

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**

Financial Statements

December 31, 2023

with

Independent Auditors' Report

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
United Way of West Central Mississippi, Inc.  
Vicksburg, Mississippi

### **Opinion**

We have audited the accompanying financial statements of United Way of West Central Mississippi, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows, and functional expenses 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 West Central Mississippi, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year 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 West Central Mississippi, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is appropriate and sufficient 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 the ability of United Way of West Central Mississippi, Inc. to continue as a going concern within one year after the date that the financial statements are available to be issued.

**[www.maycpa.com](http://www.maycpa.com)**

**Main Office:**

110 Monument Place, Vicksburg, MS 39180  
Ph 601.636.4762 • Fx 601.636.9476

**Mailing Address:**

PO Box 821568  
Vicksburg, MS 39182

**Tallulah, LA Office:**

1609 Felicia Drive, Tallulah, LA 71282  
Ph 318.574.6254 • Fx 601.636.9476

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



Vicksburg, Mississippi  
May 23, 2024

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

**ASSETS**

Cash and cash equivalents - with donor restrictions	\$ 769,391
Cash and cash equivalents - without donor restrictions	86,091
Investments and certificates of deposit	720,304
Pledges receivable - (net of allowance for uncollectible pledges) - with donor restrictions	6,335
Pledges receivable (net of allowance for uncollectible pledges) - without donor restrictions	371,424
Prepaid expenses	22,140
Property and equipment	409,544
Less accumulated depreciation	<u>(127,565)</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,257,664</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

Accounts payable	\$ 18,477
Accrued expenses	26,514
Deferred program revenues - with donor restrictions	22,452
Allocations payable	198,805
Due to designated agencies - with donor restrictions	<u>6,335</u>
 Total liabilities	 <u>272,583</u>

**NET ASSETS:**

Without donor restrictions	1,238,142
With donor restrictions	<u>746,939</u>
 Total net assets	 <u>1,985,081</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,257,664</u></b>
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See accompanying notes to financial statements.

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT:</b>			
Campaign contributions	\$ 437,275	\$ 6,040	\$ 443,315
Grants and non-campaign contributions	56,633	1,715,227	1,771,860
Investment income	12,063	-	12,063
Net assets released from restrictions	1,125,601	(1,125,601)	-
Total revenues and other support	1,631,572	595,666	2,227,238
<b>ALLOCATIONS AND DESIGNATIONS AND OTHER FUNCTIONAL EXPENSES:</b>			
Allocations and designations to member agencies	160,220	6,040	166,260
Total allocations and designations	160,220	6,040	166,260
Program services:			
Community services	1,270,170	-	1,270,170
Fund distribution	28,995	-	28,995
Support services:			
Membership development	53,563	-	53,563
Administration	70,336	-	70,336
Fundraising	90,064	-	90,064
Unallocated payments to affiliate organization	6,009	-	6,009
Total functional expenses	1,519,137	-	1,519,137
Total allocations and designations and other functional expenses	1,679,357	6,040	1,685,397
Change in net assets	(47,785)	589,626	541,841
<b>NET ASSETS, beginning of year</b>	1,255,197	157,313	1,412,510
Unrealized gain on investments, at fair value	30,730	-	30,730
<b>NET ASSETS, end of year</b>	<u>\$ 1,238,142</u>	<u>\$ 746,939</u>	<u>\$ 1,985,081</u>

See accompanying notes to financial statements.

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 541,841
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	9,392
Realized loss on investments	5,861
Change in certain operating assets and liabilities:	
Pledges receivable	83,870
Prepaid expenses	(3,904)
Accounts payable	8,801
Accrued expenses	(1,992)
Deferred program revenues	(84,310)
Allocations payable	(61,369)
Due to designated agencies	(580)
	<hr/>
Cash provided by operating activities	497,610
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**CASH FLOWS FROM INVESTING ACTIVITIES:**

Reinvestment of interest earned on deposits	(3,232)
Purchase of investments	(100,010)
Sale of investments	100,250
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Cash used in investing activities	(2,992)
	<hr/>

