

**UNITED WAY OF THE CAPITAL AREA, INC.**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinion**

We have audited the accompanying financial statements of United Way of the Capital Area (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 United Way of the Capital Area, Inc. as of June 30, 2022 and 2021, 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 audits 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 the Capital Area, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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.

## 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 judgement, 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.



Ridgeland, Mississippi  
September 6, 2023

**UNITED WAY OF THE CAPITAL AREA, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2022 AND 2021**

	<b><u>ASSETS</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents		
Cash	\$ 807,558	616,846
Cash - restricted	152,372	152,372
Short-term deposits	<u>871,016</u>	<u>870,189</u>
Total cash and cash equivalents	1,830,946	1,639,407
Pledges receivable, net of allowance	434,950	322,288
Investments	2,115	2,207
Other receivables	225,809	257,741
Prepaid expenses and other assets	<u>12,139</u>	<u>8,738</u>
	<u>2,505,959</u>	<u>2,230,381</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Land	195,291	222,129
Building, furnishings, and equipment, net	<u>68,497</u>	<u>43,915</u>
	<u>263,788</u>	<u>266,044</u>
<b>TOTAL ASSETS</b>	\$ <u>2,769,747</u>	<u>2,496,425</u>
	<b><u>LIABILITIES AND NET ASSETS</u></b>	
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 15,674	10,054
Accrued expenses	15,911	15,564
Agency funds	1,035	-
Designations payable	152,401	152,372
Deferred revenue	<u>793</u>	<u>7,627</u>
	<u>185,814</u>	<u>185,617</u>
<b>LONG-TERM NOTE PAYABLE</b>	<u>-</u>	<u>120,852</u>
<b>NET ASSETS:</b>		
Without donor restrictions	1,946,396	1,546,271
With donor restrictions	<u>637,537</u>	<u>643,685</u>
	<u>2,583,933</u>	<u>2,189,956</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u>2,769,747</u>	<u>2,496,425</u>

The accompanying notes are an integral part of these statements.

**UNITED WAY OF THE CAPITAL AREA, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>			
Campaign results:			
Total campaign contributions	\$ 465,760	515,554	981,314
Less:			
Amounts designated by donors for specific organizations	(2,019)	-	(2,019)
Allowance for uncollectible pledges	<u>-</u>	<u>(78,585)</u>	<u>(78,585)</u>
	463,741	436,969	900,710
 Prior year campaign contributions, net of amounts deemed uncollectible	201,435	-	201,435
Investment income	2,637	-	2,637
Realized/unrealized loss on investments	(91)	-	(91)
Grants and other contributions	-	137,577	137,577
Forgiveness of note payable	120,852	-	120,852
Other revenues	<u>188,892</u>	<u>-</u>	<u>188,892</u>
	977,466	574,546	1,552,012
 Net assets released from restrictions	<u>580,694</u>	<u>(580,694)</u>	<u>-</u>
	<u>1,558,160</u>	<u>(6,148)</u>	<u>1,552,012</u>
 <b>EXPENSES:</b>			
Program Services:			
Other community services	<u>579,825</u>	<u>-</u>	<u>579,825</u>
	579,825	-	579,825
 Support Services:			
Resource development (fund-raising)	224,399	-	224,399
Administration	<u>353,811</u>	<u>-</u>	<u>353,811</u>
	1,158,035	-	1,158,035
 <b>CHANGE IN NET ASSETS</b>	400,125	(6,148)	393,977
 <b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,546,271</u>	<u>643,685</u>	<u>2,189,956</u>
 <b>NET ASSETS, END OF YEAR</b>	\$ <u>1,946,396</u>	<u>637,537</u>	<u>2,583,933</u>

The accompanying notes are an integral part of this statement.

