

**UNITED WAY FOR JACKSON AND GEORGE
COUNTIES, MISSISSIPPI, INC.**

AUDITED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way for Jackson and George Counties, Mississippi, Inc.

We have audited the accompanying financial statements of United Way for Jackson and George Counties, Mississippi, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Independent Auditor's Report

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way for Jackson and George Counties, Mississippi, Inc. as of December 31, 2019 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of distributions to agencies on pages 23 - 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Walpe, McDuff + Oppie

Pascagoula, Mississippi
April 08, 2020

BASIC FINANCIAL STATEMENTS

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UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ 293,060	137,734
Agency fund for Excel by 5	48,858	35,440
Certificates of deposit	1,297,077	1,567,621
Unconditional promises to give, net	948,120	931,342
Interest receivable	2,525	2,525
Prepaid expenses	4,271	4,271
Property and equipment, net of \$222,484 and \$217,136 accumulated depreciation	56,041	59,464
Total assets	\$ 2,649,952	2,738,397
 LIABILITIES AND NET ASSETS		
Liabilities:		
Designations payable	\$ 251,114	58,422
Agency fund payable for Excel by 5	48,858	35,440
Compensated absences	16,225	7,077
Other liabilities	6,520	6,517
Total liabilities	322,717	107,456
Net assets:		
Without donor restrictions	1,929,972	1,967,702
With donor restrictions	397,263	663,239
Total net assets	2,327,235	2,630,941
Total liabilities and net assets	\$ 2,649,952	2,738,397

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

UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Public support and revenues:		
Contributions	\$ 15,600	12,200
Interest income	16,940	18,983
In-kind contributions	3,514	17,077
Miscellaneous revenue	34,367	43
Net assets released from restrictions	<u>1,219,781</u>	<u>1,410,251</u>
Total public support and revenues	<u>1,290,202</u>	<u>1,458,554</u>
Expenses		
Allocations to agencies	889,122	1,036,656
Less: donor designations	<u>(58,422)</u>	<u>(150,395)</u>
Net allocations	<u>830,700</u>	<u>886,261</u>
Community impact grants	-	44,995
Special grants	14,200	18,234
Workforce assistance program	30,504	42,293
Functional expenses:		
Management and general	57,067	50,093
Campaign and communications	254,992	237,199
Planning and allocations	57,067	50,093
Agency assistance	<u>83,402</u>	<u>73,216</u>
Total functional expenses	<u>452,528</u>	<u>410,601</u>
Total expenses	<u>1,327,932</u>	<u>1,402,384</u>
Change in net assets without donor restrictions	<u>(37,730)</u>	<u>56,170</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	1,360,871	1,268,799
Less: allowance for doubtful pledges	(155,952)	(207,322)
Less: amounts designated by donors	(251,114)	(58,422)
Net assets released from restrictions:		
Expiration of time restrictions	<u>(1,219,781)</u>	<u>(1,410,251)</u>
Change in net assets with donor restrictions	<u>(265,976)</u>	<u>(407,196)</u>
Change in net assets	(303,706)	(351,026)
Net assets, beginning of year	<u>2,630,941</u>	<u>2,981,967</u>
Net assets, end of year	<u>\$ 2,327,235</u>	<u>2,630,941</u>

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

UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>					<u>2018</u>				
	Management & General	Campaign & Communications	Planning & Allocations	Agency Assistance	Totals	Management & General	Campaign & Communications	Planning & Allocations	Agency Assistance	Totals
Salaries	\$ 35,615	150,679	35,615	52,053	273,962	29,909	126,537	29,909	43,713	230,068
Employee benefits	6,098	25,798	6,098	8,912	46,906	5,734	24,259	5,734	8,380	44,107
Payroll taxes	<u>2,651</u>	<u>11,214</u>	<u>2,651</u>	<u>3,874</u>	<u>20,390</u>	<u>2,302</u>	<u>9,741</u>	<u>2,302</u>	<u>3,365</u>	<u>17,710</u>
Total salaries and related expenses	<u>44,364</u>	<u>187,691</u>	<u>44,364</u>	<u>64,839</u>	<u>341,258</u>	<u>37,945</u>	<u>160,537</u>	<u>37,945</u>	<u>55,458</u>	<u>291,885</u>
Professional fees	780	3,300	780	1,140	6,000	1,121	4,744	1,121	1,639	8,625
Insurance	1,613	6,823	1,613	2,357	12,406	1,593	6,738	1,593	2,328	12,252
Office supplies	1,416	5,991	1,416	2,069	10,892	1,348	5,701	1,348	1,970	10,367
Campaign supplies	-	13,558	-	-	13,558	-	25,263	-	-	25,263
Telephone and utilities	1,638	6,931	1,638	2,394	12,601	1,482	6,272	1,482	2,167	11,403
Printing and postage	569	2,406	569	831	4,375	594	2,515	594	869	4,572
Building maintenance	446	1,885	446	651	3,428	764	3,233	764	1,117	5,878
Equipment maintenance	1,161	4,914	1,161	1,697	8,933	1,151	4,870	1,151	1,682	8,854
Conference and meetings	1,801	7,620	1,801	2,632	13,854	969	4,098	969	1,416	7,452
Dues	2,494	10,550	2,494	3,644	19,182	2,232	9,445	2,232	3,263	17,172
Miscellaneous	<u>90</u>	<u>382</u>	<u>90</u>	<u>132</u>	<u>694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>12,008</u>	<u>64,360</u>	<u>12,008</u>	<u>17,547</u>	<u>105,923</u>	<u>11,254</u>	<u>72,879</u>	<u>11,254</u>	<u>16,451</u>	<u>111,838</u>
Total expenses before depreciation	56,372	252,051	56,372	82,386	447,181	49,199	233,416	49,199	71,909	403,723
Depreciation of property	<u>695</u>	<u>2,941</u>	<u>695</u>	<u>1,016</u>	<u>5,347</u>	<u>894</u>	<u>3,783</u>	<u>894</u>	<u>1,307</u>	<u>6,878</u>
Total expenses	<u>\$ 57,067</u>	<u>254,992</u>	<u>57,067</u>	<u>83,402</u>	<u>452,528</u>	<u>50,093</u>	<u>237,199</u>	<u>50,093</u>	<u>73,216</u>	<u>410,601</u>

