

UNITED WAY OF AIKEN COUNTY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
United Way of Aiken County, Inc.
Aiken, South Carolina

We have audited the accompanying financial statements of United Way of Aiken County, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' 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 auditors' 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 auditors consider 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.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Aiken County, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Budgeted Allocations Due in 2021 and 2020 on page 16, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That 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. Corporate Designations Directly from United Way of America, marked “Unaudited” on page 17, has not been subjected to the audit procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia

April 28, 2021

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,448,151	\$ 1,541,128
Pledges receivable	1,629,578	1,928,440
Allowance for uncollectible pledges	(282,860)	(330,375)
Investments	9,027	7,711
Total Current Assets	\$ 2,803,896	\$ 3,146,904
LIABILITIES AND NET ASSETS		
LIABILITIES		
Allocations payable	\$ 2,116,994	\$ 2,279,437
Designations payable	253,603	258,460
United Way dues payable	52,012	41,583
Accounts payable and accrued expenses	11,985	17,390
Deferred revenue	-	1,539
Other liabilities	662	662
Total Current Liabilities	2,435,256	2,599,071
NET ASSETS		
Net assets without donor restrictions		
Board designated	368,640	547,833
Total Net Assets	368,640	547,833
	\$ 2,803,896	\$ 3,146,904

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Revenue		
Annual campaign	\$ 2,272,565	\$ 2,500,766
Less: Donor designations	(204,013)	(242,536)
Less: Provision for uncollectible pledges	(109,700)	(123,100)
Net campaign revenue	1,958,852	2,135,130
Recovery of excess provision for uncollectible pledges	76,440	61,925
Other public support and revenue	105,752	103,102
In-kind contributions	6,385	3,985
Fundraising income	2,968	10,093
Interest and dividend income	3,279	5,887
Unrealized investment income	1,267	1,310
Total Revenue	2,154,943	2,321,432
Functional expenses		
Program services		
Allocations to agencies	2,048,656	2,139,868
Less: Donor designations	(204,013)	(242,536)
Net funds awarded/distributed	1,844,643	1,897,332
Volunteer services	111,841	107,739
Community services	185,403	179,620
Total program services	2,141,887	2,184,691
Supporting services		
Organizational administration	70,142	63,891
Fundraising	136,995	163,693
United Way dues	52,012	41,583
Total supporting services	259,149	269,167
Total Allocations and Functional Expenses	2,401,036	2,453,858
Other income		
Payroll Protection Plan revenue	66,900	-
Change in net assets	(179,193)	(132,426)
NET ASSETS - beginning of year	547,833	680,259
NET ASSETS - end of year	\$ 368,640	\$ 547,833

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services				Support Services				Total
	Allocation Services	Volunteer Services	Community Services	Total Program Services	Organizational Administration	Fundraising	United Way Dues	Total Support Services	
Salaries	\$ 58,135	\$ 57,860	\$ 97,331	\$ 213,326	\$ 28,473	\$ 58,844	\$ -	\$ 87,317	\$ 300,643
Payroll taxes	4,949	4,926	8,286	18,161	2,424	5,010	-	7,434	25,595
Employee benefits	11,949	11,892	20,005	43,846	5,852	12,095	-	17,947	61,793
Sub-total	<u>75,033</u>	<u>74,678</u>	<u>125,622</u>	<u>275,333</u>	<u>36,749</u>	<u>75,949</u>	<u>-</u>	<u>112,698</u>	<u>388,031</u>
Contract services	-	1,112	1,788	2,900	9,411	8,515	-	17,926	20,826
Supplies	-	15,266	24,559	39,825	3,089	2,794	-	5,883	45,708
Printing, postage and shipping	-	5,172	8,319	13,491	4,722	4,272	-	8,994	22,485
Telephone and networks	-	2,346	3,774	6,120	2,142	1,937	-	4,079	10,199
Occupancy	-	7,792	12,534	20,326	7,114	6,437	-	13,551	33,877
Meeting expense	-	84	135	219	76	69	-	145	364
Travel	-	62	100	162	57	52	-	109	271
Insurance	-	669	1,076	1,745	611	552	-	1,163	2,908
Bank and merchant fees	8,874	-	-	8,874	458	9	-	467	9,341
Miscellaneous	-	-	-	-	1,459	1,320	-	2,779	2,779
Technology	-	2,859	4,599	7,458	2,610	2,361	-	4,971	12,429
Equipment	-	1,801	2,897	4,698	1,644	1,487	-	3,131	7,829
Sub-total	<u>8,874</u>	<u>37,163</u>	<u>59,781</u>	<u>105,818</u>	<u>33,393</u>	<u>29,805</u>	<u>-</u>	<u>63,198</u>	<u>169,016</u>
Fundraising expenses	-	-	-	-	-	1,015	-	1,015	1,015
Campaign costs	-	-	-	-	-	30,226	-	30,226	30,226
United Way of America	-	-	-	-	-	-	40,009	40,009	40,009
United Way of South Carolina	-	-	-	-	-	-	12,003	12,003	12,003
Annual allocations	1,606,652	-	-	1,606,652	-	-	-	-	1,606,652
Special allocations	358,097	-	-	358,097	-	-	-	-	358,097
Less donor designations	(204,013)	-	-	(204,013)	-	-	-	-	(204,013)
Sub-total	<u>1,760,736</u>	<u>-</u>	<u>-</u>	<u>1,760,736</u>	<u>-</u>	<u>31,241</u>	<u>52,012</u>	<u>83,253</u>	<u>1,843,989</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,844,643</u>	<u>\$ 111,841</u>	<u>\$ 185,403</u>	<u>\$ 2,141,887</u>	<u>\$ 70,142</u>	<u>\$ 136,995</u>	<u>\$ 52,012</u>	<u>\$ 259,149</u>	<u>\$ 2,401,036</u>