**UNITED WAY OF THE CAPITAL AREA, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>			
Campaign results:			
Total campaign contributions	\$ 498,643	423,417	922,060
Less:			
Amounts designated by donors for specific organizations	(124,881)	-	(124,881)
Allowance for uncollectible pledges	<u>-</u>	<u>(78,403)</u>	<u>(78,403)</u>
	373,762	345,014	718,776
 Prior year campaign contributions, net of amounts deemed uncollectible	 15,613	 -	 15,613
Investment income	450	-	450
Realized/unrealized gain on investments	338	-	338
Grants and other contributions	-	439,475	439,475
Forgiveness of note payable	120,800	-	120,800
Other revenues	<u>11,417</u>	<u>-</u>	<u>11,417</u>
	522,380	784,489	1,306,869
Net assets released from restrictions	<u>968,971</u>	<u>(968,971)</u>	<u>-</u>
	<u>1,491,351</u>	<u>(184,482)</u>	<u>1,306,869</u>
<b>EXPENSES:</b>			
Program Services:			
Other community services	<u>562,994</u>	<u>-</u>	<u>562,994</u>
	562,994	-	562,994
Support Services:			
Resource development (fund-raising)	204,345	-	204,345
Administration	<u>362,504</u>	<u>-</u>	<u>362,504</u>
	1,129,843	-	1,129,843
<b>CHANGE IN NET ASSETS</b>	361,508	(184,482)	177,026
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,184,763</u>	<u>828,167</u>	<u>2,012,930</u>
<b>NET ASSETS, END OF YEAR</b>	\$ <u>1,546,271</u>	<u>643,685</u>	<u>2,189,956</u>

The accompanying notes are an integral part of this statement.

**UNITED WAY OF THE CAPITAL AREA, INC.**

**SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Program Services</u>	<u>Resource Development</u>	<u>Administration</u>	<u>Total</u>
Salaries and wages	\$ 118,200	122,678	184,062	424,940
Employee benefits	29,329	22,775	33,055	85,159
Payroll taxes	<u>14,525</u>	<u>11,351</u>	<u>15,893</u>	<u>41,769</u>
	162,054	156,804	233,010	551,868
Grant expense	274,939	-	-	274,939
Miscellaneous community service projects	103,695	-	-	103,695
Advertising	-	788	-	788
Building occupancy	10,848	13,654	26,482	50,984
Conferences, conventions, and meetings	6,050	2,877	3,790	12,717
Dues and subscriptions	1,274	1,795	981	4,050
Equipment rental and maintenance	17	3,244	8,675	11,936
Information systems support and services	8,480	-	5,854	14,334
Local transportation	570	646	310	1,526
Miscellaneous	1,395	966	12,507	14,868
Postage	65	61	168	294
Printing, artwork, and films	305	6,211	-	6,516
Professional fees	-	29,125	29,353	58,478
Supplies	202	820	213	1,235
Telephone	4,207	3,258	5,702	13,167
United Way Worldwide dues	<u>-</u>	<u>-</u>	<u>18,730</u>	<u>18,730</u>
	574,101	220,249	345,775	1,140,125
Depreciation	<u>5,724</u>	<u>4,150</u>	<u>8,036</u>	<u>17,910</u>
	<u>\$ 579,825</u>	<u>224,399</u>	<u>353,811</u>	<u>1,158,035</u>

The accompanying notes are an integral part of this statement.



**UNITED WAY OF THE CAPITAL AREA, INC.**

**SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Resource Development</u>	<u>Administration</u>	<u>Total</u>
Salaries and wages	\$ 115,833	125,111	188,211	429,155
Employee benefits	18,070	12,328	34,613	65,011
Payroll taxes	<u>9,635</u>	<u>10,397</u>	<u>16,377</u>	<u>36,409</u>
	143,538	147,836	239,201	530,575
Grant expense	318,924	-	-	318,924
Miscellaneous community service projects	59,144	-	-	59,144
Advertising	-	4,725	-	4,725
Building occupancy	10,398	12,531	27,456	50,385
Conferences, conventions, and meetings	5,272	1,610	4,389	11,271
Dues and subscriptions	204	994	115	1,313
Equipment rental and maintenance	2,071	4,233	3,169	9,473
Information systems support and services	7,741	11	11,841	19,593
Local transportation	358	485	831	1,674
Miscellaneous	1,955	1,595	9,973	13,523
Postage	124	87	223	434
Printing, artwork, and films	237	19,729	-	19,966
Professional fees	-	1,511	24,542	26,053
Supplies	485	263	1,086	1,834
Telephone	3,927	2,719	5,958	12,604
United Way Worldwide dues	<u>-</u>	<u>-</u>	<u>20,541</u>	<u>20,541</u>
	554,378	198,329	349,325	1,102,032
Depreciation	<u>8,616</u>	<u>6,016</u>	<u>13,179</u>	<u>27,811</u>
	\$ <u><u>562,994</u></u>	<u><u>204,345</u></u>	<u><u>362,504</u></u>	<u><u>1,129,843</u></u>

The accompanying notes are an integral part of this statement.

