	-	514	
QB Update	3/24/2004	383	-	383	SL/5 Yr.	383	-	-	383	
Helix Software (Andar)	3/31/2004	11,250	-	11,250	SL/3 Tr.	11,250	-	-	11,250	
Zip Drive	4/16/2004	130	-	130	SL/5 Yr.	130	-	-	130	
Digital Camera	4/1/2004	499	-	499	SL/5 Yr.	499	-	-	499	
Electric Range	7/29/2004	317	-	317	SL/5 Yr.	317	-	-	317	
Blinds	8/31/2004	738	-	738	SL/7 Yr.	738	-	-	738	
Large Projector System	2/24/2005	880	-	880	SL/5 Yr.	880	-	-	880	
Handtruck Stow-away	2/5/2005	119	-	119	SL/5 Yr.	119	-	-	119	
Tripod Screen for Projector	2/16/2005	170	-	170	SL/5 Yr.	170	-	-	170	
Raffle Drum	3/30/2005	203	-	203	SL/5 Yr.	203	-	-	203	
HVAC System Change out	6/1/2005	3,859	-	3,859	SL/10 Yr.	3,859	-	-	3,859	
HVAC System Change out	8/9/2005	5,799	-	5,799	SL/10 Yr.	5,799	-	-	5,799	

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**THE UNITED WAY OF SOUTHEAST MISSISSIPPI, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY
UNITED WAY HOME SWEET HOME, LLC
CONSOLIDATED PROPERTY & EQUIPMENT - ALLOWANCE FOR DEPRECIATION
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

SCHEDULE 2

EXPLANATION	Purchase Date	PROPERTY & EQUIPMENT				ALLOWANCE FOR DEPRECIATION			
		Balance 3/31/2019	Additions (Disposals)	Balance 3/31/2020	Method	Balance 3/31/2019	Depreciation Expense	(Disposals) Additions	Balance 3/31/2020
IBM ThinkPad RS2	11/17/2006	\$ 3,078	\$ -	\$ 3,078	SL/5 Yr.	\$ 3,078	\$ -	\$ -	\$ 3,078
Donated Whirlpool Refrigerator	1/27/2005	800	-	800	SL/5 Yr.	800	-	-	800
HP LaserJet 1320 Printer	5/16/2005	449	-	449	SL/5 Yr.	447	-	-	447
IBM Thinkcentre	8/19/2005	1,270	-	1,270	SL/5 Yr.	1,270	-	-	1,270
1 GB Ram for IBM	8/31/2005	696	-	696	SL/5 Yr.	696	-	-	696
Front & Rear Signs	12/5/2006	3,200	-	3,200	SL/7 Yr.	3,200	-	-	3,200
IBM Server	3/28/2007	3,991	-	3,991	SL/5 Yr.	3,991	-	-	3,991
Samsung Phone Services	8/9/2007	5,821	-	5,821	SL/5 Yr.	5,821	-	-	5,821
5 Ton HVAC	10/2/2007	4,960	-	4,960	SL/5 Yr.	4,960	-	-	4,960
HP Laser Printer	11/6/2007	1,295	-	1,295	SL/5 Yr.	1,295	-	-	1,295
Envelope Feeder	11/6/2007	285	-	285	SL/5 Yr.	285	-	-	285
Lenovo Flatscreen	12/12/2007	348	-	348	SL/5 Yr.	348	-	-	348
Lenovo Ram Extension	12/12/2007	96	-	96	SL/5 Yr.	98	-	-	98
Canon Image Runner Copier	4/21/2008	7,936	-	7,936	SL/5 Yr.	7,936	-	-	7,936
IBM Think Pad Computer	6/10/2008	2,075	-	2,075	SL/5 Yr.	2,075	-	-	2,075
Microsoft Office Software	10/7/2009	1,184	-	1,184	SL/3 Yr.	1,183	-	-	1,183
Samsung Phone Services	10/7/2008	1,649	-	1,649	SL/5 Yr.	1,649	-	-	1,649
Megagate Website	3/28/2011	7,383	-	7,383	SL/7 Yr.	7,383	-	-	7,383
Compressor for Middle Unit	6/6/2012	2,310	-	2,310	SL/5 Yr.	2,310	-	-	2,310
Apple Thunderbolt Display	7/9/2012	1,068	-	1,068	SL/5 Yr.	1,069	-	-	1,069
MacBook Pro	7/9/2012	1,283	-	1,283	SL/5 Yr.	1,283	-	-	1,283
IBM Server	7/16/2013	3,796	-	3,796	SL/5 Yr.	3,796	-	-	3,796
Lenovo Thinkpad - FFFF	9/23/2011	1,279	-	1,279	SL/5 Yr.	1,279	-	-	1,279
Lenovo Thinkpad - FFFF	12/22/2011	1,279	-	1,279	SL/5 Yr.	1,279	-	-	1,279
Canon Imagerun 2200 - FFFF	3/17/2009	1,070	-	1,070	SL/5 Yr.	1,070	-	-	1,070
Dell Vostro - FFFF	3/10/2009	780	-	780	SL/5 Yr.	780	-	-	780
Roof	11/10/2014	59,500	-	59,500	SL/15 Yr.	17,520	3,967	-	21,487
Lenovo Thinkpad - FFFF	2/7/2014	1,249	-	1,249	SL/5 Yr.	1,249	-	-	1,249
7.5 Ton Gas Heat/Electric	11/10/2016	9,282	-	9,282	SL/5 Yr.	4,487	1,856	-	6,343
Canon Image Runner Copier	3/12/2018	7,490	-	7,490	SL/10 Yr.	813	749	-	1,562
Fence/Gate	11/15/2018	1,587	-	1,587	SL/5 Yr.	132	317	-	449
Grand Total		<u>\$ 331,076</u>	<u>\$ -</u>	<u>\$ 331,076</u>		<u>\$ 194,558</u>	<u>\$ 10,970</u>	<u>\$ -</u>	<u>\$ 205,528</u>

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