

UNITED WAY OF THE CAPITAL AREA, INC.

Audited Financial Statements

**Years Ended
June 30, 2024 and 2023**

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GranthamPoole

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of the Capital Area, Inc.
Jackson, Mississippi

Opinion

We have audited the accompanying financial statements of United Way of the Capital Area, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Capital Area, Inc. as of June 30, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of the Capital Area, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of the Capital Area, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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, including omissions, 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 the Capital Area, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of the Capital Area, 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.

A handwritten signature in black ink, reading "Grantham Steele Puc".

Ridgeland, Mississippi
March 11, 2025

UNITED WAY OF THE CAPITAL AREA, INC.

Statements of Financial Position

June 30, 2024 and 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and Cash Equivalents		
Cash	\$ 194,221	\$ 725,053
Cash - Restricted	244,970	57,924
Short-term Deposits	939,926	900,519
Total Cash and Cash Equivalents	1,379,117	1,683,496
Pledges Receivable, Net of Allowance	593,273	443,367
Investments	685	571
Other Receivables	16,735	3,078
Prepaid Expenses and Other Assets	34,096	15,116
Total Current Assets	2,023,906	2,145,628
Property and Equipment:		
Land	195,291	195,291
Building, Furnishings and Equipment, Net	65,480	79,137
	260,771	274,428
Total Assets	<u>\$ 2,284,677</u>	<u>\$ 2,420,056</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 18,829	\$ 31,673
Accrued Expenses	105,573	31,769
Agency Funds	4,440	3,440
Designations Payable	244,970	57,925
Deferred Revenue	24,084	-
Total Current Liabilities	397,896	124,807
Total Liabilities	397,896	124,807
Net Assets:		
Without Donor Restriction:	1,072,130	1,668,381
With Donor Restrictions	814,651	626,868
Total Net Assets	1,886,781	2,295,249
Total Liabilities and Net Assets	<u>\$ 2,284,677</u>	<u>\$ 2,420,056</u>

See accompanying notes to financial statements.

UNITED WAY OF THE CAPITAL AREA, INC.

Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Campaign Results:			
Total Campaign Contributions	\$ 236,764	743,625	980,389
Less:			
Specific Organizations	(195,276)		(195,276)
Allowance for Uncollectible Pledges	-	(78,424)	(78,424)
	<u>41,488</u>	<u>665,201</u>	<u>706,689</u>
Prior Year Campaign Contributions, Net of Amounts Deemed Uncollectible	77,569	-	77,569
Investment Income	42,063	-	42,063
Unrealized Gain on Investments	115	-	115
Grants and Other Contributions	-	177,337	177,337
Other Revenues	<u>254,983</u>	<u>-</u>	<u>254,983</u>
	416,218	842,538	1,258,756
Net Assets Released from Restrictions	<u>654,755</u>	<u>(654,755)</u>	<u>-</u>
Total Revenue, Gains and Other Support	<u>1,070,973</u>	<u>187,783</u>	<u>1,258,756</u>
Expenses:			
Program Services:			
Program Services	<u>869,493</u>	<u>-</u>	<u>869,493</u>
	869,493	-	869,493
Support Services:			
Resource Development (Fund-Raising)	392,421	-	392,421
Administration	<u>405,310</u>	<u>-</u>	<u>405,310</u>
Total Expenses	<u>1,667,224</u>	<u>-</u>	<u>1,667,224</u>
Changes in Net Assets	(596,251)	187,783	(408,468)
Net Assets, Beginning of Year	<u>1,668,381</u>	<u>626,868</u>	<u>2,295,249</u>
Net Assets, End of Year	<u>\$ 1,072,130</u>	<u>\$ 814,651</u>	<u>\$ 1,886,781</u>

See accompanying notes to financial statements.

UNITED WAY OF THE CAPITAL AREA, INC.

