



UNITED WAY OF AIKEN COUNTY, INC. SUMMARY OF AUDIT RESULTS YEAR ENDED DECEMBER 31, 2023

1. Clean or unmodified opinion
 - Financials audited in accordance with Generally Accepted Auditing Standards
2. Statement of Financial Position (Balance Sheet)
 - Cash and cash equivalents decreased approximately \$197,000.
 - Net pledges receivable increased approximately \$91,000.
 - Grant receivable decreased due to receiving the \$250,000 in plutonium settlement funds.
 - Property and equipment increased approximately \$206,000 due to the move in 2023.
 - Allocations payable are consistent with the prior year.
 - Net assets decreased approximately \$121,000.
 - Net assets with donor restrictions are approximately \$152,000.
3. Statement of Activities
 - Net campaign revenues are comparable to 2022.
 - Decrease in other public support and revenue is due to three unusual revenue items in the prior year: the ERA 1 grant in the amount of \$300,000, a bequest for approximately \$383,000 and plutonium funding in the amount of \$250,000.
 - Net funds awarded/distributed decreased approximately \$258,000.
 - Total support service represented approximately 11% of total allocations and functional expenses.
4. Statement of Cash Flows
 - Cash provided by operating activities was approximately \$20,000.
 - Cash used by investing activities was approximately \$215,000.
 - Cash used in financing activities was approximately \$2,000.
5. Notes to Financial Statements
 - Note 3 provides a breakdown of the pledges and allowance for uncollectible pledges by year.
 - Note 5 summarizes property and equipment.
 - Note 6 explains the long-term debt.
 - Note 8 explains the endowment funds.
 - Note 9 explains the net assets with restrictions.
6. Letter containing required communications with those charged with governance
7. Recognition of Effort
 - Thanks to Ellen and her team for their full cooperation.
 - Thanks to Claudia for her assistance with the audit.

UNITED WAY OF AIKEN COUNTY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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SUPPLEMENTARY SCHEDULE:

 Schedule of Budgeted Allocations Due in 2024 and 2023 20

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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, 2023 and 2022, 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, 2023 and 2022, 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 2024 and 2023 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.

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
March 18, 2024

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,465,693	\$ 1,663,704
Cash restricted for purpose	2,406	1,102
Employee advance	357	-
Pledges receivable	1,813,652	1,673,092
Allowance for uncollectible pledges	(294,860)	(245,725)
Grant receivable	3,536	250,000
Investments	7,725	6,948
Total Current Assets	2,998,509	3,349,121
NONCURRENT ASSETS		
Certificates of deposit restricted in perpetuity	149,022	148,532
Cash restricted in perpetuity	978	1,468
Right of use asset	8,985	-
Property and equipment, net	567,156	360,803
Total Noncurrent Assets	726,141	510,803
	\$ 3,724,650	\$ 3,859,924
LIABILITIES AND NET ASSETS		
LIABILITIES		
Allocations payable	\$ 1,945,029	\$ 1,945,028
Designations payable	175,220	189,128
United Way dues payable	38,699	38,040
Accounts payable and accrued expenses	56,041	62,052
Current portion operating lease liability	1,680	-
Current portion of note payable	9,528	8,203
Other liabilities	24,348	20,669
Total Current Liabilities	2,250,545	2,263,120
LONG-TERM LIABILITIES		
Operating lease liability, net of current portion	7,305	-
Note payable, net of current portion	279,525	288,261
Total Long-Term Liabilities	286,830	288,261
NET ASSETS		
Net assets without donor restrictions	1,034,869	1,157,441
Net assets with donor restrictions	152,406	151,102
Total Net Assets	1,187,275	1,308,543
	\$ 3,724,650	\$ 3,859,924

