

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.

FINANCIAL STATEMENTS

For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Activities	6
Statement of Cash Flows	7
Statement of Functional Expenses	8
Notes to Financial Statements	9
SUPPLEMENTAL INFORMATION	
Schedule of Findings and Responses	21



JASON S. KEENUM, CPA
CERTIFIED PUBLIC ACCOUNTANT
(A Professional Association)

Jason S. Keenum, CPA
Lindsey W. Conley, CPA

1237 Jackson Avenue • Pascagoula, Mississippi 39567 • Phone: 228.471.5464 • Fax: 228.471.4276 • keenumcpa@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Bacot Foundation of South Mississippi, Inc.
Pascagoula, Mississippi

Opinion

We have audited the accompanying financial statements of Bacot Foundation of South Mississippi, Inc. (a nonprofit organization), which comprise the statement of financial position as of October 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bacot Foundation of South Mississippi, Inc. as of October 31, 2023, and the changes in 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bacot Foundation of South 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 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 Bacot Foundation of South Mississippi, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Membership in: American Institute of Certified Public Accountants



Independent Auditor's Report Continued

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 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 Bacot Foundation of South 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 Bacot Foundation of South Mississippi, 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.

Report on Summarized Comparative Information

We have previously audited the Bacot Foundation of South Mississippi, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Pascagoula, MS 39567
December 28, 2024

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
STATEMENT OF FINANCIAL POSITION
October 31, 2024
(With Summarized Comparative Financial Information for 2023)

ASSETS	2024	2023
CURRENT ASSETS		
Cash	\$ 42,368	\$ 85,101
Restricted cash	-	-
	<u>42,368</u>	<u>85,101</u>
Investments	67,409	8,271
Restricted investments	529,641	778,908
Total investments	<u>597,050</u>	<u>787,179</u>
Total Current Assets	<u>639,418</u>	<u>872,280</u>
NONCURRENT ASSETS		
PROPERTY AND EQUIPMENT, net of accumulated depreciation	<u>22,000</u>	<u>22,000</u>
TOTAL ASSETS	<u>\$ 661,418</u>	<u>\$ 894,280</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued liabilities	\$ 8,425	\$ 15,524
Total Current Liabilities	<u>8,425</u>	<u>15,524</u>
NET ASSETS		
Net assets with donor restrictions	541,641	778,908
Net assets without donor restrictions	<u>111,352</u>	<u>99,848</u>
	<u>652,993</u>	<u>878,756</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 661,418</u>	<u>\$ 894,280</u>

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

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
STATEMENT OF ACTIVITIES
October 31, 2024
(With Summarized Comparative Financial Information for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING REVENUES AND GAINS				
Contributions	\$ 92,289	126,350	\$ 218,639	\$ 203,923
Donated facilities and services	18,000	-	18,000	18,000
Special events	311,399	-	311,399	448,369
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of program restrictions	126,350	(126,350)	-	-
TOTAL OPERATING REVENUES AND GAINS	548,038	-	548,038	670,292
OPERATING EXPENSES AND LOSSES				
Program services	476,831	237,267	714,098	672,654
Management and general	54,858	-	54,858	81,714
Fundraising	115,267	-	115,267	155,132
Total operating expenses	646,956	237,267	884,223	909,500
OPERATING REVENUES AND GAINS IN EXCESS OF OPERATING EXPENSES	(98,918)	(237,267)	(336,185)	(239,208)
(OTHER ITEMS CONSIDERED TO BE NONOPERATING)				
Investment income	13,101	-	13,101	2,459
Unrealized Gain (loss) on investments	97,321	-	97,321	39,543
	110,422	-	110,422	42,002
CHANGE IN NET ASSETS	11,504	(237,267)	(225,763)	(197,206)
NET ASSETS, BEGINNING OF THE YEAR	99,848	778,908	878,756	1,075,962
NET ASSETS, END OF THE YEAR	\$ 111,352	\$ 541,641	\$ 652,993	\$ 878,756