**UNITED WAY OF THE CAPITAL AREA, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 393,977	177,026
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	17,910	27,811
Provision for uncollectible pledges	78,585	78,403
Net realized/unrealized (gain) loss on investments	91	(338)
(Increase) decrease in pledges and other receivables	(159,315)	47,905
Increase in prepaid expenses and other assets	(3,401)	(178)
Increase (decrease) in accounts payable and accrued expenses	7,002	(67,871)
Increase in designations payable	29	2,715
Forgiveness of note payable	(120,852)	(120,800)
Decrease in deferred revenue	<u>(6,834)</u>	<u>(13,108)</u>
Net cash provided by operating activities	<u>207,192</u>	<u>131,565</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from investments - net	16,028	-
Purchase of property, plant and equipment	<u>(31,681)</u>	<u>(20,454)</u>
Net cash used in investing activities	<u>(15,653)</u>	<u>(20,454)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from note payable	<u>-</u>	<u>120,852</u>
Net cash provided by financing activities	<u>-</u>	<u>120,852</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>191,539</b>	<b>231,963</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><b>1,639,407</b></u>	<u><b>1,407,444</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ <u>1,830,946</u></b>	<b><u>1,639,407</u></b>

The accompanying notes are an integral part of these statements.

**UNITED WAY OF THE CAPITAL AREA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

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 are according to the nearness of their maturity and resulting use of cash.

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, 2022 and 2021, 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. See Note 8.

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.

**UNITED WAY OF THE CAPITAL AREA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:**

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.

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.

Classification of Net Assets

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

**UNITED WAY OF THE CAPITAL AREA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:**

Classification of Net Assets - continued:

**Net Assets With Donor Restrictions - continued:**

specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained 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, 2022 and 2021, the United Way received several grants from local businesses that were designated for specific programs. Therefore, this revenue is reflected in the

**UNITED WAY OF THE CAPITAL AREA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:**

Contributions - continued:

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, 2022 and 2021, 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, 2022 and 2021, the United Way recorded in-kind contributions of \$-0- and \$-0-, respectively.

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, 2022 and 2021, the approximate number of volunteer hours donated to the 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

**UNITED WAY OF THE CAPITAL AREA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:**

Income Taxes - continued:

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 - PLEDGES RECEIVABLE**

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

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
2020/2021 campaign	\$ 181,407	-	181,407
2021/2022 campaign	-	513,536	513,536
	181,407	513,536	694,943
Less allowance for estimated uncollectible pledges	(181,407)	(78,586)	(259,993)
	\$ -	434,950	434,950

**UNITED WAY OF THE CAPITAL AREA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 2 - PLEDGES RECEIVABLE - CONTINUED:**

	<u>June 30, 2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2019/2020 campaign	\$ 212,365	-	212,365
2020/2021 campaign	<u>-</u>	<u>400,691</u>	<u>400,691</u>
	212,365	400,691	613,056
Less allowance for estimated uncollectible pledges	<u>(212,365)</u>	<u>(78,403)</u>	<u>(290,768)</u>
	<u>\$ -</u>	<u>322,288</u>	<u>322,288</u>

**NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2022 and 2021, consisted of:

	<u>2022</u>	<u>2021</u>
Land	\$ 195,291	222,129
Building	675,668	675,668
Furniture and equipment	<u>130,519</u>	<u>130,519</u>
	1,001,478	1,028,316
Less accumulated depreciation	<u>(737,690)</u>	<u>(762,272)</u>
	<u>\$ 263,788</u>	<u>266,044</u>

**NOTE 4 - 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  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 4 - 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, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Board designated for:		
Community projects	\$ 253,188	204,205
Operating and capital reserves	<u>382,656</u>	<u>408,041</u>
	635,844	612,246
Net invested in property and equipment	263,788	266,044
Undesignated	<u>1,046,764</u>	<u>667,981</u>
	<u>1,310,552</u>	<u>934,025</u>
	\$ <u>1,946,396</u>	<u>1,546,271</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2022 and 2021, are available for the following purposes or periods:

