

United Way Association of South Carolina, Inc.

Financial Statements and Supplementary Information
with Independent Auditor's Report

December 31, 2024 and 2023

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United Way Association of South Carolina, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way Association of South Carolina, Inc.
Columbia, South Carolina

Opinion

We have audited the accompanying financial statements of United Way Association of South Carolina, Inc. (the "Association") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, 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 the Association as of December 31, 2024 and 2023, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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 and *Government 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 and *Government 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 the Association'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 the Association'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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. The 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 24, 2025, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Association's internal control over financial reporting and compliance.

Scott and Company LLC

Columbia, South Carolina
June 24, 2025

United Way Association of South Carolina, Inc.
Statements of Financial Position
as of December 31,

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,771,986	\$ 2,688,391
Grants and contracts receivable, net	692,408	1,155,851
Prepaid expenses	21,399	16,121
Total current assets	<u>3,485,793</u>	<u>3,860,363</u>
Property and equipment, net	13,618	15,101
Total assets	<u><u>\$ 3,499,411</u></u>	<u><u>\$ 3,875,464</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 98,275	\$ 214,135
Accrued expenses	103,729	1,098,956
Deferred revenue	1,203,554	27,677
Total current liabilities	<u>1,405,558</u>	<u>1,340,768</u>
Net assets:		
Net assets without donor restrictions:		
Undesignated net assets	1,040,215	1,205,258
Board designated net assets	390,020	414,020
Total net assets without donor restrictions	<u>1,430,235</u>	<u>1,619,278</u>
Net assets with donor restrictions	663,618	915,418
Total net assets	<u>2,093,853</u>	<u>2,534,696</u>
Total liabilities and net assets	<u><u>\$ 3,499,411</u></u>	<u><u>\$ 3,875,464</u></u>

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

United Way Association of South Carolina, Inc.
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
2-1-1 and call center	\$ 580,757	\$ -	\$ 580,757
AmeriCorps grant revenue	3,918,846	-	3,918,846
Statewide childcare initiative	366,127	-	366,127
Membership dues	239,600	-	239,600
State match revenue	69,320	-	69,320
Contributions	179,423	-	179,423
Contributed services	1,406,722	-	1,406,722
Investment income	75,896	-	75,896
Miscellaneous income	97,527	-	97,527
	<u>6,934,218</u>	<u>-</u>	<u>6,934,218</u>
Net assets released from restrictions	251,800	(251,800)	-
Total revenues, gains and other support	<u>7,186,018</u>	<u>(251,800)</u>	<u>6,934,218</u>
Expenses:			
Program services	6,947,980	-	6,947,980
Management and general	427,081	-	427,081
Total expenses	<u>7,375,061</u>	<u>-</u>	<u>7,375,061</u>
Change in net assets	(189,043)	(251,800)	(440,843)
Net assets, beginning of year	1,619,278	915,418	2,534,696
Net assets, end of year	<u>\$ 1,430,235</u>	<u>\$ 663,618</u>	<u>\$ 2,093,853</u>

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

United Way Association of South Carolina, Inc.
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
2-1-1 and call center	\$ 688,166	\$ -	\$ 688,166
AmeriCorps grant revenue	4,506,425	-	4,506,425
South Carolina Housing grant revenue	2,500,000	-	2,500,000
Statewide childcare initiative	561,608	-	561,608
Membership dues	242,255	-	242,255
Other grant revenue	-	1,000,000	1,000,000
Contributions	42,153	-	42,153
Contributed services	1,062,498	-	1,062,498
Investment income	74,898	-	74,898
Miscellaneous income	67,258	5,147	72,405
	<u>9,745,261</u>	<u>1,005,147</u>	<u>10,750,408</u>
Net assets released from restrictions	139,343	(139,343)	-
Total revenues, gains and other support	<u>9,884,604</u>	<u>865,804</u>	<u>10,750,408</u>
Expenses:			
Program services	9,377,338	-	9,377,338
Management and general	406,886	-	406,886
Total expenses	<u>9,784,224</u>	<u>-</u>	<u>9,784,224</u>
Change in net assets	100,380	865,804	966,184
Net assets, beginning of year	1,518,898	49,614	1,568,512
Net assets, end of year	<u>\$ 1,619,278</u>	<u>\$ 915,418</u>	<u>\$ 2,534,696</u>