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF AIKEN COUNTY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without donor restrictions	With donor restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Annual campaign	\$ 2,088,484	\$ -	\$ 2,088,484
Less: Donor designations	(114,455)	-	(114,455)
Less: Provision for uncollectible pledges	(99,985)	-	(99,985)
Net campaign revenue	1,874,044	-	1,874,044
Other public support and revenue	202,480	-	202,480
Contributions of nonfinancial assets	3,985	-	3,985
Fundraising income	4,927	-	4,927
Interest and dividend income	14,094	6,304	20,398
Realized and unrealized investment income	666	-	666
Net assets released from restrictions	5,000	(5,000)	-
	2,105,196	1,304	2,106,500
FUNCTIONAL EXPENSES			
Program services			
Allocations to agencies	1,752,849	-	1,752,849
Less: Donor designations	(114,455)	-	(114,455)
Net funds awarded/distributed	1,638,394	-	1,638,394
Volunteer services	116,411	-	116,411
Community services	218,473	-	218,473
Total program services	1,973,278	-	1,973,278
Supporting services			
Organizational administration	79,777	-	79,777
Fundraising	136,014	-	136,014
United Way dues	38,699	-	38,699
Total supporting services	254,490	-	254,490
Total Allocations and Functional Expenses	2,227,768	-	2,227,768
Change in net assets	(122,572)	1,304	(121,268)
NET ASSETS - beginning of year	1,157,441	151,102	1,308,543
NET ASSETS - end of year	\$ 1,034,869	\$ 152,406	\$ 1,187,275

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>-</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 restriction	<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>-</u>	<u>1,896,585</u>
Volunteer services	115,105	-	115,105
Community services	190,533	-	190,533
Total program services	<u>2,202,223</u>	<u>-</u>	<u>2,202,223</u>
Supporting services			
Organizational administration	71,308	-	71,308
Fundraising	138,206	-	138,206
United Way dues	38,039	-	38,039
Total supporting services	<u>247,553</u>	<u>-</u>	<u>247,553</u>
Total Allocations and Functional Expenses	<u>2,449,776</u>	<u>-</u>	<u>2,449,776</u>
OTHER INCOME			
Realized and unrealized investment loss	(535)	-	(535)
Other income	<u>1,803</u>	<u>-</u>	<u>1,803</u>
Total other income (expense)	<u>1,268</u>	<u>-</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 FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services				Support Services				Total
	Allocation Services	Volunteer Services	Community Services	Total Program Services	Organizational Administration	Fundraising	United Way Dues	Total Support Services	
Salaries	\$ 57,362	\$ 50,663	\$ 105,753	\$ 213,778	\$ 29,207	\$ 51,796	\$ -	\$ 81,003	\$ 294,781
Payroll taxes	4,766	4,210	8,788	17,764	2,427	4,304	-	6,731	24,495
Employee benefits	11,668	10,305	21,511	43,484	5,941	10,536	-	16,477	59,961
Sub-total	<u>73,796</u>	<u>65,178</u>	<u>136,052</u>	<u>275,026</u>	<u>37,575</u>	<u>66,636</u>	<u>-</u>	<u>104,211</u>	<u>379,237</u>
Contract services	-	-	-	-	10,048	9,092	-	19,140	19,140
Supplies	-	20,084	32,308	52,392	2,241	2,027	-	4,268	56,660
Printing, postage and shipping	-	5,177	8,329	13,506	4,727	4,277	-	9,004	22,510
Telephone and networks	-	4,827	7,766	12,593	4,407	3,988	-	8,395	20,988
Occupancy	-	4,719	7,591	12,310	4,308	3,898	-	8,206	20,516
Meeting expense	-	2,678	4,306	6,984	2,444	2,211	-	4,655	11,639
Travel	-	28	46	74	26	23	-	49	123
Insurance	-	688	1,107	1,795	628	568	-	1,196	2,991
Bank and merchant fees	4,773	-	-	4,773	246	5	-	251	5,024
Miscellaneous	-	-	-	-	1,227	1,111	-	2,338	2,338
Technology	-	1,134	1,827	2,961	1,037	939	-	1,976	4,937
Equipment	-	6,410	10,312	16,722	5,853	5,295	-	11,148	27,870
Interest	-	3,571	5,745	9,316	3,260	2,950	-	6,210	15,526
Depreciation	-	1,917	3,084	5,001	1,750	1,583	-	3,333	8,334
Sub-total	<u>4,773</u>	<u>51,233</u>	<u>82,421</u>	<u>138,427</u>	<u>42,202</u>	<u>37,967</u>	<u>-</u>	<u>80,169</u>	<u>218,596</u>
Campaign costs	-	-	-	-	-	31,411	-	31,411	31,411
United Way of America	-	-	-	-	-	-	26,234	26,234	26,234
United Way of South Carolina	-	-	-	-	-	-	12,465	12,465	12,465
Annual allocations	1,446,411	-	-	1,446,411	-	-	-	-	1,446,411
Special allocations	227,869	-	-	227,869	-	-	-	-	227,869
Less donor designations	(114,455)	-	-	(114,455)	-	-	-	-	(114,455)
Sub-total	<u>1,559,825</u>	<u>-</u>	<u>-</u>	<u>1,559,825</u>	<u>-</u>	<u>31,411</u>	<u>38,699</u>	<u>70,110</u>	<u>1,629,935</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,638,394</u>	<u>\$ 116,411</u>	<u>\$ 218,473</u>	<u>\$ 1,973,278</u>	<u>\$ 79,777</u>	<u>\$ 136,014</u>	<u>\$ 38,699</u>	<u>\$ 254,490</u>	<u>\$ 2,227,768</u>

