

UNITED WAY OF AIKEN COUNTY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

TABLE OF CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT 1 - 3

FINANCIAL STATEMENTS:

 Statements of Financial Position 4

 Statements of Activities 5 - 6

 Statements of Functional Expenses 7 - 8

 Statements of Cash Flows 9

NOTES TO FINANCIAL STATEMENTS 10 - 19

SUPPLEMENTARY SCHEDULES:

 Schedule of Budgeted Allocations Due in 2023 and 2022 20

 Corporate Designations Directly from United Way of America..... 21

Michelle Bennett, CPA
Rick L. Evans, CPA
E.J. Maddocks, CPA
Jay Sanders, CPA
Wanda F. Scott, CPA

Abram J. Serotta, CPA
Joel R. Stewart, CPA
Andrea Usry, CPA
David Ussery, CPA
Paul Wade, CPA



INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Aiken County, Inc. as of December 31, 2022 and 2021, 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.

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 United Way of Aiken County, 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.

Responsibility of Management 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, 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 United Way of Aiken County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Aiken County, 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 United Way of Aiken County, 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 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 2023 and 2022 on page 20, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 21, 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

March 20, 2023

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,663,704	\$ 1,171,571
Cash restricted for purpose	1,102	-
Pledges receivable	1,673,092	1,596,569
Allowance for uncollectible pledges	(245,725)	(240,040)
Grant receivable	250,000	350,000
Employee Retention Credit receivable	-	40,745
Investments	6,948	7,090
Other assets	-	2,500
	3,349,121	2,928,435
NONCURRENT ASSETS		
Certificates of deposit restricted in perpetuity	148,532	-
Cash restricted in perpetuity	1,468	150,000
Property and equipment, net	360,803	-
	510,803	150,000
	\$ 3,859,924	\$ 3,078,435
LIABILITIES AND NET ASSETS		
LIABILITIES		
Allocations payable	\$ 1,945,028	\$ 2,110,514
Designations payable	189,128	230,078
United Way dues payable	38,040	45,891
Accounts payable and accrued expenses	62,052	11,467
Deferred revenue	-	50,000
Current portion of note payable	8,203	-
Other liabilities	20,669	652
	2,263,120	2,448,602
LONG-TERM LIABILITIES		
Note payable, net of current portion	288,261	-
NET ASSETS		
Net assets without donor restrictions		
Board designated	1,157,441	129,833
Net assets with donor restrictions	151,102	500,000
	1,308,543	629,833
	\$ 3,859,924	\$ 3,078,435

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without donor restrictions	With donor restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Annual campaign	\$ 2,084,426	\$ -	\$ 2,084,426
Less: Donor designations	(115,626)	-	(115,626)
Less: Provision for uncollectible pledges	(97,830)	-	(97,830)
Net campaign revenue	<u>1,870,970</u>	-	<u>1,870,970</u>
Recovery of excess provision for uncollectible pledges	59,083	-	59,083
Other public support and revenue	1,185,341	-	1,185,341
Contributions of nonfinancial assets	4,340	-	4,340
Fundraising income	3,800	-	3,800
Interest and dividend income	2,582	1,102	3,684
Net assets released from restrictions	<u>350,000</u>	<u>(350,000)</u>	<u>-</u>
Total revenues, gains and other support	<u>3,476,116</u>	<u>(348,898)</u>	<u>3,127,218</u>
FUNCTIONAL EXPENSES			
Program services			
Allocations to agencies	2,012,211	-	2,012,211
Less: Donor designations	(115,626)	-	(115,626)
Net funds awarded/distributed	<u>1,896,585</u>	-	<u>1,896,585</u>
Volunteer services	115,105	-	115,105
Community services	<u>190,533</u>	-	<u>190,533</u>
Total program services	<u>2,202,223</u>	-	<u>2,202,223</u>
Supporting services			
Organizational administration	71,308	-	71,308
Fundraising	138,206	-	138,206
United Way dues	<u>38,039</u>	-	<u>38,039</u>
Total supporting services	<u>247,553</u>	-	<u>247,553</u>
Total Allocations and Functional Expenses	<u>2,449,776</u>	-	<u>2,449,776</u>
OTHER INCOME (EXPENSE)			
Unrealized investment loss	(535)	-	(535)
Other income	<u>1,803</u>	-	<u>1,803</u>
Total other income (expense)	<u>1,268</u>	-	<u>1,268</u>
Change in net assets	1,027,608	(348,898)	678,710
NET ASSETS - beginning of year	<u>129,833</u>	<u>500,000</u>	<u>629,833</u>
NET ASSETS - end of year	<u>\$ 1,157,441</u>	<u>\$ 151,102</u>	<u>\$ 1,308,543</u>