Net increase in cash	494,618
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<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<hr/> 360,864
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<b>CASH AND CASH EQUIVALENTS, end of year</b>	<hr/> <hr/> \$ 855,482
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**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services		Total	Support Services				Total	
	Community	Fund	Program	Membership		Fund	UWA	Support	
	Services	Distribution	Services	Development	Administration	Raising	Dues	Services	Total
Wages	\$ 75,229	\$ 18,915	\$ 94,144	\$ 32,026	\$ 29,662	\$ 59,108	\$ -	\$ 120,796	\$ 214,940
Employee benefits	10,396	2,929	13,325	1,688	4,931	5,656	-	12,275	25,600
Payroll taxes	5,390	1,355	6,745	2,295	2,125	4,235	-	8,655	15,400
Professional fees	4,498	1,157	5,655	1,928	2,340	3,470	-	7,738	13,393
Sponsorships and community	935,920	-	935,920	-	-	-	-	-	935,920
Warren county grant	74,065	-	74,065	-	-	-	-	-	74,065
Learn grant	102,750	-	102,750	-	-	-	-	-	102,750
Supplies	2,052	82	2,134	790	753	3,537	-	5,080	7,214
Telephone	1,100	287	1,387	468	1,112	861	-	2,441	3,828
Occupancy	9,196	2,312	11,508	3,915	8,992	7,183	-	20,090	31,598
Equipment rent and maintenance	3,799	1,000	4,799	1,534	3,711	2,934	-	8,179	12,978
Printing and publications	623	-	623	6,610	330	-	-	6,940	7,563
Local travel	631	58	689	151	294	274	-	719	1,408
Membership dues	274	-	274	625	5,628	-	-	6,253	6,527
Insurance	289	74	363	124	6,129	223	-	6,476	6,839
Miscellaneous	33,180	-	33,180	-	3,033	-	-	3,033	36,213
Depreciation	3,278	826	4,104	1,409	1,296	2,583	-	5,288	9,392
Venture grants	7,500	-	7,500	-	-	-	-	-	7,500
United Way of America dues	-	-	-	-	-	-	6,009	6,009	6,009
	<u>\$ 1,270,170</u>	<u>\$ 28,995</u>	<u>\$ 1,299,165</u>	<u>\$ 53,563</u>	<u>\$ 70,336</u>	<u>\$ 90,064</u>	<u>\$ 6,009</u>	<u>\$ 219,972</u>	<u>\$ 1,519,137</u>

See accompanying notes to financial statements.



**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE A. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

United Way of West Central Mississippi, Inc. was incorporated in 1953. The Organization's mission is to build a stronger, healthier community by bringing together the human, financial, and strategic resources needed to deliver measurable improvements and solutions to the critical health and human services within the communities it serves. The main source of revenue for the Organization's services is contributions from the general public.

Promises to Give/Pledges

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value. Conditional promises to give are not included as support until such time as the conditions are substantially met. All other revenue is recorded when granted or earned. At December 31, 2023, all unconditional promises to give are expected to be collected within one year.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as an organization other than a private foundation under Section 509(a)(2).

In evaluating the Organization's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Organization believes its estimates are appropriate based on current facts and circumstances. It has tax returns subject to examination by various taxing authorities that are still in statute.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$5,000, while purchases under \$5,000 are expensed. Property and equipment are stated at cost.

Continued

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**  
**NOTES TO FINANCIAL STATEMENTS — CONTINUED**  
**DECEMBER 31, 2023**

**NOTE A. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED**

Property and Equipment — Continued

Depreciation is provided using the straight-line method over the estimated useful life of the assets. Property and equipment donations are recorded as support at their estimated fair value on the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the use of the asset to a specific purpose.

Estimates

In preparing the Organization's financial statements, management uses estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Donor Imposed Restrictions

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or specific purposes are reported as "with donor restriction" support that increases those net asset classes.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction.

If the restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as "without donor restrictions".

Net assets with donor restrictions are restricted for amounts designated to member agencies, based on time and donor-imposed restrictions. These restrictions are short term in nature.

Designations

It is the policy of United Way of West Central Mississippi, Inc. to honor the designations made to each member organization by distributing a proportionate share of receipts based on donor designations to that member organization.

Continued

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.  
NOTES TO FINANCIAL STATEMENTS — CONTINUED  
DECEMBER 31, 2023**

**NOTE A. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED**

Designation of Net Assets Without Donor Restrictions

It is the policy of the Board of Directors of the Organization to review its plans for future program expenses from time to time and to designate appropriate sums of net assets without donor restrictions to assure adequate financing of program expenses.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the time spent by employees. Allocated costs included a total of \$398,902 of joint costs that are not directly attributable to community services, fund distribution, membership development, administration, and fundraising.

Revenue Recognition

Revenue is recognized on the accrual basis of accounting for financial statement purposes. The main source of revenue is contributions and investments, and consists of interest earned, dividends, and gains on the sale of investments. Investment income is recorded when earned by the Organization. All contributions are available for unrestricted use unless specifically restricted by the donor. The Organization does not have long-term commitments with any customers or donors.

