

**FINANCIAL REPORT**

**UNITED WAY OF OXFORD - LAFAYETTE  
COUNTY, INC.**

**(a Not-for-Profit Organization)**

**Oxford, Mississippi**

**June 30, 2025**

## Table of Contents

	Page
Independent Accountants' Review Report .....	3
Financial Statements:	
Statements of Financial Position .....	4
Statements of Activities .....	5
Statements of Functional Expenses .....	6
Statements of Cash Flows.....	7
Notes to Financial Statements .....	8

-oo0oo-



110 N. Madison ■ P.O. Box 196  
Tupelo, MS 38802  
(662) 842-6475 ■ FAX (662) 842-4531  
[www.nmcpa.com](http://www.nmcpa.com)

### **Independent Accountants' Review Report**

To the Board of Directors  
United Way of Oxford - Lafayette County, Inc.  
Oxford, Mississippi

We have reviewed the accompanying financial statements of United Way of Oxford – Lafayette County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### **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.

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of United Way of Oxford – Lafayette County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

#### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Nail McKinney Professional Association*

Tupelo, Mississippi  
December 11, 2025

Statements of Financial Position  
**UNITED WAY OF OXFORD-LAFAYETTE COUNTY, INC.**  
(a Not-For-Profit Organization)

June 30, 2025 and 2024

Assets	<u>2025</u>	<u>2024</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 143,601	\$ 174,877
Certificates of deposit	98,807	94,731
Unconditional promises to give, net	64,304	65,410
Prepaid expenses	<u>1,825</u>	<u>1,750</u>
Total current assets	<u>308,537</u>	<u>336,768</u>
<b>Property and Equipment</b>		
Furniture, fixtures, and equipment	21,051	21,051
Less: Accumulated depreciation	<u>(21,051)</u>	<u>(21,051)</u>
Total property and equipment	<u>-</u>	<u>-</u>
<b>Operating Lease Asset</b>	<u>20,128</u>	<u>34,424</u>
<b>Other Assets</b>		
CREATE endowment	<u>94,030</u>	<u>83,503</u>
Total assets	<u><u>\$ 422,695</u></u>	<u><u>\$ 454,695</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,718	\$ 1,756
Compensated absences	4,218	-
Current portion of operating lease liability	14,978	14,296
Allocations payable	167,800	196,800
Deferred revenue	<u>35,227</u>	<u>26,905</u>
Total current liabilities	<u>223,941</u>	<u>239,757</u>
<b>Long-Term Portion of Operating Lease Liability</b>	<u>5,150</u>	<u>20,128</u>
Total liabilities	<u>229,091</u>	<u>259,885</u>
<b>Net Assets</b>		
Without donor restrictions		
Board designated for CREATE endowment	94,030	83,503
Undesignated	80,310	69,366
With donor restrictions	<u>19,264</u>	<u>41,941</u>
Total net assets	<u>193,604</u>	<u>194,810</u>
Total liabilities and net assets	<u><u>\$ 422,695</u></u>	<u><u>\$ 454,695</u></u>

The accompanying notes are an integral part of these statements.

