

UNITED WAY OF THE PIEDMONT, INC.

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

This page is intentionally left blank

**UNITED WAY OF PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

TABLE OF CONTENTS

YEAR ENDED MARCH 31, 2024

	Page
Independent Auditor's Report	1
Financial Section	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	8
Notes to the Financial Statements	9
Supplemental Schedule	
Functional Expenses (Overhead) Calculation	20

This page is intentionally left blank



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of the Piedmont, Inc.
Spartanburg, South Carolina

Opinion

We have audited the accompanying financial statements of United Way of the Piedmont, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2024, 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 United Way of the Piedmont, Inc. as of March 31, 2024 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 United Way of the Piedmont, 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 United Way of the Piedmont, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Functional Expenses (Overhead) Calculation 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 State of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
September 12, 2025

FINANCIAL SECTION

**UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2024

ASSETS

Cash and Cash Equivalents	\$ 522,146
Beneficial Interest in Assets Held by Others	1,085,940
Pledges Receivables - Net	1,426,577
Other Receivables	108,522
Prepaid Expense	50,509
Property and Equipment - Net	15,697
Right-of-Use Asset - Net	211,006
TOTAL ASSETS	<u>\$ 3,420,397</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Allocations and Designations Payable	\$ 536,023
Accounts Payable	71,632
Accrued Expenses	20,532
Deferred Revenue	188,933
Lease Liabilities	212,282
TOTAL LIABILITIES	<u>1,029,402</u>

NET ASSETS

Without Donor Restrictions	1,479,837
With Donor Restrictions	911,158
TOTAL NET ASSETS	<u>2,390,995</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,420,397</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
PUBLIC SUPPORT AND REVENUE			
Net Campaign Revenue	\$ -	3,289,181	\$ 3,289,181
Total Public Support	-	3,289,181	3,289,181
Other Revenue (Expenses)			
Grant Income	1,451,252	-	1,451,252
Investment Income, Net of Fees	50,352	-	50,352
Unrealized Gain (Loss) on Investments	4,610	-	4,610
Designations from other United Ways	57,998	-	57,998
Other	238,429	18,804	257,233
Service Fees	24,278	-	24,278
Total Other Revenue (Expenses)	1,826,919	18,804	1,845,723
Net Assets Released from Restriction	3,326,308	(3,326,308)	-
TOTAL PUBLIC SUPPORT AND REVENUE	5,153,227	(18,323)	5,134,904
EXPENSES			
Program Services			
Net Funds Awarded/Distributed	1,779,210	-	1,779,210
Community Investment Process	13,708	-	13,708
Community Engagement/Education	222,271	-	222,271
Gifts in Kind Center	4,445	-	4,445
Community Partnerships	43,985	-	43,985
Behavioral Health	58,094	-	58,094
Financial Stability	1,331,836	-	1,331,836
VISTA Program	95,282	-	95,282
AmeriCorps Program	117,661	-	117,661
Total Program Services	3,666,492	-	3,666,492
Supporting Services			
Fundraising	204,653	-	204,653
Management and General	762,949	-	762,949
Total Support Services	967,602	-	967,602
TOTAL EXPENSES	4,634,094	-	4,634,094
CHANGE IN NET ASSETS	519,133	(18,323)	500,810
NET ASSETS, BEGINNING OF THE YEAR	960,704	929,481	1,890,185
NET ASSETS, END OF YEAR	\$ 1,479,837	911,158	\$ 2,390,995