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without donor restrictions	With donor restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Annual campaign	\$ 2,034,555	\$ -	\$ 2,034,555
Less: Donor designations	(166,108)	-	(166,108)
Less: Provision for uncollectible pledges	(97,045)	-	(97,045)
Net campaign revenue	1,771,402	-	1,771,402
Recovery of excess provision for uncollectible pledges	66,562	-	66,562
Other public support and revenue	139,782	-	139,782
Contributions of nonfinancial assets	3,985	-	3,985
Fundraising income	2,350	-	2,350
Grant (ARPA funding)	-	350,000	350,000
Contribution (Women United Endowment)	-	150,000	150,000
Interest and dividend income	1,434	-	1,434
Unrealized investment income	56	-	56
Total revenues, gains and other support	1,985,571	500,000	2,485,571
FUNCTIONAL EXPENSES			
Program services			
Allocations to agencies	1,914,864	-	1,914,864
Less: Donor designations	(166,108)	-	(166,108)
Net funds awarded/distributed	1,748,756	-	1,748,756
Volunteer services	104,813	-	104,813
Community services	174,050	-	174,050
Total program services	2,027,619	-	2,027,619
Supporting services			
Organizational administration	67,460	-	67,460
Fundraising	124,154	-	124,154
United Way dues	45,890	-	45,890
Total supporting services	237,504	-	237,504
Total Allocations and Functional Expenses	2,265,123	-	2,265,123
OTHER INCOME			
Payroll Protection Plan revenue	40,745	-	40,745
Change in net assets	(238,807)	500,000	261,193
NET ASSETS - beginning of year	368,640	-	368,640
NET ASSETS - end of year	\$ 129,833	\$ 500,000	\$ 629,833