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services				Support Services				Total
	Allocation Services	Volunteer Services	Community Services	Total Program Services	Organizational Administration	Fundraising	United Way Dues	Total Support Services	
Salaries	\$ 54,099	\$ 53,977	\$ 91,761	\$ 199,837	\$ 23,369	\$ 72,722	\$ -	\$ 96,091	\$ 295,928
Payroll taxes	4,491	4,481	7,619	16,591	1,940	6,035	-	7,975	24,566
Employee benefits	10,529	10,505	17,859	38,893	4,548	14,154	-	18,702	57,595
Sub-total	<u>69,119</u>	<u>68,963</u>	<u>117,239</u>	<u>255,321</u>	<u>29,857</u>	<u>92,911</u>	<u>-</u>	<u>122,768</u>	<u>378,089</u>
Contract services	-	-	-	-	9,049	8,187	-	17,236	17,236
Supplies	-	16,237	26,120	42,357	2,209	1,999	-	4,208	46,565
Printing, postage and shipping	-	5,129	8,251	13,380	4,683	4,237	-	8,920	22,300
Telephone and networks	-	2,417	3,889	6,306	2,207	1,997	-	4,204	10,510
Occupancy	-	7,127	11,465	18,592	6,507	5,888	-	12,395	30,987
Meeting expense	-	387	623	1,010	354	320	-	674	1,684
Travel	-	177	285	462	162	146	-	308	770
Insurance	-	608	979	1,587	555	503	-	1,058	2,645
Bank and merchant fees	10,288	-	-	10,288	530	11	-	541	10,829
Miscellaneous	-	-	-	-	1,665	1,507	-	3,172	3,172
Technology	-	2,211	3,557	5,768	2,019	1,826	-	3,845	9,613
Equipment	-	4,483	7,212	11,695	4,094	3,704	-	7,798	19,493
Sub-total	<u>10,288</u>	<u>38,776</u>	<u>62,381</u>	<u>111,445</u>	<u>34,034</u>	<u>30,325</u>	<u>-</u>	<u>64,359</u>	<u>175,804</u>
Fundraising expenses	-	-	-	-	-	9,473	-	9,473	9,473
Campaign costs	-	-	-	-	-	30,984	-	30,984	30,984
United Way of America	-	-	-	-	-	-	28,678	28,678	28,678
United Way of South Carolina	-	-	-	-	-	-	12,905	12,905	12,905
Annual allocations	1,791,267	-	-	1,791,267	-	-	-	-	1,791,267
Special allocations	269,194	-	-	269,194	-	-	-	-	269,194
Less donor designations	(242,536)	-	-	(242,536)	-	-	-	-	(242,536)
Sub-total	<u>1,817,925</u>	<u>-</u>	<u>-</u>	<u>1,817,925</u>	<u>-</u>	<u>40,457</u>	<u>41,583</u>	<u>82,040</u>	<u>1,899,965</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,897,332</u>	<u>\$ 107,739</u>	<u>\$ 179,620</u>	<u>\$ 2,184,691</u>	<u>\$ 63,891</u>	<u>\$ 163,693</u>	<u>\$ 41,583</u>	<u>\$ 269,167</u>	<u>\$ 2,453,858</u>