Statement of Activities

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Campaign Results:			
Total Campaign Contributions	\$ 420,601	\$ 518,475	\$ 939,076
Less:			
Allowance for Uncollectible Pledges	-	(75,381)	(75,381)
	<u>420,601</u>	<u>443,094</u>	<u>863,695</u>
Prior Year Campaign Contributions, Net of Amounts Deemed Uncollectible	107,843	-	107,843
Investment Income	39,381	-	39,381
Unrealized Loss on Investments	(89)	-	(89)
Grants and Other Contributions	-	1,384,155	1,384,155
Other Revenues	<u>46,313</u>	<u>-</u>	<u>46,313</u>
	614,049	1,827,249	2,441,298
Net Assets Released from Restrictions	<u>1,837,918</u>	<u>(1,837,918)</u>	<u>-</u>
Total Revenue, Gains and Other Support	<u>2,451,967</u>	<u>(10,669)</u>	<u>2,441,298</u>
Expenses:			
Program Services:			
Program Services	<u>1,988,057</u>	<u>-</u>	<u>1,988,057</u>
	1,988,057	-	1,988,057
Support Services:			
Resource Development (Fund-Raising)	352,074	-	352,074
Administration	<u>389,851</u>	<u>-</u>	<u>389,851</u>
Total Expenses	<u>2,729,982</u>	<u>-</u>	<u>2,729,982</u>
Changes in Net Assets	(278,015)	(10,669)	(288,684)
Net Assets, Beginning of Year	<u>1,946,396</u>	<u>637,537</u>	<u>2,583,933</u>
Net Assets, End of Year	<u>\$ 1,668,381</u>	<u>\$ 626,868</u>	<u>\$ 2,295,249</u>

See accompanying notes to financial statements.

UNITED WAY OF THE CAPITAL AREA, INC.
Schedule of Functional Expenses
Year Ended June 30, 2024

	Program Services	Resource Development	Administration	Totals
Salaries and Wages	\$ 173,980	\$ 149,603	\$ 200,485	\$ 524,068
Employee Benefits	32,150	28,211	41,019	101,380
Payroll Taxes	13,996	12,065	15,510	41,571
	<u>220,126</u>	<u>189,879</u>	<u>257,014</u>	<u>667,019</u>
Grant Expense	211,388	-	-	211,388
Miscellaneous Community Service Projects	316,966	67,786	-	384,752
Advertising	-	6,823	-	6,823
Building Occupancy	16,582	16,345	39,064	71,991
Conferences, Conventions and Meetings	60,576	36,636	4,148	101,360
Dues and Subscriptions	1,533	2,715	1,444	5,692
Equipment Rental and Maintenance	927	559	1,264	2,750
Information Systems Support and Services	6,380	3,967	8,966	19,313
Local Transportation	4,666	3,492	1,751	9,909
Miscellaneous	6,672	4,099	9,800	20,571
Postage	37	31	59	127
Printing, Artwork and Films	362	3,984	157	4,503
Professional Fees	9,556	46,802	53,031	109,389
Supplies	730	1,297	853	2,880
Telephone	4,528	2,896	6,179	13,603
United Way Worldwide Dues	-	-	10,030	10,030
	<u>861,029</u>	<u>387,311</u>	<u>393,760</u>	<u>1,642,100</u>
Depreciation	8,464	5,110	11,550	25,124
Total Expenses	<u><u>\$ 869,493</u></u>	<u><u>\$ 392,421</u></u>	<u><u>\$ 405,310</u></u>	<u><u>\$ 1,667,224</u></u>

UNITED WAY OF THE CAPITAL AREA, INC.
Schedule of Functional Expenses
Year Ended June 30, 2023

	Program Services	Resource Development	Administration	Totals
Salaries and Wages	\$ 173,505	\$ 128,288	\$ 197,015	\$ 498,808
Employee Benefits	25,372	33,048	34,244	92,664
Payroll Taxes	14,949	10,112	13,569	38,630
	<u>213,826</u>	<u>171,448</u>	<u>244,828</u>	<u>630,102</u>
Grant Expense	1,345,773	-	-	1,345,773
Miscellaneous Community Service Projects	314,988	64,244	2,660	381,892
Advertising	-	1,989	-	1,989
Building Occupancy	17,129	19,003	31,544	67,676
Conferences, Conventions and Meetings	53,578	24,574	15,861	94,013
Dues and Subscriptions	1,221	7,157	1,154	9,532
Equipment Rental and Maintenance	1,239	835	1,179	3,253
Information Systems Support and Services	10,100	6,970	9,847	26,917
Local Transportation	4,437	2,339	645	7,421
Miscellaneous	8,257	3,133	9,725	21,115
Postage	95	87	91	273
Printing, Artwork and Films	502	947	123	1,572
Professional Fees	984	39,229	49,840	90,053
Supplies	1,530	596	833	2,959
Telephone	5,467	3,506	4,953	13,926
United Way Worldwide Dues	-	-	8,068	8,068
	<u>1,979,126</u>	<u>346,057</u>	<u>381,351</u>	<u>2,706,534</u>
Depreciation	8,931	6,017	8,500	23,448
Total Expenses	<u><u>\$ 1,988,057</u></u>	<u><u>\$ 352,074</u></u>	<u><u>\$ 389,851</u></u>	<u><u>\$ 2,729,982</u></u>

See accompanying notes to financial statements.