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

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
STATEMENT OF CASH FLOWS
October 31, 2024
(With Summarized Comparative Financial Information for 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (225,763)	\$ (197,206)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in receivables	-	-
Increase (decrease) in accrued liabilities	(7,099)	(12,357)
Increase (decrease) in grants payable	-	-
Net cash provided (used) by operating activities	<u>(232,862)</u>	<u>(209,563)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment (gain) loss on investment account	(109,871)	(34,270)
Transfer of investments to bank account	300,000	200,000
Net cash provided (used) by investing activities	<u>190,129</u>	<u>165,730</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
SBA PPP Loan forgiveness	-	-
Net cash provided (used) by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	(42,733)	(43,833)
Cash at beginning of year	85,101	128,934
Cash at end of year	<u>\$ 42,368</u>	<u>\$ 85,101</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	\$ -	\$ -

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

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

	2024			2023	
	Program Services	Supporting Services		Total	2023 Total
	Program Services	Mangement & General	Fundraising		
Functional expenses					
Advertising	-	-	2,736	2,736	7,341
Auto expenses	5,173	1,725	1,724	8,622	9,992
Bank service charges	-	36	225	261	4,687
Contract labor	319	106	300	725	450
Dues and subscriptions	260	1,042	-	1,302	3,126
Facilities - in kind	10,800	5,400	1,800	18,000	18,000
Event Expenses	-	-	75,641	75,641	96,648
Grants	600,827	-	-	600,827	527,006
Insurance	7,636	2,545	2,545	12,726	20,117
Investment fees	-	-	-	-	7,238
Meals and entertainment	-	-	1,342	1,342	2,607
Office expenses	480	1,922	-	2,402	5,434
Professional fees	-	11,250	-	11,250	13,150
Repairs and maintenance	166	499	166	831	1,062
Payroll expenses	84,291	28,097	28,097	140,485	182,706
Taxes	-	163	-	163	166
Telephone and utilities	4,146	2,073	691	6,910	9,770
Total Expenses	\$ 714,098	\$ 54,858	\$ 115,267	\$ 884,223	\$ 909,500
Percentage Allocation	80.76%	6.20%	13.04%	100.00%	

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

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Bacot Foundation of South Mississippi, Inc. (the Foundation) is a non-profit organization exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Foundation which is organized for, and is operated exclusively for, charitable, literary, youth and educational purposes; including, but not limited to, the encouragement of art and further education in Jackson County and South Mississippi. The Foundation is supported primarily through donor contributions and fundraising activities. The Foundation allocates these funds to various individuals and organizations in the local community

Basis of Accounting

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

Cash

The Foundation's cash consists of demand deposits at local financial institutions. Cash also includes other kinds of accounts that the customer may deposit additional funds at any time without prior notice or penalty. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near to maturity that they present insignificant risk of changes in value because of interest rates.

Custodial credit risk is the risk that in the event of the failure of a financial institution, the Foundation will not be able to recover deposits or collateral securities that are in possession of an outside party. The Corporation does not have a formal policy for custodial credit risk. The Foundation had cash deposits in excess of federally insured limits for the year ending October 31, 2024 were \$0 as compared to \$0 as of October 31, 2023. (See Note B).

Investments

Investments in marketable securities are reported at their fair values in the statements of financial position. Other investments are reported at the lower of cost or fair value. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Compensated absences

Compensated absences cannot be reasonably estimated and are deemed immaterial, therefore they were not recorded.

Property and Equipment

Property and equipment are stated at cost or fair value at date of purchase or donation. The Foundation capitalizes assets with initial cost of \$1,000 or more and an estimated useful life in excess of one year. The cost of normal repairs and maintenance that do not add value of the assets or materially extend the useful life of assets are not capitalized. Depreciation is provided using straight-line method over the estimated useful lives.

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code.