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (179,193)	\$ (132,426)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Provision for uncollectible pledges	109,700	123,100
Net gain on investments	(1,316)	(1,332)
Changes in operating assets and liabilities:		
Pledges receivable	141,647	(94,427)
Allocations payable	(152,014)	7,172
Designations payable	(4,857)	(83,715)
Accrued expenses	(5,405)	1,013
Deferred revenue	(1,539)	(36,286)
	(92,977)	(216,901)
Net cash used in operating activities	(92,977)	(216,901)
Net decrease in cash and cash equivalents	(92,977)	(216,901)
Cash and cash equivalents at beginning of year	1,541,128	1,758,029
Cash and cash equivalents at end of year	\$ 1,448,151	\$ 1,541,128

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS - The United Way of Aiken County, Inc. (the “Organization”) is a not-for-profit organization that provides a centralized solicitation program to raise and distribute funds to meet health and human service needs served by agencies primarily located in the Aiken County, South Carolina area. Contributions are primarily from individuals and businesses in the Aiken, South Carolina area.

BASIS OF PRESENTATION - Contributions received or promises to give are recorded as without donor restriction or with donor restriction depending on the existence and/or nature of any donor-imposed restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the donor restrictions have been met. The Organization chooses to show contributions with donor restrictions (including contributions of long-lived assets) whose restrictions are met in the same reporting period as contributions without donor restrictions.

Net assets without donor restrictions - represent resources over which the Organization has discretionary control and are used to carry out the operations of United Way of Aiken County, Inc. in accordance with its bylaws.

Net assets with donor restrictions - represent gifts from contributions restricted for specific programs or time periods.

As a federation, the Organization honors Combined Federal Campaign designations made to each member organization by distributing a proportionate share of receipts based on donor designations to each member.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

REVENUE RECOGNITION - United Way recognizes revenue from exchange-transactions in accordance with Accounting Standards Codification (“ASC”) 606, the core principle of which is that an organization should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to receive in exchange for those goods and services. To achieve this core principle, five basic criteria must be met before revenue can be recognized: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to performance obligations in the contract; and (5) recognize revenue when or as United Way satisfies a performance obligation.

United Way recognizes revenue when its customer obtains control of promised services or gains access to the promised goods in an amount that reflects the consideration that United Way expects to receive in exchange for those goods or services.

UNITED WAY OF AIKEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Annual campaigns are conducted in the fall of each year to raise support for participating agencies in the subsequent calendar year. Campaign production (contributions and pledges) received or receivable is recognized as support in the year of the campaign and is allocated to agencies as an expense in that same year. Written pledges are recorded as receivables, and allowances are provided for amounts estimated to be uncollectible. Subsequent changes in pledges, uncollectible estimates and allocations are recognized when the changes are identified. Revenues from grants are recognized as revenues when such amounts are received.

Donor-designated allocations are not included in revenues, gains, and other support or in allocations to agencies in the statements of activities in accordance with accounting principles generally accepted in the United States of America (“GAAP”), as United Way passes these contributions on to the donor-designated party.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents consist of cash held in checking and money market accounts maintained in several local community and national banks and a repurchase agreement with a local community bank. The repurchase agreement is stated at cost because that approximates market value.

PLEDGES RECEIVABLE - Pledges receivable consists of pledges from individuals and businesses and is stated at the amount pledged less an allowance for uncollectible pledges. Management’s determination of the allowance for uncollectible pledges is based on an evaluation of the pledges receivable, past experience, current economic conditions, and other risks inherent in the pledges receivable portfolio.

INVESTMENTS - Investments are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets.

FURNITURE AND EQUIPMENT - Purchased furniture and equipment is recorded at cost. Depreciation is provided over the estimated useful lives of the assets and computed on the straight-line method. Donated assets are recorded at their estimated fair market value at the date of receipt.

NET ASSETS - Campaign contributions are presented as support without donor restrictions as the Organization has recognized in the current year the related agency allocations, including the subsequent year's supporting services budget. Revenues from grants are presented as support without donor restrictions when the donor restrictions are met in the same reporting period.

UNITED WAY OF AIKEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CONTRIBUTED SERVICES - A substantial number of unpaid volunteers have made significant contributions of their time to the Organization's programs and fundraising campaigns. These donated services have not been recorded in the financial statements because they do not meet the criteria for recognition as contributed services.

INCOME TAX STATUS - The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is included in the accompanying statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

FUNCTIONAL EXPENSES - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the activities based on management's estimate of direct and indirect usage of resources.