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services				Support Services				Total
	Allocation Services	Volunteer Services	Community Services	Total Program Services	Organizational Administration	Fundraising	United Way Dues	Total Support Services	
Salaries	\$ 57,400	\$ 57,129	\$ 96,099	\$ 210,628	\$ 28,112	\$ 58,100	\$ -	\$ 86,212	\$ 296,840
Payroll taxes	4,771	4,748	7,987	17,506	2,337	4,829	-	7,166	24,672
Employee benefits	11,127	11,075	18,630	40,832	5,450	11,263	-	16,713	57,545
Sub-total	<u>73,298</u>	<u>72,952</u>	<u>122,716</u>	<u>268,966</u>	<u>35,899</u>	<u>74,192</u>	<u>-</u>	<u>110,091</u>	<u>379,057</u>
Contract services	-	-	-	-	9,827	8,891	-	18,718	18,718
Supplies	-	16,532	26,596	43,128	1,031	933	-	1,964	45,092
Printing, postage and shipping	-	4,920	7,915	12,835	4,492	4,064	-	8,556	21,391
Telephone and networks	-	3,018	4,855	7,873	2,755	2,493	-	5,248	13,121
Occupancy	-	8,447	13,588	22,035	7,712	6,978	-	14,690	36,725
Meeting expense	-	1,649	2,653	4,302	1,505	1,362	-	2,867	7,169
Travel	-	142	229	371	130	117	-	247	618
Insurance	-	663	1,067	1,730	605	548	-	1,153	2,883
Bank and merchant fees	4,029	-	-	4,029	208	4	-	212	4,241
Miscellaneous	-	-	-	-	950	859	-	1,809	1,809
Technology	-	1,524	2,455	3,979	1,393	1,262	-	2,655	6,634
Equipment	-	3,709	5,967	9,676	3,387	3,065	-	6,452	16,128
Interest	-	1,549	2,492	4,041	1,414	1,280	-	2,694	6,735
Sub-total	<u>4,029</u>	<u>42,153</u>	<u>67,817</u>	<u>113,999</u>	<u>35,409</u>	<u>31,856</u>	<u>-</u>	<u>67,265</u>	<u>181,264</u>
Campaign costs	-	-	-	-	-	32,158	-	32,158	32,158
United Way of America	-	-	-	-	-	-	26,234	26,234	26,234
United Way of South Carolina	-	-	-	-	-	-	11,805	11,805	11,805
Annual allocations	1,432,431	-	-	1,432,431	-	-	-	-	1,432,431
Special allocations	502,453	-	-	502,453	-	-	-	-	502,453
Less donor designations	(115,626)	-	-	(115,626)	-	-	-	-	(115,626)
Sub-total	<u>1,819,258</u>	<u>-</u>	<u>-</u>	<u>1,819,258</u>	<u>-</u>	<u>32,158</u>	<u>38,039</u>	<u>70,197</u>	<u>1,889,455</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,896,585</u>	<u>\$ 115,105</u>	<u>\$ 190,533</u>	<u>\$ 2,202,223</u>	<u>\$ 71,308</u>	<u>\$ 138,206</u>	<u>\$ 38,039</u>	<u>\$ 247,553</u>	<u>\$ 2,449,776</u>

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services				Support Services				Total
	Allocation Services	Volunteer Services	Community Services	Total Program Services	Organizational Administration	Fundraising	United Way Dues	Total Support Services	
Salaries	\$ 58,011	\$ 57,737	\$ 97,122	\$ 212,870	\$ 28,412	\$ 58,718	\$ -	\$ 87,130	\$ 300,000
Payroll taxes	4,793	4,771	8,025	17,589	2,348	4,852	-	7,200	24,789
Employee benefits	11,639	11,584	19,485	42,708	5,700	11,780	-	17,480	60,188
Sub-total	<u>74,443</u>	<u>74,092</u>	<u>124,632</u>	<u>273,167</u>	<u>36,460</u>	<u>75,350</u>	<u>-</u>	<u>111,810</u>	<u>384,977</u>
Contract services	-	-	-	-	9,254	8,372	-	17,626	17,626
Supplies	-	10,010	16,102	26,112	1,223	1,107	-	2,330	28,442
Printing, postage and shipping	-	5,155	8,293	13,448	4,707	4,259	-	8,966	22,414
Telephone and networks	-	2,158	3,471	5,629	1,970	1,781	-	3,751	9,380
Occupancy	-	7,667	12,334	20,001	7,000	6,333	-	13,333	33,334
Meeting expense	-	462	743	1,205	421	381	-	802	2,007
Travel	-	36	57	93	33	30	-	63	156
Insurance	-	632	1,017	1,649	577	521	-	1,098	2,747
Bank and merchant fees	4,614	-	-	4,614	241	5	-	246	4,860
Miscellaneous	-	-	-	-	1,373	1,242	-	2,615	2,615
Technology	-	2,859	4,599	7,458	2,610	2,362	-	4,972	12,430
Equipment	-	1,742	2,802	4,544	1,591	1,438	-	3,029	7,573
Sub-total	<u>4,614</u>	<u>30,721</u>	<u>49,418</u>	<u>84,753</u>	<u>31,000</u>	<u>27,831</u>	<u>-</u>	<u>58,831</u>	<u>143,584</u>
Campaign costs	-	-	-	-	-	20,973	-	20,973	20,973
United Way of America	-	-	-	-	-	-	35,300	35,300	35,300
United Way of South Carolina	-	-	-	-	-	-	10,590	10,590	10,590
Annual allocations	1,604,607	-	-	1,604,607	-	-	-	-	1,604,607
Special allocations	231,200	-	-	231,200	-	-	-	-	231,200
Less donor designations	(166,108)	-	-	(166,108)	-	-	-	-	(166,108)
Sub-total	<u>1,669,699</u>	<u>-</u>	<u>-</u>	<u>1,669,699</u>	<u>-</u>	<u>20,973</u>	<u>45,890</u>	<u>66,863</u>	<u>1,736,562</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,748,756</u>	<u>\$ 104,813</u>	<u>\$ 174,050</u>	<u>\$ 2,027,619</u>	<u>\$ 67,460</u>	<u>\$ 124,154</u>	<u>\$ 45,890</u>	<u>\$ 237,504</u>	<u>\$ 2,265,123</u>