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.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (121,268)	\$ 678,710
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,334	-
Amortization	762	-
Provision for uncollectible pledges	99,985	97,830
Donor restricted interest for long term reinvestment	(6,304)	(1,102)
Net loss (gain) on investments	(666)	535
Changes in operating assets and liabilities:		
Employee advance	(357)	-
Pledges receivable	(191,410)	(168,668)
Grant receivable	246,464	100,000
Employee Retention Credit receivable	-	40,745
Allocations payable	660	(173,337)
Designations payable	(13,908)	(40,950)
Accounts payable and accrued expenses	(6,011)	50,585
Deferred revenue	-	(50,000)
Other liabilities	3,679	20,017
Net cash provided by operating activities	19,960	554,365
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(214,687)	(84,491)
Purchase of certificates of deposit	(490)	(148,532)
Reinvestment of dividends	(111)	(393)
Net cash used in investing activities	(215,288)	(233,416)
CASH FLOWS FROM FINANCING ACTIVITIES		
Donor restricted interest for long term reinvestment	6,304	1,102
Proceeds from debt	-	22,652
Principal payments on long-term debt	(8,173)	-
Net cash provided by (used in) financing activities	(1,869)	23,754
Net increase (decrease) in cash and cash equivalents	(197,197)	344,703
Cash and cash equivalents at beginning of year	1,666,274	1,321,571
Cash and cash equivalents at end of year	\$ 1,469,077	\$ 1,666,274
Cash and cash equivalents	\$ 1,465,693	\$ 1,663,704
Cash restricted for purpose	2,406	1,102
Cash restricted in perpetuity	978	1,468
	\$ 1,469,077	\$ 1,666,274
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Right of use assets acquired through operating lease agreement	\$ 8,985	\$ -
Property plant and equipment acquired through debt	-	300,000
Cash paid for interest	15,028	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.

GRANT RECEIVABLE - Included in the statement of financial position on December 31, 2023 and 2022, are grant receivables in the amount of \$3,536 and \$250,000, respectively. The Organization considered these amounts to be collectable and, as such, did not believe an allowance for credit losses was necessary.

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, 2023 and 2022, 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 June 2016, the Financial Accounting Standards Board (the "FASB") issued ASU 2016-13, "*Measurement of Credit Losses on Financial Instruments*," which requires measurement and recognition of expected credit losses at the point a loss is expected to occur, rather than probable to occur, which will generally result in earlier recognition of allowances for credit losses. The new guidance is effective for fiscal years beginning after December 15, 2022. The Organization adopted ASU 2016-13 as of January 1, 2023, and the adoption did not have a material impact on its financial statements.

SUBSEQUENT EVENTS - The Organization has evaluated subsequent events through March 18, 2024, the date the financial statements were available to be issued.

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:

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,464,406	\$ 1,663,027
Pledges receivable	1,518,792	1,427,367
Grant receivable	3,536	250,000
Investments	<u>7,725</u>	<u>6,948</u>
	<u>\$ 2,994,459</u>	<u>\$ 3,347,342</u>

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

NOTE 2 - LIQUIDITY (continued)

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 \$186,000 per month for the year ended December 31, 2023. 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:

	2023	2022
2020 Fall campaign	\$ -	\$ 50,850
Less allowance for uncollectible	-	(50,850)
	-	-
2021 Fall campaign	126,272	163,547
Less allowance for uncollectible	(126,272)	(97,045)
	-	66,502
2022 Fall campaign	200,132	1,458,695
Less allowance for uncollectible	(68,603)	(97,830)
	131,530	1,360,865
2023 Fall campaign	1,487,247	-
Less allowance for uncollectible	(99,985)	-
	1,387,262	-
Total campaign pledges receivable	\$ 1,518,792	\$ 1,427,367

Pledges receivable from members of the board and their affiliated organizations totaled approximately \$1,190,000 and \$849,000 as of December 31, 2023 and 2022, respectively. Campaign revenue from members of the board and their affiliated organizations consisted of approximately \$1,500,000 and \$1,105,000 for the years ended December 31, 2023 and 2022, respectively.