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

United Way Association of South Carolina, Inc.
Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services					Supporting Services	
	Community and Volunteer Services	2-1-1 Services	Family and Childcare Support	Matching Funds	Total Program Services	Management and General	Total
Salaries and benefits	\$ 354,406	\$ 168,196	\$ -	\$ 46,084	\$ 568,686	\$ 220,207	\$ 788,893
Professional development and travel	62,386	9,057	-	4,679	76,122	26,596	102,718
Bad debt recovery	-	(6,743)	-	-	(6,743)	-	(6,743)
Professional fees and contract services	115,226	468,690	-	6,595	590,511	74,982	665,493
Programs and operations	1,550,434	85,714	-	9,766	1,645,914	78,218	1,724,132
Occupancy	22,486	10,879	-	2,118	35,483	19,320	54,803
Telephone	2,007	2,528	-	78	4,613	6,427	11,040
Community awards, grants and subcontracts	3,643,267	-	366,127	-	4,009,394	1,331	4,010,725
Allocations	-	24,000	-	-	24,000	-	24,000
Total expenses	\$ 5,750,212	\$ 762,321	\$ 366,127	\$ 69,320	\$ 6,947,980	\$ 427,081	\$ 7,375,061

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

United Way Association of South Carolina, Inc.
Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services						Supporting Services	
	Community and Volunteer Services	2-1-1 Services	Family and Childcare Support	Matching Funds	Membership Support and Other Programs	Total Program Services	Management and General	Total
Salaries and benefits	\$ 345,424	\$ 175,688	\$ -	\$ 156,003	\$ -	\$ 677,115	\$ 141,297	\$ 818,412
Professional development and travel	28,789	15,091	-	22,958	6,488	73,326	32,526	105,852
Bad debt recovery	-	-	-	-	-	-	(6,908)	(6,908)
Professional fees and contract services	170,788	536,692	-	106,671	-	814,151	45,543	859,694
Programs and operations	1,112,555	15,348	-	40,438	-	1,168,341	158,246	1,326,587
Occupancy	30,069	8,629	-	-	-	38,698	29,093	67,791
Telephone	2,012	4,925	-	-	-	6,937	7,089	14,026
Community awards, grants and subcontracts	6,037,162	-	561,608	-	-	6,598,770	-	6,598,770
Total expenses	\$ 7,726,799	\$ 756,373	\$ 561,608	\$ 326,070	\$ 6,488	\$ 9,377,338	\$ 406,886	\$ 9,784,224

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

United Way Association of South Carolina, Inc.
Statements of Cash Flows
For the Years Ended December 31,

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (440,843)	\$ 966,184
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	5,868	37,214
Loss on disposal of assets	-	4,599
Changes in operating assets and liabilities:		
Grants and contracts receivable	463,443	389,764
Prepaid expenses	(5,278)	35,623
Accounts payable	(115,860)	93,103
Accrued expenses	(995,227)	(76,687)
Deferred revenue	1,175,877	(1,023,597)
Lease liability	-	(29,794)
Net cash provided by operating activities	<u>87,980</u>	<u>396,409</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(4,385)</u>	<u>(2,226)</u>
Net cash used in investing activities	<u>(4,385)</u>	<u>(2,226)</u>
Net increase in cash and cash equivalents	83,595	394,183
Cash and cash equivalents, beginning of year	<u>2,688,391</u>	<u>2,294,208</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,771,986</u></u>	<u><u>\$ 2,688,391</u></u>

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

United Way Association of South Carolina, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

Note 1. Summary of Significant Accounting Policies

Nature of Operations – The mission of United Way Association of South Carolina, Inc. (the "Association") is to maximize the capacity and effectiveness of local United Ways, and to provide leadership on issues of significance to the United Way system in South Carolina. The Association serves 22 independent, locally governed United Ways across the state through its programs and initiatives, as well as various training and professional development opportunities.