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED MARCH 31, 2024

	PROGRAM SERVICES				
	Community Investment Process	Community Engagement / Education	Gifts In Kind Center	Community Partnerships	Behavioral Health
Salaries	\$ 2,395	142,438	2,249	31,874	35,323
Payroll Tax	194	10,918	197	2,636	2,749
Health Insurance	170	14,999	311	1,454	4,637
Retirement	41	2,348	76	353	597
Total Salaries and Related Expenses	2,800	170,703	2,833	36,317	43,306
Professional Fees	8,867	15,610	501	2,349	3,969
Supplies	3	173	6	26	105
Telephone	14	1,276	26	119	426
Printing	6	355	11	106	90
Postage	1,152	580	19	87	147
Training	1	44	1	7	11
Business Development	8	474	15	68	115
Public Relation Events	326	3,069	99	462	780
Public Relation Supplies	22	186	6	28	47
Insurance	47	2,678	86	403	681
Occupancy	131	7,419	239	1,116	2,529
Equipment	125	7,083	228	1,066	1,801
Transportation	19	2,022	34	161	1,393
Membership Fees	69	3,907	126	588	993
Miscellaneous	2	108	3	43	27
Advertising	1	67	2	59	17
United Way Worldwide Dues	107	6,052	195	910	1,539
Bad Debt Expense	-	-	-	-	-
Total Expenses Before Depreciation	13,700	221,806	4,430	43,915	57,976
Depreciation and Amortization	8	465	15	70	118
Total Operating Expenses	13,708	222,271	4,445	43,985	58,094
Allocations and Awards	1,523,702	61,500	-	-	14,600
Total Allocations and Awards	1,523,702	61,500	-	-	14,600
TOTAL EXPENSES	\$ 1,537,410	283,771	4,445	43,985	72,694

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

SUPPORT SERVICES

Financial Stability	Vista Program	AmeriCorps Program	Total Program Services	Fundraising	Management & General	Total Support Services	Total
722,454	37,121	67,906	1,041,760	131,487	356,044	487,531	\$ 1,529,291
59,240	3,036	5,741	84,711	10,489	28,402	38,891	123,602
75,146	1,791	3,269	101,777	9,079	24,586	33,665	135,442
20,985	357	807	25,564	2,207	5,977	8,184	33,748
877,825	42,305	77,723	1,253,812	153,262	415,009	568,271	1,822,083
194,091	25,678	15,286	266,351	14,670	39,723	54,393	320,744
10,460	22,545	178	33,496	606	1,641	2,247	35,743
11,785	77	408	14,131	746	2,019	2,765	16,896
2,342	34	138	3,082	1,428	3,868	5,296	8,378
3,391	56	140	5,572	833	2,256	3,089	8,661
467	44	11	586	434	1,174	1,608	2,194
6,003	476	109	7,268	554	1,501	2,055	9,323
17,880	298	962	23,876	3,302	8,939	12,241	36,117
1,078	18	45	1,430	1,207	3,266	4,473	5,903
15,563	260	646	20,364	2,517	6,817	9,334	29,698
72,007	721	13,790	97,952	6,972	18,879	25,851	123,803
42,903	688	1,709	55,603	6,705	18,155	24,860	80,463
12,265	104	1,211	17,209	1,413	3,828	5,241	22,450
24,273	1,279	3,643	34,878	3,671	9,941	13,612	48,490
689	10	26	908	118	322	440	1,348
949	56	64	1,215	90	244	334	1,549
35,164	588	1,460	46,015	5,688	15,400	21,088	67,103
-	-	-	-	-	208,784	208,784	208,784
1,329,135	95,237	117,549	1,883,748	204,216	761,766	965,982	2,849,730
2,701	45	112	3,534	437	1,183	1,620	5,154
1,331,836	95,282	117,661	1,887,282	204,653	762,949	967,602	2,854,884
179,408	-	-	1,779,210	-	-	-	1,779,210
179,408	-	-	1,779,210	-	-	-	1,779,210
1,511,244	95,282	117,661	3,666,492	204,653	762,949	967,602	\$ 4,634,094