Statements of Activities

**UNITED WAY OF OXFORD-LAFAYETTE COUNTY, INC.**  
(a Not-For-Profit Organization)

Years ended June 30, 2025 and 2024

	<i>2025</i>			<i>2024</i>		
	<i>Without Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<b>Support and Revenue</b>						
Contributions:						
Financial assets, net	\$ 222,968	\$ 1,250	\$ 224,218	\$ 257,834	\$ 24,638	\$ 282,472
Nonfinancial assets	18,012	-	18,012	12,797	-	12,797
Private grants	5,350	-	5,350	17,750	-	17,750
LOU Reads	-	3,200	3,200	-	3,200	3,200
Interest income	8,453	-	8,453	6,930	-	6,930
CREATE endowment interest income, net of fees	1,653	-	1,653	1,390	-	1,390
CREATE endowment gains	8,874	-	8,874	8,292	-	8,292
Special events income, net	57,155	-	57,155	34,159	-	34,159
Net assets released from restrictions	27,127	(27,127)	-	6,953	(6,953)	-
Total support and revenue	349,592	(22,677)	326,915	346,105	20,885	366,990
<b>Expenses</b>						
Program services: United Way Community Services	256,850	-	256,850	276,077	-	276,077
Supporting services:						
Management and general	28,851	-	28,851	29,501	-	29,501
Fundraising	42,420	-	42,420	35,657	-	35,657
Total expenses	328,121	-	328,121	341,235	-	341,235
Change in net assets	21,471	(22,677)	(1,206)	4,870	20,885	25,755
Net assets, beginning of year	152,869	41,941	194,810	147,999	21,056	169,055
Net assets, end of year	\$ 174,340	\$ 19,264	\$ 193,604	\$ 152,869	\$ 41,941	\$ 194,810

The accompanying notes are an integral part of these statements.

Statements of Functional Expenses  
**UNITED WAY OF OXFORD-LAFAYETTE COUNTY, INC.**  
(a Not-For-Profit Organization)

Years ended June 30, 2025 and 2024

**2025**

**2024**

	<b>2025</b>				<b>2024</b>			
	<i>Program</i>		<i>Support Services</i>		<i>Program</i>		<i>Support Services</i>	
	<i>United Way</i>	<i>Management</i>	<i>Fund</i>		<i>United Way</i>	<i>Management</i>	<i>Fund</i>	
	<i>Community</i>	<i>and</i>	<i>Raising</i>	<i>Total</i>	<i>Community</i>	<i>and</i>	<i>Raising</i>	<i>Total</i>
	<i>Services</i>	<i>General</i>			<i>Services</i>	<i>General</i>		
Salaries	\$ 54,131	\$ 7,733	\$ 15,466	\$ 77,330	\$ 51,178	\$ 7,311	\$ 14,623	\$ 73,112
Payroll taxes	3,915	559	1,119	5,593	3,915	559	1,119	5,593
Employee benefits	6,947	992	1,985	9,924	7,022	1,003	2,006	10,031
Total personnel costs	64,993	9,284	18,570	92,847	62,115	8,873	17,748	88,736
Bank charges	-	1,789	-	1,789	-	1,081	-	1,081
Campaign expenses	-	-	18,516	18,516	-	-	12,931	12,931
Other community impact	3,200	-	-	3,200	3,262	-	-	3,262
Vista volunteer	83	12	23	118	70	10	20	100
Dues and subscriptions	-	4,083	-	4,083	-	2,141	-	2,141
Insurance	-	4,071	-	4,071	-	4,195	-	4,195
Marketing - website	-	-	87	87	-	-	74	74
Office expense	-	-	-	-	587	84	168	839
Repairs & maintenance	4,885	698	1,395	6,978	5,029	718	1,437	7,184
Postage	520	74	149	743	29	4	8	41
Professional fees	-	7,000	-	7,000	-	10,760	-	10,760
Rent	10,920	1,560	3,120	15,600	9,660	1,380	2,760	13,800
Telephone	1,960	280	560	2,800	1,788	255	511	2,554
Grants to agencies	167,800	-	-	167,800	191,184	-	-	191,184
LOU Reads Coalition	2,489	-	-	2,489	2,353	-	-	2,353
Total expenses	\$ 256,850	\$ 28,851	\$ 42,420	\$ 328,121	\$ 276,077	\$ 29,501	\$ 35,657	\$ 341,235

The accompanying notes are an integral part of these statements.