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

UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (303,706)	(351,026)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,347	6,878
Reinvested interest on certificates of deposit	(6,192)	(7,811)
(Increase) decrease in operating assets:		
Net unconditional promises to give	(16,778)	210,427
Increase (decrease) in operating liabilities:		
Designations payable	192,692	(91,973)
Compensated absences and other liabilities	9,151	590
Net cash provided by operating activities	(119,486)	(232,915)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities of certificates of deposit	524,812	95,386
Purchases of certificates of deposit	(250,000)	-
Net cash used by investing activities	274,812	95,386
Net increase (decrease) in cash	155,326	(137,529)
Cash, beginning of year	137,734	275,263
Cash, end of year	\$ 293,060	137,734

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

NOTES TO FINANCIAL STATEMENTS

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UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way for Jackson and George Counties, Mississippi, Inc. (the Organization) is a non-profit organization whose mission is to increase the organized capacity of people to care for one another. The Organization is supported primarily through donor contributions. The Organization allocates these funds to various health and human service agencies that serve the citizens of Jackson and George Counties.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions - These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions - These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Promises to Give

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents.

UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment is stated at cost. Purchases of \$500 or more are capitalized. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

Compensated Absences

Vacation benefits and sick leave are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Organization will compensate the employees for the benefits through paid time off or some other means.

All compensated absences liabilities include salary-related payments, where applicable.

Income taxes

The Organization is a not-for-profit welfare organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, there is no provision for income taxes in these financial statements. The Organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's 2015 and earlier tax years are closed for examination by U.S. Federal, State, and local tax authorities.

Donated Materials and Services

Donated materials or equipment, when received, are reflected as contributions in the accompanying financial statements at their estimated fair market value at date of receipt. The contributions of services are recognized if the services received: (a) create or enhance non-financial assets; or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Investment Income and Gains

Investments consist of certificates of deposit. Investment income is reported as an increase in net assets without donor restrictions in the reporting period in which the income is recognized.

UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 2. FISCAL AGENCY FUNDS

The Organization entered an agreement in 2015 with Excel by 5 Coalition (Coalition). Under this agreement, by the direction of the Coalition, the Organization manages the contributions given to support the actions of the Coalition. The Coalition chooses how the funds are spent. The Organization held \$48,858 in a separate cash bank account on behalf of the Coalition at December 31, 2019.

NOTE 3. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2019 and 2018 are as follows:

	2019	2018
Receivable due in less than one year	\$ 1,051,803	1,139,957
Less: Allowance for uncollectible promises to give	(103,683)	(208,615)
Net unconditional promises to give	\$ 948,120	931,342

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2019 and 2018:

	2019	2018
Land	\$ 18,090	18,090
Building	185,969	185,969
Equipment	74,466	72,541
	278,525	276,600
Accumulated depreciation	(222,484)	(217,136)
	\$ 56,041	59,464

Depreciation expense amounted to \$5,347 and \$6,878 for the years ended December 31, 2019 and 2018, respectively.

UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31,:

	2019	2018
Subject to the Passage of Time or Expenditures for Specified Purpose:		
General support for future periods	\$ <u>397,263</u>	<u>663,239</u>
Total Subject to the Passage of Time or Expenditures for Specified Purpose:	\$ <u><u>397,263</u></u>	<u><u>663,239</u></u>

There were \$1,219,781 and \$1,410,251 released from donor restrictions for the years ended December 31, 2019 and 2018, respectively. Contributions totaling \$1,360,871 and \$1,268,799 were made during the years ended December 31, 2019 and 2018, respectively.

NOTE 6. EMPLOYEE BENEFITS

The Organization has a defined contribution plan for the benefit of its employees. The plan is non-contributory and is administered by a local bank. The plan covers all employees who have attained the age of twenty-one and rendered one year of service. Contributions to the plan for 2019 and 2018 were based on 8.4% of annual salaries. Contributions to the plan for the years ended December 31, 2019 and 2018, amounted to \$19,123 and \$16,738, respectively.