	<u>2022</u>	<u>2021</u>
Program services (restricted for specified purposes):	\$ <u>202,587</u>	<u>321,397</u>
For future periods (restricted subject to passage of time):		
2020/2021 campaign pledge receivable	-	322,288
2021/2022 campaign pledge receivable	<u>434,950</u>	<u>-</u>
	\$ <u>637,537</u>	<u>643,685</u>

**UNITED WAY OF THE CAPITAL AREA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 4 - NET ASSETS - CONTINUED:**

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>2022</u>	<u>2021</u>
Purpose restrictions accomplished	\$ 258,406	418,984
Time restrictions expired due to passage of specified time	<u>322,288</u>	<u>549,987</u>
	<u>\$ 580,694</u>	<u>968,971</u>

**NOTE 5 - 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, 2022 and 2021, totaled \$20,510 and \$23,731, respectively.

**NOTE 6 - PAYMENT TO UNITED WAY WORLDWIDE**

The United Way allocates a portion of total annual contributions to United Way Worldwide for general support. Amounts allocated United Way Worldwide during the years ended June 30, 2022 and 2021 totaled \$18,730 and \$20,541, respectively.

**NOTE 7 - 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

UNITED WAY OF THE CAPITAL AREA, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 7 - AGENCY TRANSACTIONS - CONTINUED:

reconciled from total contributions, an accurate representation of designated pledges is reflected in the designations payable balance. Designations payable totaled \$152,401 and \$152,372 as of June 30, 2022 and 2021, respectively.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The United Way has not timely filed its charitable solicitation registration with the State of Mississippi. Until such time as the Organization is current in its registration status, any solicitation of contributions may be considered to be in violation of the Mississippi Regulation of Charitable Solicitations Act. The Organization expects to file its IRS Form 990 in September 2023 and at such time will be able to file its charitable registration renewal.

NOTE 9 - NOTE PAYABLE

	<u>2022</u>	<u>2021</u>
Paycheck protection program (PPP) note payable to a financial institution, dated April 29, 2021, interest due annually at a rate of 1% with remaining interest and principal due no later than April 29, 2023.		
Note forgiven on December 18, 2021.	\$ <u>-</u>	<u>120,852</u>

NOTE 10 - 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.

**UNITED WAY OF THE CAPITAL AREA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 11 - 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.

Financial assets at June 30, 2022	\$ 2,505,959
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with time or purpose restrictions	434,950
Subject to appropriation and satisfaction of donor restrictions	202,587
Board designations:	
Community projects	253,188
Operating and capital reserves	<u>382,656</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,232,578</u>

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 12 - EMPLOYEE RETENTION CREDIT**

The CARES Act introduced the Employee Retention Credit (ERC) for certain employers who retained employees during 2020. The ERC is a refundable tax credit against employment taxes for eligible wages paid to employees during the COVID-19 pandemic. The Taxpayer Certainty and Disaster Tax Relief Act of 2020, as part of the Consolidated Appropriations Act of 2021 (CAA), modified the ERC and extended the credit, expanding the availability of the credit for wages paid during 2021. The Infrastructure Investment and Jobs Act (IIJA) retroactivity ended the ERC on September 30, 2021. The credit is claimed on originally filed or amended quarterly employment tax returns.

The United Way determined that it met the eligibility requirements for the ERC for wages paid during the fourth quarter of 2020 and the first, second, and third quarter of 2021. The United Way filed amended Forms 941-X for the eligible quarters to receive refunds of the ERC, and in accordance with applicable standards, recorded a receivable as of June 30, 2022, included in other receivables, in the amount of \$157,994 for the amount of the anticipated refund. Subsequent to June 30, 2022, the United Way received the \$157,994 refund.

**UNITED WAY OF THE CAPITAL AREA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 13 - SUBSEQUENT EVENTS**

The United Way has evaluated subsequent events through September 6, 2023, the date the financial statements were approved by the United Way's management and thereby available to be issued and has determined that, other than the condition described in Note 8, there are no subsequent events of a material nature requiring adjustment to or disclosure in the accompanying financial statements.