Statements of Cash Flows

**UNITED WAY OF OXFORD-LAFAYETTE COUNTY, INC.**  
**(a Not-For-Profit Organization)**

Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (1,206)	\$ 25,755
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net provision for (recovery of) uncollectible promises to give	4,691	(425)
Amortization of operating lease assets	14,296	9,167
Decrease in:		
Unconditional promises to give	(3,585)	87
Prepaid expenses	(75)	35
Increase (decrease) in:		
Accounts payable and accrued expenses	(38)	(134)
Compensated absences	4,218	-
Allocations payable	(29,000)	(10,000)
Operating lease liabilities	(14,296)	(9,167)
Deferred revenue	8,322	5,805
Net cash flows from operating activities	<u>(16,673)</u>	<u>21,123</u>
<b>Cash flows from investing activities:</b>		
Interest reinvested in certificates of deposit	(4,076)	(2,564)
Change in CREATE endowment	<u>(10,527)</u>	<u>(9,682)</u>
Net cash flows from investing activities	<u>(14,603)</u>	<u>(12,246)</u>
Net change in cash	(31,276)	8,877
Cash and cash equivalents, beginning of year	<u>174,877</u>	<u>166,000</u>
Cash and cash equivalents, end of year	<u><u>\$ 143,601</u></u>	<u><u>\$ 174,877</u></u>
<b>Schedule of noncash investing and financing activities:</b>		
Recognition of right-of-use assets and related lease liabilities	<u><u>\$ -</u></u>	<u><u>\$ 43,591</u></u>

The accompanying notes are an integral part of these statements.

## Notes to Financial Statements

### UNITED WAY OF OXFORD - LAFAYETTE COUNTY, INC. (a Not-for-Profit Organization)

June 30, 2025

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Nature of Activities*

The United Way of Oxford - Lafayette County, Inc. (the Organization) is a Mississippi not-for-profit organization, governed by a volunteer board of directors, whose primary mission is to improve lives and meet community needs by uniting people and resources. To this end, the Organization raises funds and invests in education, health and human service programs throughout the county, while also leading coalitions to drive community-level change and mobilizing volunteers. The Organization has served the local community since it was established on November 17, 1970. The Organization raises funds through organized volunteer campaigns that are supported by businesses and individuals. Contributions are received in the form of direct cash donations, annual campaign promises to give, corporate matching sponsorships, and employer remittances of participating employee payroll deduction arrangements. The Organization's Community Impact Committee, made up of board members and other community volunteers, reviews grant applications from local nonprofit service providers and recommends annual funding amounts to the board of directors. The Organization also serves as the Chair of the Local Board for Emergency Food & Shelter Program, through which federal funding is periodically distributed to direct aid providers in Lafayette County.

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

##### *Public Support and Revenue*

Annual campaign contributions and other direct contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are recognized and recorded when received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their estimated net realizable value. Unconditional promises to give due in subsequent years (if any) are reflected as long-term promises to give and are recorded at the present value of their estimated net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises is provided based on prior years' experience and management's evaluation of campaign revenue and potential uncollectible promises receivable at year end.

Contributions and grants of cash or other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, 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.

Sponsorships received in advance of special events for which the sponsorship is designated are deferred and recognized in the period the special event is held.

Administrative fees (if any) earned by the Organization for processing and distributing FEMA grant proceeds to specific agencies, interest from certificates of deposit and other interest-bearing accounts, designations from other United Way agencies throughout the country, and other receipts not mentioned above are classified as other income. Such revenue is considered unrestricted support and can be used as the Board directs.

##### *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 amounts reported in the financial statements and Organization notes. Accordingly, actual results could differ from those estimates.



**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

***Cash and Cash Equivalents***

The Organization considers cash, demand deposits, and all highly liquid investments with maturities of three months or less when purchased to be cash and cash equivalents. The total cash of the Organization on deposit with banks at June 30, 2025 and 2024 was covered by insurance provided by the Federal Deposit Insurance Corporation.

***Property and Equipment***

The Organization records office furniture, fixtures and equipment at cost if purchased or at fair market value if donated. The Organization currently capitalizes all fixed asset acquisitions of \$500 or more. Depreciation is computed using the straight-line method over an estimated useful life of 5 to 10 years for furniture and equipment and 40 years for buildings and leasehold improvements.