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 678,710	\$ 261,193
Adjustments to reconcile change in net assets to net cash provided by (used in)operating activities:		
Provision for uncollectible pledges	97,830	97,045
Net loss (gain) on investments	535	(56)
Changes in operating assets and liabilities:		
Pledges receivable	(168,668)	(106,856)
Grant receivable	100,000	(350,000)
Employee Retention Credit receivable	40,745	(40,745)
Other assets	-	(2,500)
Allocations payable	(173,337)	(12,601)
Designations payable	(40,950)	(23,525)
Accounts payable and accrued expenses	50,585	(518)
Deferred revenue	(50,000)	50,000
Other liabilities	20,017	(10)
Net cash provided by (used in) operating activities	<u>555,467</u>	<u>(128,573)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(84,491)	-
Purchase of certificates of deposit	(148,532)	-
Proceeds from sale of investment	-	64
Purchase of securities	(393)	-
Net cash used in investing activities	<u>(233,416)</u>	<u>64</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from debt	22,652	-
Net cash provided by financing activities	<u>22,652</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	344,703	(128,509)
Cash and cash equivalents at beginning of year	1,321,571	1,450,080
Cash and cash equivalents at end of year	<u>\$ 1,666,274</u>	<u>\$ 1,321,571</u>
Cash and cash equivalents	\$ 1,663,704	\$ 1,171,571
Cash restricted for purpose	1,102	-
Cash restricted in perpetuity	1,468	150,000
	<u>\$ 1,666,274</u>	<u>\$ 1,321,571</u>

Noncash investing and financing activities in 2022 consist of financing the cost of acquiring a building through a note payable of \$300,000, payable to a regional bank. There were no such activities in 2021. Interest paid for the year ending December 31, 2022 was \$6,458.

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 ACCOUNTING - The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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.

PROPERTY 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.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2022 and 2021, 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 PRONOUNCEMENTS - In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The standard requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. The Organization adopted ASU 2016-02 and its related amendments as of January 1, 2022. There was no material impact to the financial statements as a result of adoption.

In September of 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard improves transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU 2020-07 is applied retrospectively and is effective for years beginning after June 15, 2021. The Organization adopted ASU 2020-07 effective January 1, 2022. There was no material impact to the financial statements as a result of adoption.