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT - In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarified and improved current guidance by providing criteria for determining whether a nonprofit is receiving commensurate value in return for the resources transferred. The outcome of the analysis determines whether the contract or grant constitutes either a contribution or an exchange transaction (i.e., ASC 606). The guidance also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. United Way of Aiken County, Inc. adopted this update on a prospective basis and there were no material impacts to the financial statements and underlying accounting as a result of this adoption.

SUBSEQUENT EVENTS - The Organization has evaluated subsequent events through April 28, 2021, the date the financial statements were available to be issued.

UNITED WAY OF AIKEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - LIQUIDITY

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows at December 31:

	2020	2019
Cash	\$ 1,448,151	\$ 1,541,128
Accounts receivable	1,346,718	1,598,065
Interest and dividends	9,027	7,711
	\$ 2,803,896	\$ 3,146,904

The Organization maintains financial assets, which consist of cash, accounts receivable, and investments, on hand to meet 60 days of normal operating expenses, which were, on average, approximately \$215,000 per month for the year ended December 31, 2020. The Organization has a policy to structure its assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 3 - PLEDGES RECEIVABLE

Included in pledges receivable are the following unconditional promises to give at December 31:

	2020	2019
2017 Fall campaign	\$ -	\$ 80,775
Less allowance for uncollectible	-	(80,775)
	-	-
2018 Fall campaign	73,303	151,480
Less allowance for uncollectible	(73,303)	(126,500)
	-	24,980
2019 Fall campaign	99,857	1,696,185
Less allowance for uncollectible	(99,857)	(123,100)
	-	1,573,085
2020 Fall campaign	1,456,418	-
Less allowance for uncollectible	(109,700)	-
	1,346,718	-
Total campaign pledges receivable	\$ 1,346,718	\$ 1,598,065

UNITED WAY OF AIKEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - PLEDGES RECEIVABLE (continued)

Pledges receivable from members of the board and their affiliated organizations totaled approximately \$1,120,000 and \$1,203,000 as of December 31, 2020 and 2019, respectively. Campaign revenue from members of the board and their affiliated organizations consisted of approximately \$1,515,000 and \$1,765,000 for the years ended December 31, 2020 and 2019, respectively.

NOTE 4 - INVESTMENTS

Changes in investments for the year ending December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 7,711	\$ 6,377
Interest and dividends	49	24
Realized and unrealized gains	<u>1,267</u>	<u>1,310</u>
	<u>\$ 9,027</u>	<u>\$ 7,711</u>

Investments, stated at fair value, at December 31, 2020 and 2019 consisted of common stock.

NOTE 5 - FAIR VALUE MEASUREMENTS

The framework used to measure fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities that the Organization has the ability to access
- Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
- Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments)

The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those instruments. There have been no changes in the methodologies used.

UNITED WAY OF AIKEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - FAIR VALUE MEASUREMENTS (continued)

Fair value of long-term investments measured on a recurring basis at December 31, 2020 and 2019 are as follows:

	Fair Value	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2020</u>				
Common stock	\$ 9,027	\$ 9,027	\$ -	\$ -
<u>2019</u>				
Common stock	\$ 7,711	\$ 7,711	\$ -	\$ -

NOTE 6 - FURNITURE AND EQUIPMENT

The following is a summary of furniture and equipment at December 31:

	2020	2019
Furniture and equipment	\$ 40,055	\$ 40,055
Less accumulated depreciation	(40,055)	(40,055)
	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 - DESIGNATED NET ASSETS

The Board of Directors has designated net assets without donor restrictions to enable continued support of services and funding to member agencies for approximately two to three months in the case of a major economic loss in the community which might adversely affect the collection of pledges.

NOTE 8 - RETIREMENT PLAN

The Organization sponsors an employee retirement plan covering substantially all of its employees. Contributions are based on a percentage of payrolls approved by the Board of Directors. Retirement plan expense for the years ended December 31, 2020 and 2019 was \$28,558 and \$27,598, respectively.

UNITED WAY OF AIKEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - SUPPORT FROM MAJOR DONORS

The Organization recognized support in the amount of approximately \$1,252,000 and \$1,313,000 from four major donors during the years ended December 31, 2020 and 2019, respectively. Included in pledges receivable at December 31, 2020 and 2019, was approximately \$1,015,000 and \$665,000, respectively, due from these companies, their employees and directly-related enterprises. A significant reduction in the level of this support, if it were to occur, might have a significant effect on the Organization's allocations to agencies. Estimated uncollectible pledges from these contributors for the 2020 and 2019 campaigns included consideration of projected work force reductions. This estimate is subject to change in the near term based on future events, and the change may be material.