***Fair Value of Financial Instruments***

The carrying amount at June 30, 2025 and 2024 for cash and cash equivalents, certificates of deposit, and pledges receivable approximate their fair values because of the short maturity of these instruments.

***Accrual for Unrecognized Tax Benefits***

On a continuing basis, management analyzes the Organization's tax positions, and, when a tax position meets the measurement and recognition principles outlined in FASB Accounting Standards Codification (FASB ASC) 740, *Income Taxes*, the Organization accrues a liability for unrecognized tax benefits. Any related interest and penalties associated with unrecognized tax benefits are included as a component of other non-interest expense.

Management has evaluated the tax positions taken, and expected to be taken, on the tax returns of the Organization and has determined that at June 30, 2025 and 2024 the accrual for unrecognized tax benefits is \$0.

***Open Tax Years***

The Organization is subject to information return reporting in the United States. The Organization's federal information returns are subject to examination by the taxing authorities generally for three years after they are filed. Management has evaluated the tax positions taken and has not identified any positions that are unlikely to be sustained upon examination.

***Donated Property and Facilities***

Donations of property, if any, are recorded as in-kind contributions at their estimated fair values at the date of donation.

***Contributed Goods and Services***

Contributions of services are recorded at their estimated fair value if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A number of volunteers have donated significant time and effort to the United Way fundraising campaigns and its grant allocation process. The dollar value of these contributed services is not reflected in the financial statements because the nature of the services does not meet the specified criteria for recording. During the year ended June 30, 2025 and 2024, the value of contributed goods recognized in the statements of activities was \$18,012 and 12,797, respectively. These contributed nonfinancial assets were either utilized or monetized during the Organization's fundraising campaigns. Contributed goods are valued and reported at the estimated fair value in the financial statements based on values provided by the donors at the time of donation.

***Functional Allocation of Expenses***

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited based on estimated time and functional usage.

***Reclassifications***

Certain prior year amounts have been reclassified in order to conform to current year's presentation.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

***Evaluation of Subsequent Events***

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Accountants' Review Report, which is the date the financial statements were available to be issued.

**NOTE 2. UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Unconditional promises to give, 2023/2024 Campaign	\$ -	\$ 69,410
Unconditional promises to give, 2024/2025 Campaign	<u>68,304</u>	<u>-</u>
Total unconditional promises to give	68,304	69,410
Less: allowance for uncollectible on promises to give	<u>(4,000)</u>	<u>(4,000)</u>
Unconditional promises to give, net	<u>\$ 64,304</u>	<u>\$ 65,410</u>

**NOTE 3. CREATE ENDOWMENT**

CREATE Foundation of Tupelo, Mississippi serves as the financial administrator for endowments established by a number of non-profit organizations in North Mississippi. Upon approval by the Board, an agreement to establish an endowment was made in 2005 between the Organization and CREATE Foundation. In December 2005, the Organization contributed \$20,000 to establish the endowment, and CREATE Foundation agreed to provide a challenge grant for a two-to-one matching arrangement. This matching contribution was transferred to the Organization's endowment fund in September 2006. The Organization has granted CREATE Foundation variance power which gives CREATE Foundation the power to use endowment funds for other purposes in certain circumstances. However, as the named beneficiary of these endowments, the Organization is eligible to receive annual distributions from the endowment fund pursuant to the community foundation's spending policy, which is currently 4% per year based upon the market value of the respective endowment as of the end of the previous calendar year. The endowment fund is subject to CREATE Foundation's investment and spending policies. The Board anticipates that any income distributed from the endowment fund will help offset administrative costs incurred in support of the Organization's charitable purposes. The Organization has not received any distributions from this fund since it was established in 2005.

