

**BLACK RIVER UNITED WAY, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**BLACK RIVER UNITED WAY, INC.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Black River United Way, Inc.

### **Opinion**

We have audited the accompanying financial statements of Black River United Way, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year 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 Black River United Way, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Black River United Way, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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 Black River United Way, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Black River United Way, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Black River United Way, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Love Bailey & Associates, LLC*

Love Bailey & Associates, LLC

Laurens, South Carolina

April 23, 2024

**BLACK RIVER UNITED WAY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 366,252
Restricted cash	32,664
Accounts receivable	70,406
Pledges receivable	28,614
	<hr/>
Total current assets	497,936

**NONCURRENT ASSETS**

Property and equipment, net	52,450
	<hr/>
Total assets	<u>\$ 550,386</u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 32,014
Accrued payroll	7,157
Compensated absences	2,629
Deferred revenue	1,754
	<hr/>
Total current liabilities	43,554

**NET ASSETS**

With donor restrictions	89,663
Without donor restrictions	417,169
	<hr/>
Total net assets	506,832
	<hr/>
Total liabilities and net assets	<u>\$ 550,386</u>

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

**BLACK RIVER UNITED WAY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Campaign contributions	\$ 238,280	\$ -	\$ 238,280
Disaster relief	-	16,542	16,542
Grants	240,688	71,856	312,544
Other revenue, gains and support	18,728	-	18,728
Net assets released from restrictions:			
Satisfaction of program restrictions	82,104	(82,104)	-
Total revenues, gains and other support	<u>579,800</u>	<u>6,294</u>	<u>586,094</u>
<b>EXPENSES</b>			
Program services:			
Programs	406,740	-	406,740
Grants	56,621	-	56,621
Total program services	<u>463,361</u>	<u>-</u>	<u>463,361</u>
Support services:			
Management and general	160,825	-	160,825
Fundraising	36,800	-	36,800
Total support services	<u>197,625</u>	<u>-</u>	<u>197,625</u>
Total expenses	<u>660,986</u>	<u>-</u>	<u>660,986</u>
Changes in operations	(81,186)	6,294	(74,892)
<b>NONOPERATING</b>			
Sale of assets	104	-	104
Interest income	9,221	-	9,221
Total nonoperating	<u>9,325</u>	<u>-</u>	<u>9,325</u>
Changes in net assets	(71,861)	6,294	(65,567)
<b>NET ASSETS</b>			
Beginning of year	<u>489,030</u>	<u>83,369</u>	<u>572,399</u>
End of year	<u>\$ 417,169</u>	<u>\$ 89,663</u>	<u>\$ 506,832</u>

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

**BLACK RIVER UNITED WAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	Program Services			Support Services			Total
	Programs	Grants	Total	Management and General	Fundraising	Total	
Salaries and wages	\$ 52,942	\$ 39,261	\$ 92,203	\$ 123,532	\$ 19,630	\$ 143,162	\$ 235,365
Payroll taxes	8,942	4,526	13,468	20,864	2,263	23,127	36,595
Total salaries and related expense	<u>61,884</u>	<u>43,787</u>	<u>105,671</u>	<u>144,396</u>	<u>21,893</u>	<u>166,289</u>	<u>271,960</u>
Agency allocations	500	-	500	-	-	-	500
Disaster resiliency	68,122	-	68,122	-	-	-	68,122
Mission: Read	210,515	-	210,515	-	-	-	210,515
Other grant expenses	-	12,834	12,834	-	-	-	12,834
Professional fees	7,682	-	7,682	1,921	-	1,921	9,603
Insurance and licenses	3,238	-	3,238	809	-	809	4,047
Other dues and publications	10,717	-	10,717	2,679	-	2,679	13,396
Supplies	7,114	-	7,114	1,778	-	1,778	8,892
Marketing	-	-	-	-	14,907	14,907	14,907
Postage	475	-	475	119	-	119	594
Telephone	7,941	-	7,941	1,985	-	1,985	9,926
Training, meetings and travel	5,051	-	5,051	1,263	-	1,263	6,314
Utilities	249	-	249	62	-	62	311
Equipment (lease) maintenance	11,817	-	11,817	2,954	-	2,954	14,771
Building and grounds maintenance	8,325	-	8,325	2,081	-	2,081	10,406
Total expenses before depreciation	<u>341,746</u>	<u>12,834</u>	<u>354,580</u>	<u>15,651</u>	<u>14,907</u>	<u>30,558</u>	<u>385,138</u>
Depreciation expense	3,110	-	3,110	778	-	778	3,888
Total expenses	<u>\$ 406,740</u>	<u>\$ 56,621</u>	<u>\$ 463,361</u>	<u>\$ 160,825</u>	<u>\$ 36,800</u>	<u>\$ 197,625</u>	<u>\$ 660,986</u>