NOTE 7. CONCENTRATION OF CREDIT RISK

The Organization is located within Jackson County, Mississippi and primarily receives its support from industry, commercial and service businesses, and individuals located within Jackson and George Counties. The Organization's cash is deposited in financial institutions which are members of the Federal Deposit Insurance Corporation (FDIC). Based on bank account balances at December 31, 2019 and 2018, the Organization had \$60,569 and \$92,095, respectively, of uninsured cash balances.

NOTE 8. FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

	<u>2019</u>	<u>2018</u>
Financial assets available within one year and free of donor restrictions:		
Cash	\$ 293,060	137,734
Certificates of deposit	1,297,077	1,567,621
Unconditional promises to give, net, collected in less than one year	948,120	931,342
Interest receivable	<u>2,525</u>	<u>2,525</u>
Total financial assets, excluding noncurrent receivables	2,540,782	2,639,222
Contractual or donor-imposed restrictions:		
Purpose restrictions	<u>397,263</u>	<u>663,239</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,143,519</u>	<u>1,975,983</u>

NOTE 10. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 08, 2020, the date of issuance of the financial statements. No material subsequent events have occurred since December 31, 2019, that require recognition or disclosure in the financial statements.

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SUPPLEMENTAL INFORMATION

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UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.
SCHEDULE OF DISTRIBUTIONS TO AGENCIES
For the Year Ended December 31, 2019

<u>Agency</u>	<u>Allocations</u>	<u>Designations</u>	<u>Total</u>
Adrienne's House	\$ 40,846	4,154	45,000
American Red Cross	16,095	3,905	20,000
Boy Scouts of America - Pine Burr Area Council	34,735	265	35,000
Boys & Girls Club of Jackson County	72,017	2,983	75,000
Boys & Girls Clubs - Outreach	60,000	-	60,000
Catholic Charities of South Mississippi	31,431	8,569	40,000
Girls Scouts of Greater Mississippi and USA	34,757	243	35,000
Gulf Coast Family Counseling	69,628	372	70,000
Health and Handicapped Services	94,013	987	95,000
Home of Grace	23,231	1,769	25,000
Jackson County CASA	55,584	4,416	60,000
Jackson County Literacy Council	17,954	2,046	20,000
Mississippi Gulf Coast Y.M.C.A.	14,542	458	15,000
Prevention and Safety Services (PASS)	39,580	420	40,000
Pregnancy Resources of Mississippi (PROMISS)	43,966	1,034	45,000
Rape Crisis Program	19,832	168	20,000
Singing River Industries/George County Industries	78,698	1,302	80,000
The Salvation Army	55,916	4,084	60,000
Volunteers in Medicine-Gautier	27,875	2,125	30,000
Miscellaneous	-	<u>19,122</u>	<u>19,122</u>
TOTAL DISTRIBUTIONS TO AGENCIES	\$ <u>830,700</u>	<u>58,422</u>	<u>889,122</u>

Note: Allocations and designations approved in 2018 for use in 2019.

UNITED WAY FOR JACKSON AND GEORGE COUNTIES, MISSISSIPPI, INC.
SCHEDULE OF DISTRIBUTIONS TO AGENCIES
For the Year Ended December 31, 2018

<u>Agency</u>	<u>Allocations</u>	<u>Designations</u>	<u>Total</u>
Adrienne's House	30,108	3,642	33,750
American Red Cross	\$ 13,683	12,933	26,616
Boy Scouts of America - Pine Burr Area Council	43,020	6,980	50,000
Boys & Girls Club of Jackson County	72,133	9,867	82,000
Boys & Girls Clubs - Moss Point Outreach	60,000	-	60,000
Catholic Charities of South Mississippi	19,612	30,388	50,000
Girls Scouts of Greater Mississippi and USA	38,929	1,071	40,000
Gulf Coast Family Counseling	71,816	184	72,000
Gulf Coast Women's Center for Nonviolence	15,377	873	16,250
Health and Handicapped Services	98,109	1,891	100,000
Home of Grace	38,240	11,760	50,000
Jackson County CASA	50,127	9,873	60,000
Jackson County Literacy Council	17,769	2,231	20,000
Mississippi Gulf Coast Y.M.C.A.	14,786	2,214	17,000
Prevention and Safety Services (PASS)	48,156	1,844	50,000
Pregnancy Resources of Mississippi (PROMISS)	47,265	2,735	50,000
Rape Crisis Program	11,450	3,550	15,000
Singing River Industries/George County Industries	92,672	2,328	95,000
The Salvation Army	78,112	11,888	90,000
Volunteers in Medicine-Gautier	24,897	5,103	30,000
Miscellaneous	-	29,040	29,040
TOTAL DISTRIBUTIONS TO AGENCIES	\$ 886,261	150,395	1,036,656

Note: Allocations and designations approved in 2017 for use in 2018.