The following table summarizes the changes in the endowment fund for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Endowment, beginning of year	\$ 83,503	\$ 73,821
Investment return		
Interest/dividend income	2,186	1,868
Endowment gains	8,874	8,292
Endowment fees	<u>(533)</u>	<u>(478)</u>
Endowment, end of year	<u>\$ 94,030</u>	<u>\$ 83,503</u>

**NOTE 4. FAIR VALUE MEASUREMENT**

"Fair value" is defined by FASB ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset

**NOTE 4. FAIR VALUE MEASUREMENT – (Continued)**

or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization’s assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The hierarchy is broken down into the following three levels, based on the reliability of inputs:

- Level 1      Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2      Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3      Significant unobservable inputs for the asset or liability that reflect the reporting entity’s own assumptions about the assumptions that market participants would use in pricing the asset or liability.

***Determination of fair value***

The Organization uses the valuation methodologies listed below to measure different financial instruments at fair value. An indication of the level in the fair value hierarchy in which each instrument is generally classified is included. Where appropriate, the description includes details of the valuation models, the key inputs to those models as well as any significant assumptions.

***CREATE Endowment***

CREATE Endowment funds are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices of the underlying investments allocated to the Organization’s units within the larger endowment pool.

The following table present the balances of assets measured at fair value on a recurring basis at June 30:

	<b>2025</b>			
	<b><i>Level 1</i></b>	<b><i>Level 2</i></b>	<b><i>Level 3</i></b>	<b><i>Total</i></b>
CREATE Endowment	\$ 94,030	\$ -	\$ -	\$ 94,030

  

	<b>2024</b>			
	<b><i>Level 1</i></b>	<b><i>Level 2</i></b>	<b><i>Level 3</i></b>	<b><i>Total</i></b>
CREATE Endowment	\$ 83,503	\$ -	\$ -	\$ 83,503

The Organization has no other assets or liabilities measured at fair value on either a recurring or nonrecurring basis.

**NOTE 5. COMMITMENTS AND CONTINGENCIES**

United Way of Oxford-Lafayette County, Inc. traditionally distributes approved allocations (grants) to Board designated agencies on a quarterly basis. At the end of each annual campaign, the Board determines the amount of funds available for distribution and budgets the amounts to be distributed throughout the year. The Community Impact Committee then reviews the funding requests received from local agencies. With priorities established by the Committee, fund allocations are developed in accordance with the Organization’s guidelines. The allocation recommendations of the Committee are submitted to the Board for approval, and upon approval, distribution schedules are established for the year.

In May of each year, the Organization makes unconditional pledges to agency programs for allocations to be paid for the period July 1 through June 30 of the upcoming fiscal year. Accordingly, as of June 30, 2025 and 2024, a liability of \$167,800 and \$196,800, respectively, was recorded for the unconditional grants pledged and not yet paid as of these dates.

## NOTE 6. LEASES

The Organization used the following policies and assumptions to evaluate its population of leases:

- **Determining a lease:** The Organization assesses contracts at inception to determine whether an arrangement is or includes a lease, which conveys the Organization's right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right of use assets and associated liabilities are recognized at the commencement date and initially measured based on the present value of lease payments over the defined lease term.
- **Allocating lease and non-lease components:** The Organization has elected the practical expedient to not separate lease and non-lease components for certain classes of underlying assets.
- **Discount rate:** The Organization calculates the discount rate based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Organization calculates an incremental borrowing rate using a portfolio approach. The incremental borrowing rate is calculated using the contractual lease term and the Organization's borrowing rate or a risk-free discount rate determined using a period comparable with that of the lease term as an accounting policy election by class of asset.
- **Lease term:** The Organization does not recognize leases with a contractual term of less than 12 months on its balance sheets. Lease expense for these short-term leases is expensed on a straight-line basis over the lease term.
- **Rent increases or escalation clauses:** When applicable, the Organization assesses each contract individually and applies the appropriate variable payments based on the terms of the agreement.
- **Renewal options and/or purchase options:** Certain leases include renewal options to extend the lease term. The Organization assesses these options using a threshold of reasonably certain, which is a high threshold. For leases the Organization is reasonably certain to renew or purchase, those options are included within the lease term and, therefore, included in the measurement of the right of use asset and the associated lease liability.
- **Option to terminate:** Certain leases may include the option to terminate the lease prior to its scheduled expiration. This allows a contractually bound party to terminate its obligation under the lease contract, typically in return for an agreed-upon financial consideration. The terms and conditions of the termination options vary by contract.
- **Residual value guarantees, restrictions or covenants:** The Organization's lease agreements do not contain residual value guarantees, restrictions or covenants.