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

**BLACK RIVER UNITED WAY, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$ (65,567)
Adjustments to reconcile changes in net assets to net cash used in operating activities	
Depreciation	3,888
(Increase) decrease in:	
Promises to give	23,104
Accounts receivable	(25,877)
Increase (Decrease) in:	
Accounts payable	20,106
Accrued payroll	929
Compensated absences	(629)
Deferred revenue	(43,128)
Net cash used in operating activities	<u>(87,174)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of equipment	<u>(56,338)</u>
Net cash used in investing activities	<u>(56,338)</u>
Net decrease in cash	(143,512)

**CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**

Beginning of year	<u>542,428</u>
End of year	<u>\$ 398,916</u>

**RECONCILIATION TO STATEMENT OF FINANCIAL POSITION**

Cash and cash equivalents	\$ 366,252
Restricted cash	32,664
Total cash, cash equivalents, and restricted cash	<u>\$ 398,916</u>

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



**BLACK RIVER UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Black River United Way, Inc. (the "Organization") was incorporated under the laws of the State of South Carolina on April 28, 1970, under the name Georgetown County United Way, Inc. In 2014 Georgetown County United Way, Inc. changed its name to Black River United Way, Inc. The purpose of Black River United Way, Inc. is to create a better quality of life for people in Georgetown and Williamsburg Counties by leveraging resources; to lead early grade reading programs for children, build family self-sufficiency, and ensure disaster resiliency through preparation and mitigation; with the goal of producing the greatest community impact.

**Basis of Accounting**

The financial statements are presented on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. Revenues are recognized when earned; expenses are recorded as incurred.

**Financial Statement Presentation**

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

***Net Assets Without Donor Restrictions:*** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time. During the year ended December 31, 2023, there were no board designated net assets.

***Net Assets With Donor Restrictions:*** Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. During the year ended December 31, 2023, net assets with donor restrictions totaled \$89,663.

**Cash and Cash Equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

(Continued)

**BLACK RIVER UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Accounts receivable**

Accounts receivable represents payment from United Way Association of South Carolina that was a reimbursement from expenditures of the AmeriCorps grant in 2023. The Organization determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivables are written off when deemed uncollectible. There was no allowance for doubtful accounts recorded at December 31, 2023.

**Promises to Give**

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2023 promises to give totaled \$28,614 and there was no allowance for the promises to give.

**Contributions**

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Deferred Revenue**

Deferred revenue represents revenues collected but not earned as of December 31, 2023. This is primarily composed of revenue for the following years Fundraising Campaign. If a program is conducted over a fiscal year end, deferred revenue is recorded for all revenue related to programs predominately conducted in the next fiscal year. For the year ended December 31, 2023, deferred revenue totaled \$1,754.

(Continued)

**BLACK RIVER UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Donated Assets and Services**

Donated assets are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of assets are recorded as unrestricted support.

A substantial number of volunteers have donated significant amounts of time to the Organization's program services and fundraising campaigns. No amounts have been recognized in the statement of activities because these activities do not meet the criteria of donated services required to be recognized, as defined by FASB ASC 958-605-25-16.

**Property and Equipment**

Property and equipment are recorded at cost. Expenditures for maintenance, repairs and minor renewals are recorded and expensed as incurred. Expenditures for major renewals and betterments are capitalized and depreciated over their estimated useful lives. Depreciation is calculated using the straight-line method over the following estimated useful lives: furniture and fixtures – 3 to 5 years and buildings – 40 years. When property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and any remaining gain or loss is included in operations.

**Investments**

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Revenue Recognition**

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Grant income is recognized over the grant period in relation to the expenditures incurred and services provided, as outlined in the grant documents. Cash received in excess of grant expenditures to date is recorded as deferred revenue, and an account receivable is recorded when allowable expenditures exceed cash received.