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of cash and pledges receivable. Credit risk is generally diversified due to the large number of entities comprising the pledge base, although the geographic concentration in the Aiken, South Carolina area and support from major contributors (see Note 9) results in the Organization being susceptible to economic conditions in the region.

The Organization maintains cash balances at several financial institutions located in Aiken, South Carolina. At December 31, 2020 and 2019, the Organization's uninsured cash balances total \$621,176 and \$532,421, respectively. These uninsured balances represent the bank balance, at December 31, 2020 and 2019, of the repurchase agreement, and are not insured by the Federal Deposit Insurance Corporation. Shares of a pool of U.S. government agency securities are pledged as collateral for the repurchase agreement of \$621,176 at December 31, 2020 and \$532,421 at December 31, 2019. The market value of the collateral exceeded the repurchase account balance at December 31, 2020 and 2019.

NOTE 11 - RELATED PARTY TRANSACTIONS

The Organization currently has eight accounts at the same bank as four of their board members. The Organization has held these accounts for many years prior to these members joining their board.

NOTE 12 - LEASE COMMITMENTS

The Organization leases office space under a cancelable operating lease with a 7-year agreement. The lease started January 1, 2016. The monthly payments are \$2,200 for the term of the lease agreement. Rent expense for the years ended December 31, 2020 and 2019 was \$26,400 and \$26,400, respectively. Future minimum lease payments are as follows:

2021	\$ 26,400
2022	26,400
Total	<u>\$ 52,800</u>

UNITED WAY OF AIKEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - CONTINGENCIES

In March 2020, the Director General of the World Health Organization declared COVID-19 a pandemic. The Organization is still assessing the impact COVID-19 may have on its operations, but there can be no assurance that this analysis will enable the Organization to avoid part or all of any impact from the spread of COVID-19 or its consequences, including downturns in business sentiment generally. The extent to which the COVID-19 pandemic and global efforts to contain its spread will impact the Organization's operations will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken to contain or treat the COVID-19 pandemic.

SUPPLEMENTARY SCHEDULES
(See Independent Auditors' Report)

UNITED WAY OF AIKEN COUNTY, INC.
SCHEDULE OF BUDGETED ALLOCATIONS DUE IN 2021 AND 2020
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ACTS	\$ 44,550	\$ 50,670
Aiken Area Council on Aging	121,500	135,000
Aiken Boxing/Youth Development	17,010	18,900
Aiken Center (Alcohol and Drug Abuse)	29,558	32,842
Aiken County Help Line	80,190	89,100
American Red Cross - Aiken County Chapter	64,800	72,000
Boy Scouts of America, Georgia-Carolina Council	29,160	32,400
Brothers & Sisters of Aiken County	24,300	27,000
CAC of Aiken County	32,400	36,000
CanHope Foundation	18,000	20,000
Children's Place, Inc.	170,910	189,900
Community Medical Clinic	101,250	112,500
Community Ministry of North Augusta	28,350	31,500
Cumbee Center to Assist Abused Persons	97,200	108,000
The Family Y	18,630	20,700
Girl Scouts of South Carolina - Mountains to Midlands	28,350	31,500
Golden Harvest Food Bank	48,600	54,000
Helping Hands, Inc.	190,917	212,130
Lower Savannah Council of Governments Medical Assistance Program	41,310	45,900
Mental Health Association of Aiken County	95,580	106,200
Project Vision Initiative	72,900	81,000
Salvation Army	96,390	107,100
Tri-Development Center	207,832	230,924
The RECing Crew	24,300	27,000
United Way of Aiken County Allocation	400,000	400,000
	<u>400,000</u>	<u>400,000</u>
 Total budgeted allocations	 <u>\$2,083,987</u>	 <u>\$2,272,266</u>

SEE INDEPENDENT AUDITORS' REPORT

UNITED WAY OF AIKEN COUNTY, INC.
CORPORATE DESIGNATIONS DIRECTLY FROM UNITED WAY OF AMERICA
YEARS ENDED DECEMBER 31, 2020 AND 2019

	UNAUDITED 2020	UNAUDITED 2019
United Parcel Service	\$ 33,617	\$ 63,642
	<u>\$ 33,617</u>	<u>\$ 63,642</u>

SEE INDEPENDENT AUDITORS' REPORT