The Organization leases office space in Oxford, Mississippi for various organizational purposes. The remaining lease term for this lease was 1.33 and 2.33 years at June 30, 2025 and 2024, respectively. The discount rate for this lease was 4.67% at June 30, 2025 and 2024.

The Organization, from time to time, leases certain items under lease agreements accounted for as short-term leases. When applicable, the Organization elects to account for short-term lease costs as expense on the straight-line basis over the term of the lease in the period in which the obligation for payment is incurred.

The following is a summary of the Organization's lease cost within the statements of activities for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 15,600	\$ 13,800

There were no material accrued or prepaid rents at June 30, 2025 or 2024, and, accordingly, the lease costs disclosed above represent the cash flow impact on operating activities in the Organization's statements of cash flows.

**Notes to Financial Statements (continued)**

**NOTE 6. LEASES – (Continued)**

The following is a summary of the future minimum lease payments for the noncancelable operating lease as of June 30:

	2026	\$ 15,600
	2027	<u>5,200</u>
Total minimum payments, including interest		20,800
Less: amounts representing interest		<u>672</u>
Present value of minimum lease payments		20,128
Less: current portion of lease liabilities		<u>14,978</u>
Noncurrent portion of lease liabilities		<u>\$ 5,150</u>

**NOTE 7. EMPLOYEE BENEFIT PLAN**

The Organization participates in a Simplified Employee Pension Individual Retirement Arrangement (SEP IRA). The Organization contributes six percent of the employee's salary to the SEP IRA. For the year ended June 30, 2025 and 2024, plan expenses incurred by the Organization for the SEP IRA were \$4,387 and \$4,387 respectively.

**NOTE 8: AVAILABILITY AND LIQUIDITY**

The following table presents the Organization's financial assets available to meet general expenditures over the next twelve months at June 30:

	<u>2025</u>	<u>2024</u>
Financial assets at year end		
Cash and cash equivalents	\$ 143,601	\$ 174,877
Certificates of deposit	98,807	94,731
Unconditional promises to give, net	64,304	65,410
CREATE Endowment	<u>94,030</u>	<u>83,503</u>
Total financial assets	<u>400,742</u>	<u>418,521</u>
Less amounts not available to be used within one year:		
Quasi endowment established by the board	94,030	83,503
Net assets with donor restrictions	<u>19,264</u>	<u>41,941</u>
	<u>113,294</u>	<u>125,444</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 287,448</u>	<u>\$ 293,077</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization invests its cash in excess of daily requirements in short term investments.

**NOTE 9. NET ASSETS**

Net assets with donor restrictions consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
LOU Reads	\$ 18,014	\$ 17,303
Restricted grant allocations	<u>1,250</u>	<u>24,638</u>
Total net assets with donor restrictions	<u>\$ 19,264</u>	<u>\$ 41,941</u>

**Notes to Financial Statements (continued)**

**NOTE 9. NET ASSETS – (Continued)**

Funds with donor-imposed restrictions for LOU Reads expenditures are held by the Organization, and any funds unspent from the donor contributions with the aforementioned restrictions are held over for use by LOU Reads in subsequent years. Net assets with donor restrictions at June 30, 2025 and 2024 represent funds allocated to LOU Reads in excess of amounts spent by LOU Reads and are restricted for future use by that program in subsequent fiscal years, as well as contributions received from donors designated for certain allocations to be made to specific agencies in the subsequent fiscal years.