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 500,810
Adjustments to Reconcile Change in Net Assets to Net Cash:	
Depreciation and Amortization	5,154
Investment (Gains) Losses, Net	(53,233)
Contributions Made to Beneficial Interest	(401,548)
Distribution from Beneficial Interest	150,000
Changes in Operating Assets and Liabilities:	
Decrease (Increase) in Receivables	220,712
Decrease (Increase) in Prepaid Expenses	1,066
Decrease (Increase) in Right-Of-Use Assets	(98,401)
Increase (Decrease) in Allocations and Designations Payable	(225,019)
Increase (Decrease) in Accounts Payable	12,021
Increase (Decrease) in Accrued Expenses	(1,118)
Increase (Decrease) in Deferred Revenue	(143,411)
Increase (Decrease) in Lease Liabilities	97,550
NET CASH PROVIDED BY OPERATING ACTIVITIES	64,583

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	(15,395)
NET CASH USED IN INVESTING ACTIVITIES	(15,395)

NET CHANGE IN CASH AND CASH EQUIVALENTS **49,188**

CASH AND CASH EQUIVALENTS, Beginning of the Year 472,958

CASH AND CASH EQUIVALENTS, End of Year **\$ 522,146**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

United Way of the Piedmont, Inc. (“United Way”) is a not-for-profit corporation whose mission is to connect, engage, and inspire people to transform our community. United Way was formed in 1936 and is governed by a volunteer board of directors which is made up of approximately 25-34 members who serve terms ranging from one to six years. United Way of the Piedmont, Inc. is committed to compliance with United Way Worldwide Standards of Excellence.

United Way’s primary fundraising efforts are through workplace campaigns and community appeals. United Way provides opportunities for people throughout Spartanburg, Cherokee, and Union counties to give of their financial resources, volunteer their time, and advocate for causes that are important to the community. All of United Way’s community efforts are rooted in the established priorities of Education, Economic Mobility, and Health.

Campaigns are conducted year-round to support programs primarily in the subsequent fiscal year. Campaign contributions are used primarily to support a variety of health and human service programs and to pay United Way’s operating expenses. Not-for-profit organizations may receive funding either through the Community Investment Process (“CIP”) or via donor designation.

Unrestricted donations to United Way are distributed throughout Spartanburg, Cherokee and Union Counties through the CIP. United Way’s Community Impact agenda includes 3 priority areas in which not-for-profit organizations may submit program funding requests. Unrestricted dollars are divided among these priority areas by United Way’s Community Impact Committee and the Board of Directors, based on community needs and input from United Way’s donor base. Approximately one hundred volunteers participate in community investment councils to evaluate funding applications within each priority area. Information regarding the program’s structure, measurable outcomes, plans for improvement, and customer feedback are key components in determining program funding levels. Each council makes a set of funding recommendations for their assigned priority area to the Community Impact Committee which in turn submits final recommendations for Board approval. Distribution of these funds are made in equal monthly payments.

Donors may choose to designate their pledges directly to any specific not-for-profit organization. United Way verifies the organization’s tax-exempt status prior to disbursement. In addition, these organizations are required to provide a Patriot Act Compliance form annually. Organizations receiving donor-designated funds are notified by the United Way on a quarterly basis and provided reports which support the funds processed.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Code 958-205 *Not-For-Profit Presentation of Financial Statements*.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, United Way considers all highly liquid unrestricted debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Pledges Receivable

Pledges receivable are recognized as revenue in the period the pledge is received. For the year ended March 31, 2024, an allowance for uncollectible pledges has been reserved based on past collection results. Uncollected pledges receivables are written off after three years. Bad debt expense of \$208,784 for the year ended March 31, 2024 is included in supporting services in management and general expense.

UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses

Prepaid expenses consist primarily of prepayments for software subscriptions. These costs will be expensed in the subsequent year.

Beneficial Interests in Assets Held by Others

United Way has a beneficial interest in investments held by the Spartanburg County Foundation (“SCF”). SCF retains variance power for the investment; however, United Way is the sole beneficiary as long as United Way is in existence. Distributions from the fund may be made by request and approval from United Way’s Board of Directors.

The beneficial interest in the investments held by SCF are reported at fair value in the Statement of Financial Position. Investment returns are reported in the Statement of Activities and consist of interest, dividends, and capital gains and losses (realized and unrealized), less external investment expense.