**NOTE B. CASH**

The Federal Deposit Insurance Corporation (FDIC) insures demand accounts of each depositor up to \$250,000 in each federally chartered financial institution. Amounts in excess of \$250,000 are not covered by FDIC insurance. Financial instruments that potentially subject the Organization to credit risk consist of cash and cash equivalent accounts and certificates of deposit in a financial institution, which, from time to time, can exceed the \$250,000 federally insured limit. The Organization has minimized its credit risk by depositing cash and cash equivalents and certificates of deposit in banks with a high credit standing. The Organization has not experienced any losses of such funds, and management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents and certificates of deposit. At December 31, 2023, the Organization had \$483,702 cash deposits in excess of insurable limits.

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**  
**NOTES TO FINANCIAL STATEMENTS — CONTINUED**  
**DECEMBER 31, 2023**

**NOTE C. CONTRIBUTED SERVICES, MATERIALS, AND FACILITIES**

Employees of local companies participating in the United Way Loaned Executives Program volunteered approximately 5,110 hours, for which no value has been assigned or recognized. Volunteers assist the United Way organization during the annual campaign.

**NOTE D. PROMISES TO GIVE**

Unconditional promises to give at December 31, 2023, consist of the following:

Current campaign — undesignated	\$ 354,021
Current campaign — designated	<u>6,335</u>
Gross unconditional promises to give	360,356
Less allowance for uncollectibles	<u>(17,356)</u>
 Total current campaign unconditional promises	 <u>\$ 343,000</u>
 Prior campaigns — undesignated	 \$ 34,759
Less allowance for uncollectibles	<u>-</u>
 Total prior campaign unconditional promises	 <u>\$ 34,759</u>
 Amounts due in less than one year	 <u>\$ 377,759</u>

**NOTE E. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2023:

Building	\$ 314,377
Equipment and fixtures, at cost	95,167
Less accumulated depreciation	<u>(127,565)</u>
 Net property and equipment	 <u>\$ 281,979</u>

Depreciation expense at December 31, 2023 was \$9,392.

**NOTE F. RETIREMENT PLAN**

The Organization maintains a simplified employee pension plan (SEP) which covers all eligible employees. Contributions to the plan totaled \$15,964 for the year ended December 31, 2023.

Continued

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.  
NOTES TO FINANCIAL STATEMENTS — CONTINUED  
DECEMBER 31, 2023**

**NOTE G. INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The Organization's investments are reported at fair value in the accompanying statement of financial position. The method used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, although the Organization believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets or liabilities; and Level 3 inputs consist of unobservable inputs and have the lowest priority.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were available to the Organization during 2023. There have been no changes in the methodologies used at December 31, 2023.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data, either by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**  
**NOTES TO FINANCIAL STATEMENTS — CONTINUED**  
**DECEMBER 31, 2023**

**NOTE G. INVESTMENTS AND FAIR VALUE MEASUREMENTS — CONTINUED**

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. A description of the valuation methodologies used for assets measured at fair value is given below.

*Level 1 Fair Value Measurements*

The fair values of common stock, corporate bonds, and mutual funds are based on quoted market prices in an active market. The Organization's investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Organization's investments comprise mutual funds, certificates of deposit, and money market accounts. Certificates of deposit are recorded at their fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. The cost and fair market value of the certificates of deposit at December 31, 2023 is \$383,858. The cost and fair market value of the investments are \$326,927 and \$336,446, respectively. Fees paid for the year ended December 31, 2023 were \$3,272.

**NOTE H. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date the financial statements were available to be issued.

**NOTE I. ALLOWANCE FOR UNCOLLECTIBLE PROMISES TO GIVE**

Management estimates the allowance for uncollectible promises to give based on prior years' experience and management's analysis of specific promises made. Uncollected balances are written off during the second year following the campaign. The December 31, 2023 allowance for uncollectible promises to give is \$17,356.

Continued

**UNITED WAY OF WEST CENTRAL MISSISSIPPI, INC.**  
**NOTES TO FINANCIAL STATEMENTS — CONTINUED**  
**DECEMBER 31, 2023**

**NOTE J. NATIONAL DONATED ADVERTISING PROGRAM**

The Organization is the beneficiary of national donated advertising. United Way Worldwide (UWW) does not record the donation of airtime because UWW acts as an agent on behalf of the United States of America Network of United Ways who benefit from the airtime. The value of unrecorded donated airtime in 2023 is \$5,000 for the United Way of West Central Mississippi, Inc.

**NOTE K. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. At December 31, 2023, the Organization has cash and cash equivalents of \$86,091 and investments and certificates of deposits of \$720,304 that could readily be made available in the next fiscal year to fund expenses without limitations.

In addition to having financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates that it will cover general expenditures by raising sufficient pledges and other donations throughout the next fiscal year.

**NOTE L. DEFERRED PROGRAM REVENUES**

From time to time, the Organization receives funds from third parties that are used for specific United Way programs that are either already in existence or will be achieved through a partnership. Deferred program revenues represent the funds to be used for these programs in the next fiscal year.