Donations of Real Property and Other Assets

It is the Foundation's policy to record unconditional donations of real property and other assets at fair market value when received. It is the Foundation's policy that it does not impose time restrictions in the use of contributed long-lived assets (and cash contributed for purchase of long-lived assets) when donors do not place stipulations about how long the assets must be used. Therefore, in the absence of any donor restrictions, contributions of long-lived assets are recorded as unrestricted support.

Donated Services and Facilities

The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and skills to perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as contributed services. The Foundation primarily utilizes volunteers during its one major fundraiser, the golf tournament. Donated Facilities were donated for the years ended October 31, 2024 and October 31, 2023 was \$18,000 and \$18,000, respectively.

Advertising. Advertising costs are expensed as incurred. Total advertising expenses for the year ending October 31, 2024 were \$2,736 as compared to \$7,341 as of October 31, 2023.

Use of 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.

Support and Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, such as when a stipulated time restriction ends or purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions that are received and for which donor restrictions expire in the same period are recorded as unrestricted support. The Foundation receives contributions from the general public and businesses throughout South Mississippi.

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Risks and Uncertainties

The Foundation's investments include money market funds, equities, and fixed income securities. Investments are open to risks arising from, but not limited to; interest rate fluctuations, market conditions, and credit risk. It is reasonably possible that the value of these securities could fluctuate in the near future and cause valuation changes that could affect the Foundation's financial statements in a manner deemed as a material change.

Accounts receivable

An allowance for doubtful accounts is established during the period in which management determines receivables to be uncollectible based on the specific identification method. As of October 31, 2024, all receivables were deemed collectible.

Allocation of Functional Expenses

Expenses have been summarized by function on the face of the Statement of Activities. The Statement of Functional Expenses summarizes each cost category by program (function). Certain costs have been allocated to the programs benefited.

Summarized Financial Information

The financial statements include certain summarized prior-year functional information in total, but not by functional class. This does not include the enough detail to be in conformity with accounting principles generally accepted in the United States of America. Therefore, any summarized information should be used along with the Foundation's financial statements for the year ended October 31, 2023.

NOTE B. CASH AND CASH EQUIVALENTS

For purposes of the accompanying statements of cash flows, the Foundation considers all certificates of deposit purchased with maturity of three months or less to be cash equivalents. The Foundation maintains cash at local financial institutions consisting entirely of demand deposit. The demand account balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per account type, per institution.

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE B. CASH AND CASH EQUIVALENTS (continued)

	As of October 31, 2024	As of October 31, 2023
	Citizens Bank	Citizens Bank
DEMAND DEPOSITS:		
Total Deposits	\$ 57,803	\$ 101,413
Covered by:		
FDIC Insured Amount	57,803	101,413
Amount of demand deposits not covered by insurance	<u>\$ -</u>	<u>\$ -</u>

A summary of the total unrestricted cash is as follows:

As of:	<u>October 31, 2024</u>	<u>October 31, 2023</u>
Operating Cash and Reserve	\$ 42,368	\$ 85,101
Total unrestricted cash	<u>\$ 42,368</u>	<u>\$ 85,101</u>

A summary of the total restricted cash is as follows:

As of:	<u>October 31, 2024</u>	<u>October 31, 2023</u>
Restricted cash	\$ -	\$ -
Total restricted cash	<u>\$ -</u>	<u>\$ -</u>

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE C - PROPERTY AND EQUIPMENT

Capital assets as of October 31, 2024 and 2023 consist of the following:

	2023	Additions and Deletions	2024
Land	\$ 22,000	\$ -	\$ 22,000
Buildings	-	-	-
Furniture & Equipment	-	-	-
	<u>22,000</u>	<u>-</u>	<u>22,000</u>
Less: accumulated depreciation	-	-	-
Total capital assets, net	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ 22,000</u>

Depreciation expense for the years ended October 31, 2024 and October 31, 2023 was \$0 and \$0, respectively.