Property and Equipment

United Way’s policy is to capitalize property and equipment purchases over \$1,000. Non-depreciable assets (such as Software in Progress) begin being depreciated once they are complete, at which time the completed cost of the project is transferred to the appropriate property and equipment category. Depreciation is computed on the straight-line basis over the estimated useful lives as follows:

Software	3-5 years
Leasehold Improvements	3-5 years
Furniture and Equipment	3-10 years

Net Assets

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the United Way and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions are net assets available for use in general operations and not subject to donor imposed restrictions. The Board, at its discretion, may designate a portion of the net assets without donor restrictions to be used for specific purposes, such as capital improvements.
- Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by the actions of United Way or the passage of time. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. 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 Statement of Activities as net assets released from restrictions. If a restriction is fulfilled during the same year in which the contribution is received, United Way reports that support as an increase in net assets without donor restrictions.

Deferred Revenue

Deferred revenue consists primarily of amounts related to grants collected where donor-imposed conditions haven’t been met and amounts for administrative and processing fees for designations payable.

**UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

United Way recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received with donor restrictions that are met in the year of receipt are generally recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Conditional contributions or promises to give are not recognized until the conditions on which they depend are substantially met.

Donor choice amounts are considered to be agency transactions and thus, are exempt from recognition. However, United Way has chosen an optional presentation for the statement of activities which reports total campaign efforts, including donor choice amounts, and then subtracts the amounts raised on behalf of others, i.e., the donor choice amounts, to come to a total for contributions received as revenues.

United Way applies an administrative processing fee related to donor choice amounts. The processing fees are recorded as revenue and are withheld from the amount that the United Way disburses to the designated agencies. Administrative processing fees of \$95,183 related to designations payable to recipient agencies were included in deferred revenue in the statement of financial position as of March 31, 2024.

Grants

Grants and contributions are considered to be available for unrestricted use unless specifically restricted by the grantor or contributor. Amounts received that are designated for future periods or restricted by the grantor or donor for specific purposes are reported as support that increases net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Other Revenue

United Way recognizes other revenues related to sponsorships, membership fees, visiting charges, truckload shipment fees, and other campaign grants.

Program Services

United Way uses contributions received from public support to fund certain programs within the organization. Those programs are:

Give:

Community Investment Process - United Way of the Piedmont's internal program utilizing volunteers and staff to allocate charitable contributions to programs provided by non-profit organizations that meet established standards.

UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Services (Continued)

Advocate:

2-1-1/Information Referral – a program designed to assist people in need by referring them to the appropriate community service organization. United Way contracts with the United Way Association of South Carolina to provide a free, 24 hour/day hotline available by dialing 2-1-1.

Community Education – an educational program designed to inform area citizens about human service issues, volunteer opportunities and local resources.

Financial Stability Initiative – collaborative effort of nonprofits, businesses, governments, and others focused on increasing individual self-sufficiency in Spartanburg, Cherokee, and Union counties, thereby decreasing rates of poverty. The established goal is to decrease the number of individuals living below self-sufficiency by 11,000 by 2030.

Behavioral Health – collaboration of organizations linked to individuals in Spartanburg County living with mental illness and/or addiction. Focused on identifying and implementing strategies to increase access to care while also pinpointing more “upstream” approaches that could prevent behavioral health issues.

Volunteer:

Americorps VISTA – a national service program, managed by the Corporation for National and Community Service, that works with community agencies to assist local efforts in alleviating poverty.

Americorps Direct Service – a national service program, managed by the Corporation for National and Community Service, that serves through teacher support specialists in local elementary schools serving teachers and students and supporting academic success.

Volunteer Income Tax Assistance – a program supported by the IRS that provides families with household income less than \$60,000 with free federal and state income tax preparation by IRS certified volunteers. Many low income families are reluctant to file income tax returns due to the preparation fees. By providing this service to them at no cost, we enable them to make good use of all the money owed to them according to federal and state law.