UNITED WAY OF THE CAPITAL AREA, INC.

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities:		
Changes in Net Assets	\$ (408,468)	\$ (288,684)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Used In Operating Activities:		
Depreciation	25,124	23,448
Provision for Uncollectible Pledges		
Unrealized (Gain) Loss on Investments	(115)	89
(Increase) Decrease in:		
Pledges and Other Receivables	(163,563)	214,314
Increase (Decrease) in:		
Prepaid Expenses and Other Assets	(18,980)	(2,977)
Accounts Payable and Accrued Expenses	60,960	31,857
Agency Funds	1,000	2,405
Designations Payable	187,045	(94,476)
Deferred Revenue	24,084	(793)
Net Cash Used In Operating Activities	<u>(292,913)</u>	<u>(114,817)</u>
Cash Flows From Investing Activities:		
Proceeds from Investments, Net	-	1,455
Purchase of Property, Plant and Equipment	(11,466)	(34,088)
Net Cash Used By Investing Activities	<u>(11,466)</u>	<u>(32,633)</u>
Decrease in Cash and Cash Equivalents	(304,379)	(147,450)
Cash and Cash Equivalents at Beginning of Year	<u>1,683,496</u>	<u>1,830,946</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,379,117</u></u>	<u><u>\$ 1,683,496</u></u>

UNITED WAY OF THE CAPITAL AREA, INC.
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way of the Capital Area, Inc. (the United Way) is a not-for-profit corporation that was formed to raise and distribute funds for the community's needs. The United Way's fund-raising efforts are concentrated in the Jackson, Mississippi metropolitan area.

Method of Accounting

The accompanying financial statements of the United Way have been prepared on the accrual basis of accounting. Income is recorded when earned and expenses are recorded when incurred.

Liquidity

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents

The United Way considers all liquid investments with an original maturity of three months or less to be cash equivalents. At June 30, 2024 and 2023, cash equivalents consisted primarily of money market funds and certificates of deposit. The United Way maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The United Way has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

Restricted Cash

Restricted cash consists of the amount of contributions received which are designated by the donor for another specified agency.

Concentration of Credit Risks

The United Way maintains its cash balances in financial institutions. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. The United Way's uninsured balance at June 30, 2024 and 2023 was \$518,529 and 900,582, respectively.

Investments

Investments are reported at fair value based on quoted market prices. Investment income includes interest, dividend and other investment income. All investment income is deemed to be available for operations and is included with unrestricted support. All investments are considered Level 1 Investments which means they can be traced to quoted market values for identical financial instruments.

Pledges Receivable

Campaign pledge contributions receivable are generally paid within one year. The United Way provides an allowance for uncollectible pledges based on historical collection experience and other factors. Collections of pledges written off or fully reserved in prior years are recorded as contributions in the year received.

UNITED WAY OF THE CAPITAL AREA, INC.
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Credit Loss Standard

On July 1, 2023 The United Way adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments* (Topic 326), as subsequently amended. The ASU requires credit losses on most financial assets carried at amortized cost and certain other instruments to be measured using an expected credit loss model (referred to as the CECL model). Under this model, reporting entities will estimate credit losses over the entire contractual term of the instrument from the date of initial recognition. The objective of CECL is to provide financial statement users with an estimate of the net amount the reporting entity expects to collect on those assets. The new measurement approach differs from the old measurement approach in that prior credit losses were recognized only after a loss had been determined to be probable of occurrence, while the CECL model requires recognition of credit losses when such losses are “expected.”

Other receivables are financial assets that fall under this standard. Historically, credit loss expense has been an immaterial cost to The United Way and management has determined their allowance for credit losses is immaterial and has no significant impact to the financial statements at June 30, 2024

Property and Depreciation

All acquisitions of property and equipment and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are depreciated on a straight-line basis over the estimated useful life of each asset (31.5 years for buildings and 3 to 7 years for furnishings and equipment).

Designations Payable

Contributions received which are designated to another specified agency reduce total campaign contribution revenue and are recorded as payables until such time the amounts are distributed to the other agency.

Deferred Revenue

Deferred revenue consists of income from the administrative fee on designated contributions for the current campaign and is deferred and recognized in the following year when the fee is actually collected and disbursed.