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

NOTE 4 - INVESTMENTS

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

	2023	2022
Beginning balance	\$ 6,948	\$ 7,090
Interest and dividends	111	393
Realized and unrealized gains (losses)	666	(535)
	\$ 7,725	\$ 6,948

Investments, stated at fair value, at December 31, 2023 and 2022 consisted of common stock.

NOTE 5 - PROPERTY AND EQUIPMENT

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

	2023	2022
Furniture and equipment	\$ 12,928	\$ 40,055
Construction in progress (building)	500,490	285,803
Land	75,000	75,000
Less accumulated depreciation	(21,262)	(40,055)
	\$ 567,156	\$ 360,803

NOTE 6 - NOTES PAYABLE

Notes payable consisted of the following at December 31:

	2023	2022
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.	\$ 291,785	\$ 299,958
Less current portion	(9,528)	(8,203)
Loan costs	(2,732)	(3,494)
Long-term portion	\$ 279,525	\$ 288,261

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

NOTE 6 - NOTES PAYABLE (continued)

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

2024	\$ 9,528
2025	9,895
2026	10,405
2027	<u>261,957</u>
	<u>\$ 291,785</u>

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)

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies during 2023 or 2022.

Trading equities are valued at the closing price reported on the active market on which the individual securities are traded.

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

NOTE 7 - FAIR VALUE MEASUREMENTS (continued)

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

	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>2023</u>				
Equities	\$ 7,725	\$ 7,725	\$ -	\$ -
<u>2022</u>				
Equities	\$ 6,948	\$ 6,948	\$ -	\$ -

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, 2023 and 2022.

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:

	2023	2022
Donor-restricted endowment funds	\$ 152,406	\$ 151,102
Total	\$ 152,406	\$ 151,102

Changes in the endowment net assets are as follows for the years ended December 31, 2023 and 2022:

	Donor Restricted	Total Net Endowment Assets
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
Investment income, net	6,304	6,304
Amounts appropriated for expenditure	(5,000)	(5,000)
Endowment net assets, December 31, 2023	\$ 152,406	\$ 152,406

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>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Women United Grant	\$ 2,406	\$ 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>\$ 152,406</u>	 <u>\$ 151,102</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, 2023 and 2022 was \$25,371 and \$25,925, respectively.

NOTE 11 - SUPPORT FROM MAJOR DONORS

The Organization recognized support in the amount of approximately \$1,314,000 and \$1,474,000 from five and four major donors during the years ended December 31, 2023 and 2022, respectively. Included in pledges receivable at December 31, 2023 and 2022, was approximately \$1,160,000 and \$1,198,000, 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 2023 and 2022 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 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.

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

NOTE 12 - CONCENTRATIONS OF CREDIT RISK (continued)

The Organization maintains cash balances at several financial institutions located in Aiken, South Carolina. At December 31, 2023 and 2022, the Organization's uninsured cash balances total \$706,149 and \$857,321, respectively. These uninsured balances represent the bank balance, at December 31, 2023 and 2022, 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 \$706,149 at December 31, 2023 and \$827,131 at December 31, 2022. The market value of the collateral exceeded the repurchase account balance at December 31, 2023 and 2022.

NOTE 13 - RELATED PARTY TRANSACTIONS

The Organization currently maintains accounts at the financial institutions that employ five 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 is obligated under one operating lease. Included in right of use assets on the statement of financial position at December 31, 2023 is one copier. The lease term is five years. The lease includes options to renew, with renewal terms that extend the lease term for one year. The exercise of lease renewal options is at the Organization's discretion. The Organization evaluates renewal options at lease inception and on an ongoing basis and includes renewal options that it is reasonably certain to exercise in its expected lease terms when classifying leases and measuring lease liabilities. The lease agreement does not require material variable lease payments, residual value guarantees or restrictive covenants.