Training and technical assistance opportunities for member United Ways include but are not limited to: regional and national United Way conferences, Chief Professional Officer meetings and retreats, advocacy trainings, South Carolina 2-1-1 marketing development, and grant funding opportunities for AmeriCorps programs. Further, the Association provides consulting and technical assistance to member organizations on issues as diverse as branding guidelines, assistance in interpreting United Way Worldwide membership requirements, assistance in executing required reports, calculations, accounting and financial consulting, and other requirements that are a part of being a franchisee organization of United Way Worldwide's network of member organizations.

The Association's significant programs include:

- 2-1-1: SC 211 is a statewide community information and referral line operated by the Association on behalf of its member organizations. The Association manages the call center contracts and the state's resource database. Additionally, the Association provides technical assistance, statewide and community reporting, and brokers partnerships with other agencies across the state to better serve individuals in times of need.
- SC Commission on National and Community Service: In December 2007, by Executive Order of then Governor Mark Sanford, the Association was appointed as the governing authority of the South Carolina Commission on National and Community Service. The Commission is South Carolina's lead agency on volunteerism and national service. The goal of the Commission is to strengthen the state through the power of volunteers who help their communities meet the most critical needs. The Association acts as an intermediary for the AmeriCorps program for funds that are utilized for education, environmental stewardship, financial stability, disaster response, and healthy futures.
- Statewide childcare initiative: The Association acts as an intermediary for state funds that are granted to local United Ways across the state for the purpose of providing after school care and regular childcare. The Association reports to the Department of Social Services the aggregate disbursement and service data on a quarterly basis.
- Emergency Rental Assistance Program - In June 2022, the Association received \$10,000,000 in funding from the Emergency Rental Assistance Program ("ERA") which allows the Association to provide funds for housing stability services to South Carolina citizens in the 39 counties that the South Carolina State Housing Finance and Development Authority's SC Stay Plus program serves. During 2023, the remaining \$2,500,000 was recognized in revenue from the grant.

Accounting Principles – The Association follows accounting principles generally accepted in the United States of America on accounting for contributions and financial statements of not-for-profit organizations, which require reporting revenue and net assets by classification of either without donor restrictions or with donor restrictions.

United Way Association of South Carolina, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not for Profit Entities*. The Association is required to report information regarding its financial position and activities according to the following net asset classifications:

Without Donor Restrictions: Without donor restricted net assets represent resources whose use is not limited or restricted by donors. They generally arise as a result of exchange transactions, unrestricted contributions, or restricted contributions whose restrictions have expired. The Association's board has internally earmarked portions of its net assets without donor restrictions as board designated.

With Donor Restrictions: With donor restricted net assets represent resources whose use is limited by donors for the purpose and/or time in which they may be expended or restricted by donors to be maintained in perpetuity. The portion of donor restricted net assets that is not maintained in perpetuity eventually will be reclassified to without donor restrictions, as their time and purpose requirements are met. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without restrictions.

Use of Estimates – Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of reporting cash flows, the Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations of Risk – The Association maintains its cash in bank deposit accounts at a high-quality financial institution and generally limits its exposure to credit risk from balances on deposit with the financial institutions in excess of the Federal Deposit Insurance Corporation (“FDIC”) insured limit. At times, such deposits may be in excess of FDIC insured limits. At December 31, 2024, cash on deposit in excess of FDIC insured limits totaled approximately \$2,522,000.