Net Asset Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified as reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained

UNITED WAY OF THE CAPITAL AREA, INC.
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets With Donor Restrictions (Continued)

in perpetuity. The United Way reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions

Annual fall campaign contributions are reduced by pledges designated to a specified agency and by an allowance for uncollectible pledges. The net campaign results are reflected as either revenue with or without donor restrictions in the accompanying statements of activities.

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to unrestricted net assets without donor restrictions and reported in the statement of activities as net assets with donor restrictions released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as with donor restrictions and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held. Expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

During the years ended June 30, 2024 and 2023, the United Way received several grants from local businesses that were designated for specific programs. Therefore, this revenue is reflected in the accompanying statements of activities with donor restrictions. The portion of the grants that was used for the designation purpose during the years ended June 30, 2024 and 2023 is reflected as net assets released from restrictions in the accompanying statements of activities.

In-Kind Contributions

In addition to receiving cash contributions, the United Way receives in-kind contributions of office supplies, small office equipment, and other tangible assets from various donors. It is the policy of the United Way to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly, increase contribution revenue by the same amount. During the years ended June 30, 2024 and 2023, the United Way received in-kind contributions of \$0 and \$0, respectively.

UNITED WAY OF THE CAPITAL AREA, INC.
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service, and the service would typically need to be purchased if not donated.

United Way pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the United Way with specific assistance programs, campaign solicitations and various assignments. During the years ended June 30, 2024 and 2023, the approximate number of volunteer hours donated to United Way was not determinable.

Grants

Support funded by grants is recognized as the United Way performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency, and, as a result of such audit, adjustments could be required.

Income Taxes

The United Way is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal and state income taxes pursuant to Section 501(a) of the Code as other than a private foundation. Accounting standards require the recognition and measurement of uncertain tax positions taken or expected to be taken by the United Way in income tax issues. The United Way has evaluated its tax positions and determined that it does not have any liability that should be accrued under the standards related to uncertain tax positions.

Functional Allocation of Expenses

The costs of providing the United Way's programs, administration, and resource development activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program, administration, and resource development categories based on actual expenditures and estimates of time spent by United Way personnel.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

NOTE 2 INVESTMENTS

At June 30, 2024 and 2023, Investments consisted of the following:

	2024		2023	
	Market	Cost	Market	Cost
Corporate Stocks	\$ 264	\$ 296	\$ 296	\$ 296
Fixed Income	421	-	275	-
	<u>\$ 685</u>	<u>\$ 296</u>	<u>\$ 571</u>	<u>\$ 296</u>

Unrealized gains (losses) on investments at June 30, 2024 and 2023 was \$115 and (\$89), respectively.

UNITED WAY OF THE CAPITAL AREA, INC.
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable, all of which are due within one year, consisted of the following:

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
2022/2023 Campaign	\$ 170,185	\$ -	\$ 170,185
2023/2024 Campaign	-	671,696	671,696
	170,185	671,696	841,881
Less Allowance for Estimated Uncollectible Pledges	(170,185)	(78,423)	(248,608)
	<u>\$ -</u>	<u>\$ 593,273</u>	<u>\$ 593,273</u>

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
2021/2022 Campaign	\$ 178,683	\$ -	\$ 178,683
2022/2023 Campaign	-	518,748	518,748
	178,683	518,748	697,431
Less Allowance for Estimated Uncollectible Pledges	(178,683)	(75,381)	(254,064)
	<u>\$ -</u>	<u>\$ 443,367</u>	<u>\$ 443,367</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024 and 2023 consisted of:

	2024	2023
Land	\$ 195,291	\$ 195,291
Building	708,242	708,241
Furniture and Equipment	185,990	174,524
	1,089,523	1,078,056
Less: Accumulated Depreciation	(828,752)	(803,628)
Total Property and Equipment, Net	<u>\$ 260,771</u>	<u>\$ 274,428</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$25,124 and \$23,448, respectively.

NOTE 5 NET ASSETS

Net Assets Without Donor Restrictions

The net assets without donor restrictions class includes general and board-designated assets and liabilities of the United Way. The net assets without donor restrictions of the United Way may be used at the discretion of management to support the United Way's purposes and operations.