**Advertising Costs**

Advertising costs (marketing) are expensed as incurred. For the year ended December 31, 2023, \$14,907 was recorded as advertising.

**Fundraising Expenses**

Fundraising costs are expensed as incurred. For the year ended December 31, 2023, \$36,800 was allocated as fundraising expenses.

**BLACK RIVER UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Recently Adopted Accounting Guidance – Allowance for Credit Losses**

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable held to maturity debt securities. The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

**Functional Expenses**

A schedule of functional expenses is included within the financial statements for purposes of additional analysis. The expenses on the schedule are segregated through the use of actual expenses or by management estimate.

**Income taxes**

The Organization is exempt from federal and state income taxes for general purpose operations under Section 501(c)(3) of the Internal Revenue Code, which South Carolina adopted by reference in the South Carolina Tax Federal Conforming Amendments.

Financial Accounting Standards Board (FASB) ASC 740-10 prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that the Organization has taken or expects to take on a tax return. In accordance with FASB ASC 740-10, the Organization recognizes the tax benefits from uncertain tax positions only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Organization's income tax filings are subject to audit by various taxing authorities. Management believes that adoption of ASC 740-10 resulted in no significant impact to the Organization's financial statements.

**Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

**Financial Instruments and Credit Risk**

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited at any one institution. (Continued)

**BLACK RIVER UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 – LIQUIDITY**

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$	366,252
Restricted cash		32,664
Accounts receivable		70,406
Pledges receivable		28,614
Less those unavailable to be used for operations due to donor restrictions		(89,663)
		\$ 425,617

**NOTE 3 – CASH AND CASH EQUIVALENTS**

At December 31, 2023, the carrying amount of the Organization’s cash and cash equivalents including restricted cash was \$398,916 and the bank balance totaled \$402,717 at December 31, 2023. At December 31, 2023, all bank were insured by Federal Deposit Insurance Coverage.

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2023 are:

United Way Association of SC	\$	49,981
Grants receivable		20,000
Reimbursement receivable		425
		\$ 70,406

**NOTE 5 – PROMISES TO GIVE**

Promises to give at December 31, 2023 are \$28,614 and are expected to be collected within one year.

**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2023 consisted of the following:

Equipment	\$	12,077
Lease holder improvements		52,380
Less: accumulated depreciation		(12,007)
		\$ 52,450

Depreciation expense for the year ended December 31, 2023 total to \$3,888.

**BLACK RIVER UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 – CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS**

Changes in net assets with donor restrictions are as follows:

Net assets with donor restrictions, December 31, 2022	\$	83,369
Support		88,398
Released from restrictions		<u>(82,104)</u>
Net assets with donor restrictions, December 31, 2023	\$	<u>89,663</u>

The following amounts remain as net assets with donor restrictions at December 31, 2023:

Program restricted:		
Mission read grant	\$	3,827
Americorps		<u>85,806</u>
Net assets with donor restrictions, December 31, 2023	\$	<u>89,663</u>

**NOTE 9 – IN-KIND LEASES**

The Organization in-kind contributions consisted of the following for the year ended December 31, 2023:

		\$	9,000	<u>Usage</u> Program
Rent				

The Organization leased its office facilities from International Paper for the year ended December 31, 2023. In November 2021, the Organization entered into a lease agreement with the lessor in which the organization receives its office facilities free of charge. The lease agreement expired on February 1, 2024, however, was renewed for another two-year term.

**NOTE 10 - EMPLOYEE BENEFITS**

Employees are allowed to carry over a total of 40 hours of unused vacation time to the following year. In the event an employee is terminated, the employee can be paid out up to 40 hours of used vacation. Compensated absences balance totaled \$2,629 for the year ended December 31, 2023.

All regular and full-time employees are eligible to participate in the Edward Jones retirement plan offered by the Organization. The Organization will contribute up to a 3% match of each participating employee's salary to the 403(b) plan, after the employee completes one year of continuous, full-time employment. Employer retirement contributions for the year ended December 31, 2023, was \$1,503.

**BLACK RIVER UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 11 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through the date of the auditor’s report, April 23, 2024, which is the date the financial statements were available for issue. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.