Grants and Contracts Receivable – Receivables are stated at unpaid balances less an allowance for doubtful accounts. Receivables are written off when the balance is considered to be uncollectible. An allowance for credit losses is provided based on historical bad debt experience and evaluation of individual accounts. The allowance for credit losses at December 31, 2024 and 2023 was \$0 and \$6,743, respectively.

Property and Equipment – Property and equipment is stated at cost less accumulated depreciation. Expenditures for capital assets of less than \$1,500 are expensed in the year incurred. Depreciation is provided by the straight-line method over the estimated lives of the assets. Contributed property is recorded at appraised or market value at the date of contribution. Absent donor stipulations regarding how long those donated assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Revenue Recognition and Deferred Revenue – The Association recognizes revenue in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Association’s revenues include the following:

United Way Association of South Carolina, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

Membership dues – The Association offers memberships that typically last for a term of one year. Membership payments received from Association members are considered equivalent to contributions without donor restrictions and are recognized as revenue when received.

Contributions – Contributions, including cash, in-kind contributions, and unconditional promises to give are recorded as revenue in the period in which they are received. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Contributions are recorded as with or without donor restricted support, depending on the existence and/or nature of donor restrictions.

Grants and contracts – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or benefit. For the Association, grant revenue is generally recognized when the corresponding expense has been incurred and reimbursement requests have been submitted.

Deferred Revenue – Deferred revenue represents revenues that have been collected but not yet earned as of December 31, 2024 or 2023. This amount is composed of revenues related to the statewide childcare initiative, state match, and various grants.

Contributed Services – Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Association. Volunteers provide many services throughout the year that are not recognized as contributions in the financial statements due to recognition criteria not being met.

The Association receives free advertising through television advertising that serve as platforms to market and brand its mission. These donated advertisements are recognized as contributed services or in-kind contributions at fair value, with a corresponding expense allocated to the programs benefitted, as they are delivered to the public. The valuation of these advertisements is provided by the service provider, who estimates the fair value based on the date, time, and market in which each is displayed. Contributed services for the year ended December 31, 2024 and 2023 totaled \$1,406,722 and \$1,062,498, respectively, of equivalent value to the Association.

Line of Credit – The Association entered into a line of credit agreement with a financial institution in the principal amount of \$300,000 on October 13, 2023. The agreement matured on September 25, 2024. The outstanding balance on the line of credit was \$0 at December 31, 2024 and 2023.

Functional Expenses – The Association allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their nature and expenditure classification. Other expenses that are common to two or more functions are allocated based on management's estimate of the program activities benefitted. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.

Income Taxes – The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Management is not aware of any transactions or events that would disqualify its tax-exempt status or any uncertain tax positions.

United Way Association of South Carolina, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

The Association's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed.

Note 2. Property and Equipment

Property and equipment consisted of the following at December 31,:

	2024	2023
Furniture & Equipment	\$ 45,990	\$ 41,605
Less accumulated depreciation	(32,372)	(26,504)
Total property and equipment	<u>\$ 13,618</u>	<u>\$ 15,101</u>

Depreciation expense was \$5,868 and \$7,745 for the years ended December 31, 2024 and 2023, respectively.

Note 3. Net Assets With Restrictions

The Association had net assets with donor restrictions of \$663,618 and \$915,418, respectively, as of December 31, 2024 and 2023. As of December 31, 2024 and 2023, these funds were restricted for use of employee campaign funds, Dominion Energy Funds, and COVID-19 donations.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2024	2023
Employee campaign funds	\$ -	\$ 728
Dominion Energy funds	251,800	111,700
COVID-19 donations	-	26,915
Total restrictions released	<u>\$ 251,800</u>	<u>\$ 139,343</u>

Note 4. Board Designated Net Assets

As of December 31, 2024 and 2023, \$390,020 and \$414,020, respectively, of net assets without donor restrictions was designated by the board of directors as a reserve fund.

Note 5. Commitments and Contingencies

In the ordinary course of business, the Association may, from time to time, become a party to legal claims and disputes. At December 31, 2024, management is unaware of any claims against the Association.

The Association receives significant amounts of funds from various grantor agencies as reimbursement of costs incurred for program services. If funding is discontinued, it could have a significant impact on the operations of the Association. The Association has received grant revenue from several federal agencies. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements.

United Way Association of South Carolina, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

Note 6. Liquidity and Availability of Resources

The Association's financial assets available within one year of the statement of financial position date for general expenditures are as follows as of December 31,:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,771,986	\$ 2,688,391
Grants and contracts receivable, net	692,408	1,155,851
Total financial assets	<u>3,464,394</u>	<u>3,844,242</u>
Less amounts not available to be used within one year	<u>(663,618)</u>	<u>(915,418)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,800,776</u>	<u>\$ 2,928,824</u>

Note 7. Leases

Effective January 1, 2022, the Association adopted the requirements of ASU 2016-02, *Leases (Topic 842)*. The objective of this ASU, along with several related ASUs issued subsequently, was to increase transparency and comparability between organizations that enter into lease agreements. For lessees, the key difference of the new standard from the previous guidance, (Topic 840), was the recognition of a right of use ("ROU") operating asset and lease liability on the statement of financial position. The standard requires disclosures to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

For leases existing at the effective date, the Association elected the package of three transition practical expedients and therefore did not reassess whether an arrangement is or contains a lease, did not reassess lease classification, and did not reassess what qualifies as an initial direct cost. The Association also adopted the short-term leases and combined leases and non-lease component practical expedients. The Association uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Association uses the risk-free borrowing rate at the commencement date of the lease to determine the present value of the lease payments. For leases with terms greater than 12 months, the related ROU operating asset and lease liability are recorded at the present value of lease payments over the term.

The Association leases office space under the terms of a non-cancellable operating lease. The Association entered into new agreement effective January 1, 2024 with United Way of the Midlands, a related party. A new lease agreement was signed effective January 1, 2025 with United Way of the Midlands. The latest lease term is for a term of one year, and therefore no ROU operating asset or lease liability were recorded at December 31, 2024.

Additionally, the Association entered into a month-to-month lease agreement for a Greenville office location with United Way of Greenville County, Inc. a related party. Due to the month-to-month lease term, no ROU operating asset or lease liability were recorded at December 31, 2024.

Lastly, the Association entered into a lease agreement for a Spartanburg office location with United Way of the Piedmont, Inc., a related party.

United Way Association of South Carolina, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

The lease can be renewed beyond one year, but due to the possible termination with 30 days' notice, no ROU operating asset or lease liability were recorded at December 31, 2024.

Future minimum lease payments are \$18,720 at December 31, 2024.

Rent expense was approximately \$20,000 and \$33,000 for 2024 and 2023, respectively, and was reported as a component of occupancy expenses in the accompanying statements of functional expenses.

Note 8. Subsequent Events

Management has evaluated subsequent events through June 24, 2025, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. Management has concluded that no significant subsequent events meet the criteria of professional accounting standards to be recognized or not recognized, but disclosed, in these financial statements.

Supplementary Information

United Way Association of South Carolina, Inc.
Schedule of Revenues, Expenses, and Changes in Net Assets by Program
Year Ended December 31, 2024

	Program Services					
	Community and Volunteer Services	2-1-1 Services	Family and Childcare Support	Matching Funds	Membership Support and Other Programs	Total
Revenues, gains and other support:						
2-1-1 and call center	\$ -	\$ 580,757	\$ -	\$ -	\$ -	\$ 580,757
AmeriCorps grant revenue	3,918,846	-	-	-	-	3,918,846
Statewide childcare initiative	-	-	366,127	-	-	366,127
Membership dues	-	-	-	-	239,600	239,600
State match revenue	-	-	-	69,320	-	69,320
Contributions	162,030	1,000	-	-	16,393	179,423
Contributed services	1,406,722	-	-	-	-	1,406,722
Investment income	-	-	-	-	75,896	75,896
Miscellaneous income	-	102,376	-	-	(4,849)	97,527
Total revenues, gains and other support:	<u>5,487,598</u>	<u>684,133</u>	<u>366,127</u>	<u>69,320</u>	<u>327,040</u>	<u>6,934,218</u>
Expenses:						
Salaries and benefits	\$ 354,406	\$ 168,196	\$ -	\$ 46,084	\$ -	568,686
Professional development and travel	62,386	9,057	-	4,679	-	76,122
Bad debt recovery	-	(6,743)	-	-	-	(6,743)
Professional fees and contract services	115,226	468,690	-	6,595	-	590,511
Programs and operations	1,550,434	85,714	-	9,766	-	1,645,914
Occupancy	22,486	10,879	-	2,118	-	35,483
Telephone	2,007	2,528	-	78	-	4,613
Community awards, grants and subcontracts	3,643,267	-	366,127	-	-	4,009,394
Allocation	-	24,000	-	-	-	24,000
Total expenses	<u>5,750,212</u>	<u>762,321</u>	<u>366,127</u>	<u>69,320</u>	<u>-</u>	<u>6,947,980</u>
Change in net assets	<u>\$ (262,614)</u>	<u>\$ (78,188)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,040</u>	<u>\$ (13,762)</u>

See independent auditor's report.

United Way Association of South Carolina, Inc.
Schedule of Revenues, Expenses, and Changes in Net Assets by Program
Year Ended December 31, 2023

	Program Services				Membership	
	Community and Volunteer Services	2-1-1 Services	Family and Childcare Support	Matching Funds	Support and Other Programs	Total
Revenues, gains and other support:						
2-1-1 and call center	\$ -	\$ 688,166	\$ -	\$ -	\$ -	\$ 688,166
AmeriCorps grant revenue	4,506,425	-	-	-	-	4,506,425
South Carolina Housing grant revenue	2,500,000	-	-	-	-	2,500,000
Statewide childcare initiative	-	-	561,608	-	-	561,608
Membership dues	-	-	-	-	242,255	242,255
Other grant revenue	1,000,000	-	-	-	-	1,000,000
Contributions	20,176	-	-	-	21,977	42,153
Contributed services	1,062,498	-	-	-	-	1,062,498
Investment income	-	-	-	-	74,898	74,898
Miscellaneous income	5,000	58,250	-	-	9,155	72,405
Total revenues, gains and other support:	<u>9,094,099</u>	<u>746,416</u>	<u>561,608</u>	<u>-</u>	<u>348,285</u>	<u>10,750,408</u>
Expenses:						
Salaries and benefits	345,424	175,688	-	156,003	-	677,115
Professional development and travel	28,789	15,091	-	22,958	6,488	73,326
Professional fees and contract services	170,788	536,692	-	106,671	-	814,151
Programs and operations	1,112,555	15,348	-	40,438	-	1,168,341
Occupancy	30,069	8,629	-	-	-	38,698
Telephone	2,012	4,925	-	-	-	6,937
Community awards, grants and subcontracts	6,037,162	-	561,608	-	-	6,598,770
Total expenses	<u>7,726,799</u>	<u>756,373</u>	<u>561,608</u>	<u>326,070</u>	<u>6,488</u>	<u>9,377,338</u>
Change in net assets	<u>\$ 1,367,300</u>	<u>\$ (9,957)</u>	<u>\$ -</u>	<u>\$ (326,070)</u>	<u>\$ 341,797</u>	<u>\$ 1,373,070</u>

See independent auditor's report.

Compliance Reports



**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Board of Directors
United Way Association of South Carolina, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way Association of South Carolina, Inc. (the "Association"), a nonprofit organization, which comprise the statement of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Scott and Company LLC". The script is cursive and fluid.

Columbia, South Carolina

June 24, 2025



**Independent Auditor's Report on Compliance for the Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

The Board of Directors
United Way Association of South Carolina, Inc.

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited United Way Association of South Carolina, Inc.'s (the "Association") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Association's major federal program for the year ended December 31, 2024. The Association's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Association's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Association's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Association's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Scott and Company LLC

Columbia, South Carolina
June 24, 2025

United Way Association of South Carolina, Inc.
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Program Title	Assistance Listing Number	Pass - Through Grantor's Number	Total Federal Expenditures	Expenditures to Subrecipients
Corporation for National and Community Service:				
Direct Program:				
AmeriCorps - Formula	94.006	N/A	2,012,017	2,012,017
AmeriCorps - Competitive	94.006	N/A	484,977	484,977
AmeriCorps - Fixed	94.006	N/A	345,811	345,811
AmeriCorps - Public Health	94.006	N/A	375,454	375,454
Total AmeriCorps			<u>3,218,259</u>	<u>3,218,259</u>
State Commissions	94.003	N/A	478,661	-
Training and Technical Assistance	94.009	N/A	202,062	-
Total Corporation for National and Community Services Direct Programs			<u>3,898,982</u>	<u>3,218,259</u>
Total Expenditures of Federal Awards			<u>\$ 3,898,982</u>	<u>\$ 3,218,259</u>

See independent auditor's report.

United Way Association of South Carolina, Inc.
Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of United Way Association of South Carolina, Inc. (the "Association") under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Association.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Association has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Contingencies

The Association's federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect its continued participation in specific programs. The amount, if any, of expenditures, which may be disallowed by the grantor agencies, cannot be determined at this time. However, the Association expects such amounts, if any, to be immaterial.

Note 4. Categorization of Expenditures

The categorization of expenditures by program included in the schedule of expenditures of federal awards is based upon the grant documents. Changes in the categorization of expenditures occur based upon revisions to the Assistance Listing, which is typically issued in June and December of each year. The schedule of expenditures of federal awards for the year ended December 31, 2024 reflects Assistance Listing changes issued through April 2025.

Note 5. Reconciliation to Federal Revenue

Federal revenue includes \$19,864 in an administrative percentage revenue from one of the grants in addition to the \$3,898,982 total expenditures of federal awards reported in the schedule of expenditures of federal awards, for total AmeriCorps grant revenue of \$3,918,846 as reported in the statement of activities for the year ended December 31, 2024.

United Way Association of South Carolina, Inc.

Schedule of Findings and Questioned Costs

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- | | | | | | |
|---|-------|-----|-------|----------|---------------|
| • Material weakness(es) identified? | _____ | yes | _____ | <u>X</u> | no |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)? | _____ | yes | _____ | <u>X</u> | none reported |
| • Noncompliance material to financial statements noted? | _____ | yes | _____ | <u>X</u> | no |

Federal Awards

Internal control over major federal program:

- | | | | | | |
|---|-------|-----|-------|----------|---------------|
| • Material weakness(es) identified? | _____ | yes | _____ | <u>X</u> | no |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)? | _____ | yes | _____ | <u>X</u> | none reported |

Type of auditor's report issued on compliance for major program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR Section 200.516(a)?

_____ yes _____ X no

Identification of Major Program

The program tested as a major program of United Way Association of South Carolina, Inc. included:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Cluster / Program</u>
94.006	AmeriCorps

The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.

United Way Association of South Carolina, Inc. did qualify as a low-risk auditee.

United Way Association of South Carolina, Inc.
Schedule of Findings and Questioned Costs

Section II: Findings in Relation to the Audit of the Financial Statements

None reported.

Section III: Federal Award Findings and Questioned Costs

None reported.

Summary Schedule of Prior Audit Findings and Questioned Costs:

None reported.