UNITED WAY OF THE CAPITAL AREA, INC.
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 5 **NET ASSETS (CONTINUED)**

Net Assets Without Donor Restrictions (Continued)

Board-designated net assets consist of assets set aside by the Board of Directors for various purposes, over which the Board of Directors retains control and may at its discretion subsequently use for other purposes. Net assets without donor restrictions at June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Board Designated For:		
Community Projects	\$ 85,881	\$ 182,163
Operating and Capital Reserves	<u>375,000</u>	<u>375,000</u>
	460,881	557,163
Net Invested in Property and Equipment	260,771	274,428
Undesignated	<u>350,478</u>	<u>836,790</u>
	<u>611,249</u>	<u>1,111,218</u>
	<u><u>\$ 1,072,130</u></u>	<u><u>\$ 1,668,381</u></u>

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2024 and 2023 are available for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Program Services (Restricted for Specific Purposes):	<u>\$ 221,379</u>	<u>\$ 183,501</u>
For Future Periods (Restricted Subject to Passage of Time):		
2022/2023 Campaign Pledge Receivable	-	443,367
2023/2024 Campaign Pledge Receivable	<u>593,273</u>	<u>-</u>
	<u><u>\$ 814,652</u></u>	<u><u>\$ 626,868</u></u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

	<u>2024</u>	<u>2023</u>
Purpose Restrictions Accomplished	\$ 211,388	\$ 1,402,968
Time Restrictions Expired Due to Passage of Specified Time	<u>443,367</u>	<u>434,950</u>
	<u><u>\$ 654,755</u></u>	<u><u>\$ 1,837,918</u></u>

NOTE 6 **BENEFIT PLAN**

The United Way provides its employees with a 403(b) thrift plan that allows employees to defer a percentage of compensation subject to certain limitations. The United Way contributes 5% of compensation for all employees and matches 50% of participants' contributions up to 4% of their compensation. Employer contributions to the plan for the years ended June 30, 2024 and 2023 totaled \$25,327 and \$24,816, respectively.

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NOTE 7 PAYMENT TO UNITED WAY WORLDWIDE

The United Way allocates a portion of total annual contributions to the United Way Worldwide for general support. Amounts allocated to United Way Worldwide during the years ended June 30, 2024 and 2023 totaled \$10,030 and \$8,068, respectively.

NOTE 8 AGENCY TRANSACTIONS

The United Way receives designated and undesignated contributions from both individuals and organizations. Contributions that are pledged to specific United Way member organizations are described as campaign designations. All other contributions are denoted as undesignated. The tracking of designated pledges is maintained by a software system that is mutually exclusive from the accounting software used to maintain the general ledger accounts. Once designated pledges are reconciled from total contributions, an accurate representation of designated pledges is reflected in the designations payable balance. Designations payable totaled \$244,970 and \$57,925 as of June 30, 2024 and 2023, respectively.

NOTE 9 SIGNIFICANT ESTIMATES AND CONCENTRATIONS OF RISK

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. These matters include the following:

Pledges Receivable and Contributions

Substantially all contributions and pledges receivable are from individuals, businesses, and not-for-profit foundations in the Jackson, Mississippi metropolitan area. Concentrations of credit risk are limited due to the large number of donors comprising the United Way's donor base. The United Way does not consider itself to have any significant concentrations of credit risk with respect to pledges receivable.

NOTE 10 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the United Way'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 date.

	<u>2024</u>	<u>2023</u>
Financial Assets at June 30, 2024 and 2023	\$ 2,023,906	\$ 2,145,628
Less: Those Unavailable for General		
Expenditures Within One Year, Due to:		
Restricted by Donor With Time or Purpose Restrictions	593,273	443,367
Subject to Appropriation and Satisfaction		
of Donor Restrictions	221,379	183,501
Board Designations:		
Community Projects	85,881	182,163
Operating and Capital Reserves	<u>375,000</u>	<u>375,000</u>
Financial Assets Available to Meet Cash Needs		
for General Expenditures Within One Year	<u>\$ 748,373</u>	<u>\$ 961,597</u>

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NOTE 10 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

As part of the United Way's liquidity management, it invests cash in interest bearing bank checking accounts, money market funds and certificates of deposit.

NOTE 11 LEASES

New Lease Standard

Effective January 1, 2022, the Organization elected to adopt FASB issued ASU 2016-02, Leases (Topic 842), which clarifies the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. The Organization's leases were not recorded due to the lease asset and liability amounts not being material to the financial statements therefore, the adoption of the new standard did not have a significant impact on the Organization's financial statements.

NOTE 12 SUBSEQUENT EVENTS

The United Way had no subsequent events of a material nature requiring adjustments to or disclosure in the financial statements through March 11, 2025, the date the financial statements were approved by management and thereby available to be issued.