RECLASSIFICATIONS - Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

SUBSEQUENT EVENTS - The Organization has evaluated subsequent events through March 20, 2023, 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 statement of financial position date for general expenditure are as follows at December 31:

	2022	2021
Cash	\$ 1,663,027	\$ 1,171,571
Accounts receivable	1,677,367	1,747,274
Investments	6,948	7,090
	\$ 3,347,342	\$ 2,925,935

The Organization maintains financial assets, which consist of cash, accounts receivable, and investments to meet 60 to 90 days of normal operating expenses, which were, on average, approximately \$214,000 per month for the year ended December 31, 2022. 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:

	2022	2021
2019 Fall campaign	\$ -	\$ 33,295
Less allowance for uncollectible	-	(33,295)
	-	-
2020 Fall campaign	50,850	128,280
Less allowance for uncollectible	(50,850)	(109,700)
	-	18,580
2021 Fall campaign	163,547	1,434,994
Less allowance for uncollectible	(97,045)	(97,045)
	66,502	1,337,949
2022 Fall campaign	1,458,695	-
Less allowance for uncollectible	(97,830)	-
	1,360,865	-
Total campaign pledges receivable	\$ 1,427,367	\$ 1,356,529

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 \$849,000 and \$1,004,000 as of December 31, 2022 and 2021, respectively. Campaign revenue from members of the board and their affiliated organizations consisted of approximately \$1,105,000 and \$1,255,000 for the years ended December 31, 2022 and 2021, respectively.

NOTE 4 - INVESTMENTS

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

	2022	2021
Beginning balance	\$ 7,090	\$ 6,986
Interest and dividends	393	48
Realized and unrealized gains (losses)	(535)	56
	\$ 6,948	\$ 7,090

Investments, stated at fair value, at December 31, 2022 and 2021 consisted of common stock.

NOTE 5 - PROPERTY AND EQUIPMENT

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

	2022	2021
Furniture and equipment	\$ 40,055	\$ 40,055
Construction in progress (building)	285,803	-
Land	75,000	-
Less accumulated depreciation	(40,055)	(40,055)
	\$ 360,803	\$ -

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

NOTE 6 - NOTES PAYABLE

Notes payable consisted of the following at December 31:

	2022	2021
Note payable to regional bank, secured by a building, at an interest rate of 5%. Interest only payments are due for the first six months. Interest and principal payments are due in monthly installments of \$1,992 through June 2027 and a single payment of \$257,689 is due in July of 2027.	\$ 299,958	\$ -
Less current portion	(8,203)	-
Loan costs	(3,494)	-
Long-term portion	\$ 288,261	\$ -

Maturities on notes payable are as follows for the year ended December 31:

2023	\$ 8,203
2024	9,528
2025	9,895
2026	10,405
2027	261,927
	\$ 299,958

NOTE 7 - 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)

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

NOTE 7 - FAIR VALUE MEASUREMENTS (continued)

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.

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

	<u>Fair Value</u>	<u>Quoted Market Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>2022</u>				
Equities	\$ 6,948	\$ 6,948	\$ -	\$ -
<u>2021</u>				
Equities	\$ 7,090	\$ 7,090	\$ -	\$ -

NOTE 8 - ENDOWMENT FUNDS

The Organization’s Endowment Fund includes board-designated and donor-restricted contributions. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions, identified by the Organization’s Board of Directors to be used for future investment and growth, are included in net assets without donor restrictions - board-designated.

The Organization is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because initial and subsequent gifts to the fund were required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instruments. The Organization has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund, and (b) accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law.

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

NOTE 8 - ENDOWMENT FUNDS (continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. The Organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. There are no funds underwater at December 31, 2022 and 2021.

Additionally, in accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Endowment net asset compositions, by type of fund, are as follows as of December 31:

	2022	2021
Donor-restricted endowment funds	\$ 151,102	\$ 150,000
Total	\$ 151,102	\$ 150,000

Changes in the endowment net assets are as follows for the years ended December 31, 2022 and 2021:

	Donor Restricted	Total Net Endowment Assets
Endowment net assets, December 31, 2020	\$ -	\$ -
Contributions	150,000	150,000
Endowment net assets, December 31, 2021	\$ 150,000	\$ 150,000
Investment income, net	1,102	1,102
Endowment net assets, December 31, 2022	\$ 151,102	\$ 151,102

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

NOTE 9 - NET ASSETS AND RESTRICTIONS

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.