NOTE D - DONATED FACILITIES AND SERVICES

During the year, the Foundation occupied space at no cost to them. The total value of the contributed rent included as contributions in the financial statements and the corresponding program expenses for the year ended October 31, 2024 and October 31, 2023 was \$18,000 and \$18,000, respectively.

NOTE E - RECEIVABLES

Accounts receivables as of October 31, 2024 and October 31, 2023 consist of the following:

<u>Accounts Receivable</u>	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ -	\$ -
Allowance for doubtful accounts	-	-
	<u>\$ -</u>	<u>\$ -</u>

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of October 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Chevron	\$ 25,754	\$ 26,144
Duchess Club	13,704	10,460
IP Casino	115,000	280,320
John Corlew Scholarship	2,675	3,000
50 Women	6,000	44,000
Big O Fund	11,909	18,505
OS Scholarship Fund	-	4,500
Prim My Prom	750	-
Resurrection Catholic School	114,383	158,968
Renfroe Trust	136,519	141,519
Gilbert Pitano Fund	3,250	3,250
Feidt Soccer Fund	6,641	7,641
Robotics Pascagoula	823	-
Billy Crawford Fund	9,900	10,000
Tingle Fund	-	2,350
Trenchard Scholarship Fund	57,200	14,226
MSP Fund	20,060	23,360
2nd Chance Coalition	6,160	10,902
Blevins Fund	5,450	9,700
Robbie Maxwell Scholarship	5,463	10,063
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u><u>\$ 541,641</u></u>	<u><u>\$ 778,908</u></u>

Net assets with donor restrictions are all considered current and made up of cash donated for the items/events listed above. Net assets with donor restrictions that are received, and restrictions are met during the same period are treated as unrestricted in the financial statements.

Bacot Foundation of South Mississippi, Inc. adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*, during the year ending September 30, 2019. Due to the adoption of this standard, net assets previously reported as temporarily restricted will now be presented as net assets with donor restrictions.

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE G - FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels:

- Level 1 inputs are unadjusted quoted prices in active markets for identical securities.
- Level 2 inputs included quoted prices for similar securities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the investments. Such inputs include market interest rates, volatilities and yield curves.
- Level 3 inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement including the reporting entity's own assumptions in determining the fair value of the investment.

As of October 31, 2024, the investments held by the Foundation are valued at unadjusted quoted market prices and are classified as Level 1.

NOTE H - INVESTMENTS

The Foundation's investments are held in safekeeping by Merrill Lynch Investments. Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Custodial fees are netted from investment income and were \$0 and \$7,238 for the years ended October 31, 2024 and 2023, respectively. Fair value and unrealized appreciation (depreciation) at October 31, 2024 is as follows:

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE H – INVESTMENTS (continued)

	Cost	Fair Value	Unrealized Gains (Losses)
Cash and Mutual funds	\$ 274,906	\$ 294,273	\$ 19,367
Equities and Fixed Income	221,049	302,777	81,728
Total investments at October 31, 2024	<u>\$ 495,955</u>	<u>\$ 597,050</u>	<u>\$ 101,095</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year end October 31, 2024:

	Unrestricted	Temporarily Restricted	Total
Net unrealized and realized gains (losses)	\$ 97,321		\$ 97,321
Investment income	13,101		13,101
Total investment income at October 31, 2024	<u>\$ 110,422</u>	<u>\$ -</u>	<u>\$ 110,422</u>

Fair value and unrealized appreciation (depreciation) as of October 31, 2023 is as follows:

	Cost	Fair Value	Unrealized Gains (Losses)
Cash	\$ 13,320	\$ 13,320	\$ -
Equities and Options	171,216	174,887	3,671
ETP's, Mutual Funds Exchange-Traded Closed- End Funds and Interval Funds	263,800	207,809	(55,991)
Government and Agency Bonds	180,154	171,862	(8,292)
Municipal Bonds	242,031	219,301	(22,730)
Total investments at October 31, 2023	<u>\$ 870,521</u>	<u>\$ 787,179</u>	<u>\$ (83,342)</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year end October 31, 2023:

	Unrestricted	Temporarily Restricted	Total
Net unrealized and realized gains (losses)	\$ 39,543		\$ 39,543
Investment income	2,459		2,459
Total investment income at October 31, 2023	<u>\$ 42,002</u>	<u>\$ -</u>	<u>\$ 42,002</u>

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE H – INVESTMENTS (continued)

Interest Rate Risk

The Corporation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rates.