Operating lease expense for the year ending December 31, 2023 was \$1,589 and cash paid to reduce lease liabilities during 2023 was \$1,589. Because the Organization generally does not have access to the rate implicit in the lease, Management utilizes a risk-free rate. The discount rate associated with the operating lease is 4.02%.

Future payments due under operating leases are as follows as of June 30:

2024	\$	1,980
2025		1,980
2026		1,980
2027		1,980
2028		1,980
Total		<u>9,900</u>
Less effects of discounting		<u>(915)</u>
Lease liability recognized	\$	<u>8,985</u>

During the year ended December 31, 2023, the Organization acquired right of use assets, in the amount of \$8,985, in exchange for a new operating lease liability.

SUPPLEMENTARY SCHEDULE
(See Independent Auditor's Report)

UNITED WAY OF AIKEN COUNTY, INC.
SCHEDULE OF BUDGETED ALLOCATIONS DUE IN 2024 AND 2023
DECEMBER 31, 2023 AND 2022

	<u>2024</u>	<u>2023</u>
ACTS	\$ 42,360	\$ 42,360
Aiken Area Council on Aging	109,350	109,350
Aiken Boxing/Youth Development	15,309	15,309
Aiken Center (Alcohol and Drug Abuse)	26,602	26,602
Aiken County Help Line	72,171	72,171
American Red Cross - Aiken County Chapter	58,320	58,320
Boy Scouts of America, Georgia-Carolina Council	26,244	26,244
Brothers & Sisters of Aiken County	21,870	21,870
CAC of Aiken County	29,160	29,160
CanHope Foundation	16,200	16,200
Children's Place, Inc.	153,819	153,819
Community Medical Clinic	91,125	91,125
Community Ministry of North Augusta	25,515	25,515
Cumbee Center to Assist Abused Persons	87,480	87,480
Girl Scouts of South Carolina - Mountains to Midlands	25,515	25,515
Golden Harvest Food Bank	43,740	43,740
Helping Hands, Inc.	171,825	171,825
Lower Savannah Council of Governments Medical Assistance Program	31,347	31,347
Mental Health Association of Aiken County	86,022	86,022
Project Vision Initiative	65,610	65,610
Salvation Army	86,751	86,751
The Family Y	16,767	16,767
The RECing Crew	21,870	21,870
Tri-Development Center	187,048	187,048
United Way of Aiken County Allocation	<u>400,000</u>	<u>400,000</u>
 Total budgeted allocations	 <u>\$ 1,912,020</u>	 <u>\$ 1,912,021</u>

SEE INDEPENDENT AUDITOR'S REPORT

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 Ussey, CPA
Paul Wade, CPA



March 18, 2024

To the Board of Directors
United Way of Aiken County, Inc.
Aiken, South Carolina 29801

We have audited the financial statements of United Way of Aiken County, Inc. for the year ended December 31, 2023, and have issued our report thereon dated March 18, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 18, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by United Way of Aiken County, Inc. are described in Note 1 to the financial statements. As described in Note 1, the Organization changed accounting principles related to measurement and recognition of expected credit losses by adopting FASB Accounting Standards Update (ASU) 2016-13, “*Measurement of Credit Losses on Financial Instruments*,” in 2023. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. We noted no transactions entered into by United Way of Aiken County, Inc. during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management’s estimate of the allowance for uncollectible pledges is based on the historic collection rate. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management’s estimate of useful lives of property and equipment. We evaluated the key factors and assumptions used to develop the useful life estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of campaign pledges receivable in Note 3 to the financial statements.
- The disclosure of United Way of Aiken County, Inc.'s long term debt in Note 6 to the financial statements.
- The disclosure of the United Way of Aiken County's endowment in Note 8 to the financial statements.
- The disclosure of restrictions on net assets in Note 9 to the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of those misstatements detected as a result of the audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, which could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 18, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information (Schedule of Budgeted Allocations Due Agencies in 2024 and 2023) accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. The supplementary information entitled "Corporate Designations Directly from United Way of America" is unaudited, and we performed no procedures on this schedule.

This information is intended solely for the use of the Board of Directors and management of United Way of Aiken County, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs