



United Way Association of South Carolina, Inc.

**Independent Auditor's Report, Financial Statements,
and Supplementary Information**

December 31, 2022 and 2021




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Independent Auditor's Report

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

Opinion

We have audited the financial statements of the United Way Association of South Carolina, Inc. (the "Association"), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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.

Change in Accounting Principle

As described in the notes to the consolidated financial statements, the Association =adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* which clarifies the presentation and disclosure of contributed nonfinancial assets. Our opinion is not modified with respect to this matter.

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 for 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 GAAS 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 GAAS 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and schedules of revenues, expenses, and changes in net assets by program are presented for purposes of additional analysis and are also 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 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.

FORVIS

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2024 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 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 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.

FORVIS, LLP

**Greenville, South Carolina
February 5, 2024**

United Way Association of South Carolina, Inc.
Statements of Financial Position
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,294,208	\$ 900,651
Grants and contracts receivable, net	1,545,615	777,540
Prepaid expenses	51,744	36,781
Total current assets	3,891,567	1,714,972
Property and equipment, net	25,219	19,765
Right of use operating asset	29,469	-
Total assets	<u>\$ 3,946,255</u>	<u>\$ 1,734,737</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 121,032	\$ 325,812
Accrued expenses	1,175,643	578,932
Deferred revenue	1,051,274	109,809
Lease liability	29,794	-
Total liabilities	2,377,743	1,014,553
Net assets:		
Net assets without donor restrictions:		
Undesignated net assets	706,827	248,151
Board designated net assets	812,071	423,000
Total net assets without donor restrictions	1,518,898	671,151
Net assets with donor restrictions	49,614	49,033
Total net assets	1,568,512	720,184
Total liabilities and net assets	<u>\$ 3,946,255</u>	<u>\$ 1,734,737</u>

See accompanying notes.

**United Way Association of South Carolina, Inc.
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2022**

	2022		Total
	Without donor restrictions	With donor restrictions	
Revenues, gains and other support:			
2-1-1 and call center	\$ 643,748	\$ -	\$ 643,748
AmeriCorps grant revenue	3,844,773	-	3,844,773
South Carolina Housing grant revenue	11,000,000	-	11,000,000
Statewide childcare initiative	499,832	-	499,832
Membership dues	309,757	-	309,757
Other grant revenue	538,000	-	538,000
Contributions	190,747	3,343	194,090
Contributed services	940,294	-	940,294
Investment income	3,359	-	3,359
Miscellaneous income	9,750	-	9,750
Net assets released from restrictions	2,762	(2,762)	-
Total revenues, gains and other support	17,983,022	581	17,983,603
Expenses:			
Program services	16,827,183	-	16,827,183
Management and general	308,092	-	308,092
Total expenses	17,135,275	-	17,135,275
Change in net assets	847,747	581	848,328
Net assets at beginning of year	671,151	49,033	720,184
Net assets at end of year	<u>\$ 1,518,898</u>	<u>\$ 49,614</u>	<u>\$ 1,568,512</u>

United Way Association of South Carolina, Inc.
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2021

	2021		Total
	Without donor restrictions	With donor restrictions	
Revenues, gains and other support:			
2-1-1 and call center	\$ 549,630	\$ -	\$ 549,630
AmeriCorps grant revenue	3,587,013	-	3,587,013
Statewide childcare initiative	517,651	-	517,651
Membership dues	259,003	-	259,003
Other grant revenue	9,485	-	9,485
Contributions	72,258	25,000	97,258
Investment income	64	-	64
Miscellaneous income	7,557	-	7,557
Net assets released from restrictions	13,084	(13,084)	-
Total revenues, gains and other support	5,015,745	11,916	5,027,661
Expenses:			
Program services	4,827,202	-	4,827,202
Management and general	236,222	-	236,222
Total expenses	5,063,424	-	5,063,424
Change in net assets	(47,679)	11,916	(35,763)
Net assets at beginning of year	718,830	37,117	755,947
Net assets at end of year	\$ 671,151	\$ 49,033	\$ 720,184

United Way Association of South Carolina, Inc.
Statement of Functional Expenses
Year Ended December 31, 2022

	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 Expenses
Salaries and benefits	\$ 497,040	\$ 258,483	\$ -	\$ 71,807	\$ 58,566	\$ 885,896	\$ 102,619	\$ 988,515
Professional development and travel	28,440	17,226	-	12,148	5,628	63,442	41,841	105,283
Bad debt expense	-	-	-	-	-	-	13,109	13,109
Professional fees and contract services	235,020	351,335	-	72,697	937	659,989	21,256	681,245
Programs and operations	1,064,103	31,050	-	42,495	(61)	1,137,587	107,889	1,245,476
Occupancy	14,930	4,684	-	12,782	-	32,396	14,961	47,357
Telephone	3,467	3,354	-	-	-	6,821	6,417	13,238
Community awards, grants and subcontracts	13,541,220	-	499,832	-	-	14,041,052	-	14,041,052
Total expenses	\$ 15,384,220	\$ 666,132	\$ 499,832	\$ 211,929	\$ 65,070	\$ 16,827,183	\$ 308,092	\$ 17,135,275

See accompanying notes.

United Way Association of South Carolina, Inc.
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services							Supporting Services	Total Expenses	
	Community and Volunteer Services	2-1-1 Services	Family and Childcare Support	Matching Funds	Membership Support and Other Programs	Census	Disaster Relief	Total Program Services		Management and General
Salaries and benefits	\$ 440,360	\$ 218,465	\$ -	\$ 1,297	\$ 105,164	\$ 1,000	\$ -	\$ 766,286	\$ 61,300	\$ 827,586
Professional development and travel	60,159	7,470	-	-	-	-	-	67,629	15,137	82,766
Bad debt expense	-	-	-	-	2,500	-	-	2,500	45,251	47,751
Professional fees and contract services	138,014	284,825	-	724	1,967	2,000	-	427,530	34,630	462,160
Programs and operations	102,954	6,585	-	270	-	1,313	-	111,122	65,766	176,888
Occupancy	37,273	4,230	-	-	-	-	-	41,503	14,052	55,555
Telephone	3,898	3,783	-	-	-	-	-	7,681	86	7,767
Community awards, grants and subcontracts	2,859,071	5,293	517,651	-	6,000	5,172	9,764	3,402,951	-	3,402,951
Total expenses	\$ 3,641,729	\$ 530,651	\$ 517,651	\$ 2,291	\$ 115,631	\$ 9,485	\$ 9,764	\$ 4,827,202	\$ 236,222	\$ 5,063,424

See accompanying notes.

United Way Association of South Carolina, Inc.
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows provided by operating activities:		
Cash received from 2-1-1 and call center	\$ 697,773	\$ 497,497
Cash received from grants	15,982,329	4,021,640
Cash received from membership dues	309,757	259,003
Cash received from contributions	194,090	97,258
Cash received from investment income	3,359	64
Cash received from miscellaneous income	9,750	7,557
Cash paid for community awards, grants, and subcontracts	(13,100,758)	(3,402,951)
Cash paid to employees for salaries and benefits	(981,569)	(811,455)
Cash paid for operating expenses	(1,661,785)	(487,775)
Cash paid for occupancy	(47,357)	(55,555)
Net cash provided by operating activities	1,405,589	125,283
Cash flows from investing activities:		
Purchases of property and equipment	(12,032)	(12,776)
Net cash used by investing activities	(12,032)	(12,776)
Net increase in cash and cash equivalents	1,393,557	112,507
Cash and cash equivalents at beginning of year	900,651	788,144
Cash and cash equivalents at end of year	\$ 2,294,208	\$ 900,651

Notes to Financial Statements

1. Description of Organization

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 25 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 grant is a 10-15% match for locally invested funds in the aforementioned programs. 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. In November 2022, an additional \$1,000,000 was received by the Association related to the ERA funding agreement. All funding excluding the additional \$1,000,000 was expended during the year ended December 31, 2022. The remaining \$1,000,000 was included in deferred revenue on the statements of financial position.

2. Summary of Significant Accounting Policies

Financial statement presentation

The Association reports information regarding its financial position and activities according to two classes of net assets: without donor restricted net assets and with donor restricted net assets.

Net assets have been presented into two net asset groups as follows:

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

The Association considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At times, cash balances may exceed federally insured amounts. The Association has not experienced any losses on such accounts and management does not believe the Association is exposed to any significant credit risk on cash and cash equivalents.

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 uncollectible accounts is provided based on historical bad debt experience and evaluation of individual accounts. The allowance for doubtful accounts at December 31, 2022 and 2021 was \$20,873 and \$44,834, 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.

Right of use operating asset

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service.

Deferred revenue

Deferred revenue represents revenues that have been collected but not yet earned as of December 31, 2022 or 2021. This amount is composed of revenues related to the ERA, 2-1-1 program, 2023 membership dues, and various grants.

Contributions

Contributions are recorded as with or without donor restricted support, depending on the existence and/or nature of donor restrictions.

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, 2022 totaled \$940,294 of equivalent value to the Association.

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 exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Association has determined that there are no material unrecognized tax benefits or obligations as of December 31, 2022.

Recently Adopted Accounting Pronouncements

Effective January 1, 2022, the Association adopted Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item on the statements of activities and changes in net assets, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets.

3. Property and Equipment

Property and equipment consisted of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 61,681	\$ 72,700
Less accumulated depreciation	<u>(36,462)</u>	<u>(52,935)</u>
Property and equipment, net	<u>\$ 25,219</u>	<u>\$ 19,765</u>

4. Net Assets with Donor Restrictions

The Association had net assets with donor restrictions of \$49,614 and \$49,033, respectively as of December 31, 2022 and 2021. As of December 31, 2022 and 2021, these funds were restricted for use related to the COVID-19 pandemic, employee campaign funds, and self-sufficiency standard.

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

	<u>2022</u>	<u>2021</u>
Self-sufficiency standard	\$ -	\$ 2,500
Employee campaign funds	2,762	820
COVID-19 efforts	<u>-</u>	<u>9,764</u>
Total restrictions released	<u>\$ 2,762</u>	<u>\$ 13,084</u>

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, 2022, 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.

6. Board Designated Net Assets

As of December 31, 2022 and 2021, approximately \$812,000 and \$423,000, respectively, of net assets without donor restrictions was designated by the board of directors as a reserve fund.

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, is 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*), is the recognition of a right of use (“ROU”) operating asset and lease liability on the statements of financial position. The most significant change is the requirement to recognize ROU assets and lease liabilities for leases classified as operating leases. The standard requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

As part of the transition to the new standard, the Association was required to measure and recognize leases that existed at January 1, 2022 using the alternative transition method. 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.

The Association leases office space under the terms of a non-cancellable operating lease. For leases with terms greater than 12 months, the related ROU operating assets and lease liability are recorded at the present value of lease payments over the term.

The components of lease expense (and related classification in the accompanying statement of functional expenses) were as follows during 2022:

Operating lease cost (occupancy expenses)	\$	28,865
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Rental expense for all operating leases was approximately \$29,000 and \$31,000 for 2022 and 2021, respectively, and is reported as a component of occupancy expenses in the accompanying statements of functional expenses.

United Way Association Of South Carolina, Inc.
Notes to Financial Statements

Right-of-use assets obtained in exchange for new lease obligations for the year ended December 31, 2022 are as follows:

Right-of-use assets obtained in exchange for new operating lease liabilities as part of Topic 842 adoption	\$ 58,710
Other information:	
Weighted-average remaining lease term – operating leases	2 years
Weighted-average discount rate – operating leases	0.78%

Operating lease obligation maturities:

2023	\$ 29,900
Less: Interest	<u>(106)</u>
Operating lease obligations	<u>\$ 29,794</u>

8. Liquidity and Availability

The Association's liquidity management structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,294,208	\$ 900,651
Grants and contracts receivable, net	1,545,615	777,540
Less: net assets with donor restrictions	<u>(49,614)</u>	<u>(49,033)</u>
	<u>\$ 3,790,209</u>	<u>\$ 1,629,158</u>

9. Subsequent Events

Subsequent events have been evaluated through February 5, 2024, which is the date the financial statements were available to be issued.

Supplementary Information

United Way Association of South Carolina, Inc.
Schedule of Revenues, Expenses, and Changes in Net Assets (Deficit) by Program
For the Year Ended December 31, 2022

	Community and Volunteer Services	Call Center and 2-1-1 Program	Family and Childcare Support	Membership and Administrative Support	Matching Funds	Total
Revenue, gains and other support:						
2-1-1 and call center	\$ -	\$ 643,748	\$ -	\$ -	\$ -	\$ 643,748
AmeriCorps grant revenue	3,844,773	-	-	-	-	3,844,773
South Carolina Housing grant revenue	11,000,000	-	-	-	-	11,000,000
Statewide childcare initiative	-	-	499,832	-	-	499,832
Membership dues	-	-	-	309,757	-	309,757
Other grant revenue	-	-	-	-	538,000	538,000
Contributions	-	93,000	-	101,090	-	194,090
Contributed services	-	-	-	940,294	-	940,294
Investment income	-	-	-	3,359	-	3,359
Miscellaneous income	-	4,750	-	5,000	-	9,750
Total revenue, gains and other support	14,844,773	741,498	499,832	1,359,500	538,000	17,983,603
Expenses:						
Salaries and benefits	497,040	258,483	-	58,566	71,807	885,896
Professional development and travel	28,440	17,226	-	5,628	12,148	63,442
Bad debt expense	-	-	-	-	-	-
Professional fees and contract services	235,020	351,335	-	937	72,697	659,989
Programs and operations	1,064,103	31,050	-	(61)	42,495	1,137,587
Occupancy	14,930	4,684	-	-	12,782	32,396
Telephone	3,467	3,354	-	-	-	6,821
Community awards, grants and subcontracts	13,541,220	-	499,832	-	-	14,041,052
Total expenses	15,384,220	666,132	499,832	65,070	211,929	16,827,183
Change in net assets (deficit)	\$ (539,447)	\$ 75,366	\$ -	\$ 1,294,430	\$ 326,071	\$ 1,156,420

See independent auditors' report.

United Way Association of South Carolina, Inc.
Schedule of Revenues, Expenses, and Changes in Net Assets (Deficit) by Program
For the Year Ended December 31, 2021

	Community and Volunteer Services	Call Center and 2-1-1 Program	Family and Childcare Support	Membership and Administrative Support	Matching Funds	Census	Disaster Relief	Total
Revenue, gains and other support:								
2-1-1 and call center	\$ -	\$ 549,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 549,630
AmeriCorps grant revenue	3,587,013	-	-	-	-	-	-	3,587,013
Statewide childcare initiative	-	-	517,651	-	-	-	-	517,651
Membership dues	-	-	-	259,003	-	-	-	259,003
Other grant revenue	-	-	-	-	-	9,485	-	9,485
Contributions	-	-	-	97,258	-	-	-	97,258
Investment income	-	-	-	64	-	-	-	64
Miscellaneous income	-	-	-	7,557	-	-	-	7,557
Total revenue, gains and other support	3,587,013	549,630	517,651	363,882	-	9,485	-	5,027,661
Expenses:								
Salaries and benefits	440,360	218,465	-	105,164	1,297	1,000	-	766,286
Professional development and travel	60,159	7,470	-	-	-	-	-	67,629
Bad debt expense	-	-	-	2,500	-	-	-	2,500
Professional fees and contract services	138,014	284,825	-	1,967	724	2,000	-	427,530
Programs and operations	102,954	6,585	-	-	270	1,313	-	111,122
Occupancy	37,273	4,230	-	-	-	-	-	41,503
Telephone	3,898	3,783	-	-	-	-	-	7,681
Community awards, grants and subcontracts	2,859,071	5,293	517,651	6,000	-	5,172	9,764	3,402,951
Total expenses	3,641,729	530,651	517,651	115,631	2,291	9,485	9,764	4,827,202
Change in net assets (deficit)	\$ (54,716)	\$ 18,979	\$ -	\$ 248,251	\$ (2,291)	\$ -	\$ (9,764)	\$ 200,459

See independent auditors' report.

Compliance Section

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*

Independent Auditor's Report

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

We have audited, 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, the financial statements of United Way Association of South Carolina, Inc. (the "Association"), which comprise the statements of financial position as of December 31, 2022 and 2021, 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, and have issued our report thereon dated February 5, 2024.

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 the 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 the 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 Association'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 have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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.

FORVIS, LLP

**Greenville, South Carolina
February 5, 2024**

Report on Compliance for the Major Federal Program and Report On Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited United Way Association of South Carolina, Inc. (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, 2022. 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 compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 GAAS, *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 GAAS, *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.

FORVIS

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.

FORVIS,LLP

**Greenville, South Carolina
February 5, 2024**

United Way Association Of South Carolina, Inc.
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

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 Programs:				
AmeriCorps - Formula	94.006	N/A	2,019,183	2,019,183
AmeriCorps - Competitive	94.006	N/A	309,844	309,844
AmeriCorps - Fixed	94.006	N/A	263,839	263,839
Total AmeriCorps			<u>2,592,866</u>	<u>2,592,866</u>
State Commissions	94.003	N/A	139,721	-
Training and Technical Assistance	94.009	N/A	151,298	-
Volunteer Generation Fund	94.021	N/A	<u>135,109</u>	<u>-</u>
Total Corporation for National and Community Service Direct Programs			<u>3,018,994</u>	<u>2,592,866</u>
Total Expenditures for Federal Awards			<u>\$ 3,018,994</u>	<u>\$ 2,592,866</u>

Notes to Schedule of Expenditures of Federal Awards

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, 2022. 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.

2. Summary of Significant Account Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following 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.

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.

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, 2022 reflects Assistance Listing changes issued through April 2022.

Schedule of Findings and Questioned Costs

Section I: Summary of Auditor's Results

Financial statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Are any material weaknesses identified? Yes No
- Are any significant deficiencies identified that are not considered to be material weaknesses? Yes None reported
- Is any noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program:

- Are any material weaknesses identified? Yes No
- Are any significant deficiencies identified that are not considered to be material weaknesses? Yes 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 2 CFR 200.516 (a) Yes No

Identification of major federal program:

Assistance Listing Number

Name of Federal Program or Cluster

94.006

AmeriCorps

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

Schedule of Findings and Questioned Costs (continued)

Section II: Financial Statement Findings

There were no findings reported for the year ended December 31, 2022.

Section III: Federal Award Findings and Questioned Costs

There were no findings reported for the year ended December 31, 2022.

Summary Schedule of Prior Audit Findings

There were no findings reported for the year ended December 31, 2021 or 2020.