Credit Risk

The Corporation does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are the possession of an outside party. The Corporation does not have a formal investment policy that addresses custodial credit risk.

Concentration of Credit Risk

Disclosure of investments by amount and issuer for any issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments.

As of October 31, 2024, the Corporation had the following investments:

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Cash and Mutual Funds	\$ 294,273	49.29%
Equities and Fixed Income	302,777	50.71%
Total	<u>\$ 597,050</u>	<u>100.00%</u>

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE H – INVESTMENTS (continued)

As of October 31, 2023, the Corporation had the following investments:

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Cash and Cash Equivalents	\$ 13,320	1.69%
Equities and Options	174,887	22.22%
ETPs, Mutual Funds, Exchange Traded Closed- End Funds and Interval Funds	207,809	26.40%
Government and Agency Bonds	171,862	21.83%
Municipal Bonds	<u>219,301</u>	<u>27.86%</u>
Total	<u>\$ 787,179</u>	<u>100.00%</u>

A summary of the total restricted investments is as follows:

As of:	<u>October 31, 2024</u>	<u>October 31, 2023</u>
Restricted investments	\$ 529,641	\$ 778,908
Unrestricted investments	67,409	8,271
Total restricted investments	<u>\$ 597,050</u>	<u>\$ 787,179</u>

NOTE I – AVAILABILITY OF FINANCIAL ASSETS

The following represents the Bacot McCarty Foundation's financial assets as of the balance sheet date.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 42,368	\$ 85,101
Restricted cash	-	-
Restricted investments	529,641	778,908
Available investments	67,409	8,271
	<u>\$ 639,418</u>	<u>\$ 872,280</u>

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE I – AVAILABILITY OF FINANCIAL ASSETS (continued)

The following represents the Bacot Foundation of South Mississippi, Inc.'s financial assets as of the balance sheet date, reduced by amounts that are not available for general use due to restrictions within one year of the balance sheet date.

Financial assets at October 31, 2024	\$ 639,418
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restrictions by donor with purpose restrictions	(529,641)
	<hr/>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 109,777</u>
Financial assets at October 31, 2023	\$ 872,280
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restrictions by donor with purpose restrictions	(778,908)
	<hr/>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 93,372</u>

Bacot Foundation of South Mississippi, Inc. has restricted contributions that require those resources to be used in a specified manner or time period. Due to these restrictions, the Bacot Foundation of South Mississippi, Inc. must maintain the resources to meet those donor responsibilities. Due to these restrictions, those assets may not be available for expenditure within one year.

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2024
(With Summarized Comparative Financial Information for 2023)

NOTE J - SUBSEQUENT EVENTS

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes.

The Foundation has evaluated for consideration of recognition or disclosure, subsequent events that have occurred through the date financial statements were available for issuance (December 28, 2024). Subsequent events occurring after December 28, 2024 have not been evaluated by management.

BACOT FOUNDATION OF SOUTH MISSISSIPPI, INC.
SUMMARY OF FINDINGS AND RESPONSES
For the Year Ended October 31, 2024

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Bacot Foundation of South Mississippi, Inc.
2. No reportable conditions are reported related to the audit of the basic financial statements of Bacot Foundation of South Mississippi, Inc.
3. No instances of noncompliance material to the financial statements of Bacot Foundation of South Mississippi, Inc. were discovered during the audit.
4. Bacot Foundation of South Mississippi, Inc. was determined to be a low risk auditee.

B. Findings – Financial Statement Audit

None.