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

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Grant funding for partner agencies	\$ -	\$ 350,000
Women United Grant	1,102	-
Not subject to appropriation or expenditure:		
The Harriet Matthews Jackson Memorial Women United Endowment	<u>150,000</u>	<u>150,000</u>
 Total net assets with donor restrictions	 <u>\$ 151,102</u>	 <u>\$ 500,000</u>

NOTE 10 - 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, 2022 and 2021 was \$25,925 and \$28,824, respectively.

NOTE 11 - SUPPORT FROM MAJOR DONORS

The Organization recognized support in the amount of approximately \$1,474,000 and \$927,000 from four major donors during the years ended December 31, 2022 and 2021, respectively. Included in pledges receivable at December 31, 2022 and 2021, was approximately \$1,198,000 and \$906,000, 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 2022 and 2021 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.

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

NOTE 12 - 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 11) 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, 2022 and 2021, the Organization's uninsured cash balances total \$857,321 and \$402,591, respectively. These uninsured balances represent the bank balance, at December 31, 2022 and 2021, 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 \$827,131 at December 31, 2022 and \$500,919 at December 31, 2021. The market value of the collateral exceeded the repurchase account balance at December 31, 2022 and 2021.

NOTE 13 - RELATED PARTY TRANSACTIONS

The Organization currently maintains accounts at the financial institutions that employ four of their board members. The Organization has held these accounts for many years prior to these members joining their board.

NOTE 14 - OPERATING LEASE

The Organization leases office space on a month to month basis. The monthly payments are \$2,200. Rent expense for the years ended December 31, 2022 and 2021 was \$26,400 and \$26,400, respectively.

SUPPLEMENTARY SCHEDULES
(See Independent Auditor's Report)

UNITED WAY OF AIKEN COUNTY, INC.
SCHEDULE OF BUDGETED ALLOCATIONS DUE IN 2023 AND 2022
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ACTS	\$ 42,360	\$ 44,550
Aiken Area Council on Aging	109,350	121,500
Aiken Boxing/Youth Development	15,309	17,010
Aiken Center (Alcohol and Drug Abuse)	26,602	29,558
Aiken County Help Line	72,171	80,190
American Red Cross - Aiken County Chapter	58,320	64,800
Boy Scouts of America, Georgia-Carolina Council	26,244	29,160
Brothers & Sisters of Aiken County	21,870	24,300
CAC of Aiken County	29,160	32,400
CanHope Foundation	16,200	18,000
Children's Place, Inc.	153,819	170,910
Community Medical Clinic	91,125	101,250
Community Ministry of North Augusta	25,515	28,350
Cumbee Center to Assist Abused Persons	87,480	97,200
The Family Y	16,767	18,630
Girl Scouts of South Carolina - Mountains to Midlands	25,515	28,350
Golden Harvest Food Bank	43,740	48,600
Helping Hands, Inc.	171,825	190,917
Lower Savannah Council of Governments Medical Assistance Program	31,347	34,830
Mental Health Association of Aiken County	86,022	95,580
Project Vision Initiative	65,610	72,900
Salvation Army	86,751	96,390
Tri-Development Center	187,048	207,832
The RECing Crew	21,870	24,300
United Way of Aiken County Allocation	400,000	400,000
	<u>400,000</u>	<u>400,000</u>
 Total budgeted allocations	 <u>\$1,912,021</u>	 <u>\$2,077,507</u>

SEE INDEPENDENT AUDITOR'S REPORT

UNITED WAY OF AIKEN COUNTY, INC.
CORPORATE DESIGNATIONS DIRECTLY FROM UNITED WAY OF AMERICA
YEARS ENDED DECEMBER 31, 2022 AND 2021

	UNAUDITED 2022	UNAUDITED 2021
United Parcel Service	<u>\$ -</u>	<u>\$ 26,451</u>

SEE INDEPENDENT AUDITOR'S REPORT