Volunteer Connections – a program to serve as a referral center for people interested in serving as a volunteer in local human service organizations. Volunteers are recruited, screened and referred to appropriate community organizations that are dependent upon volunteers.

Support Services

Support services include all costs related to fund raising, public relations and management and general expenses.

Functional Allocation of Expenses

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to programs based on the annual time study method recommended by United Way Worldwide in its publication, *Functional Expense and Overhead Reporting Standards for United Ways* (Effective 7/1/04).

Expenses included in management and general on the statement of activities represent only expenses related to management functions that are core operations of United Way and should not be allocated to programs. General and administrative expenses that represent indirect costs of program operations have been allocated among programs based upon the annual time study method recommended by United Way Worldwide in its publication, *Functional Expense and Overhead Reporting Standards for United Ways* (effective 7/1/2004).

**UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Gifts in Kind and Donated Services

Gifts in kind and donated services meeting the criteria for recognition in the financial statements are reflected in the financial statements as non-cash contributions at their estimated value on the date of receipt. In addition to the amounts recorded as revenue and expense in the financial statements, volunteers have donated significant amounts of time assisting United Way with fundraising, special projects, and provision of program services. These contributed services do not meet the criteria for recognition in the financial statements.

Fair Value Framework

The fair value framework under generally accepted accounting principles requires the categorization of assets into three levels based upon the assumptions used to value the assets. The fair value framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level one measurements) and the lowest priority to unobservable inputs (level three measurements).

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Tax Status

The United Way is a nonprofit corporation that is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the United Way has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The United Way's tax returns for the past three years remain open for examination by taxing authorities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates. The primary estimates used in the preparation of the financial statements include the collectability of pledges receivables, the leases' incremental borrowing rate, and the allocation of functional expenses among functional categories.

**UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

NOTE B – LIQUIDITY AND AVAILABILITY OF RESOURCES

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

Cash and Equivalents	\$	522,146
Other Receivables		108,522
	\$	<u>630,668</u>

United Way structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, it invests cash in excess of normal requirements in short term liquid investments. It operates on an annual budget cycle, which is approved by its Board of Directors. The Finance Committee of the Board reviews the financial statements with comparisons to budget and prior year.

NOTE C – CONCENTRATION OF CREDIT RISK

United Way maintains its cash at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of March 31, 2024 United Way’s bank balance exceeded FDIC limits by \$331,383.

NOTE D – PLEDGES RECEIVABLE

Pledges receivable consists of contribution pledges made to United Way by individuals and businesses located primarily in upstate South Carolina. Collections of net pledges are anticipated as follows:

	Pledges Receivable	Allowance for Uncollectibles	Net Pledge Receivables
Balance as of March 31, 2024	\$ 2,256,457	829,880	\$ 1,426,577

NOTE E – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial interest in assets held by others totaled \$1,085,940 at March 31, 2024 and represents investments held at SCF. These were valued at fair value based on values provided by SCF which are considered unobservable inputs and are thus categorized as level three within the fair value hierarchy.

The following is a summary of the changes in the fund held and managed by SCF for the year ended March 31, 2024:

Fair Value, beginning of the year	\$ 781,159
Contributions	401,548
Realized and unrealized gains (losses)	5,215
Investment income	48,497
Investment advisory fees	(479)
Distributions	(150,000)
Fair Value, end of the year	<u>\$ 1,085,940</u>

The Spartanburg County Foundation’s annual audited financial statements are available by contacting the Spartanburg County Foundation at 424 East Kennedy Street, Spartanburg, SC 29302, (864) 582-0138.

**UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment was comprised of the following at March 31, 2024:

Depreciable:	
Furniture and Equipment	\$ 243,456
Leasehold Improvements	49,985
	<u>293,441</u>
Less: Accumulated Depreciation	(293,139)
Total Depreciable, Net	<u>302</u>
Non-Depreciable:	
Software in Progress	<u>15,395</u>
Total Property and Equipment	<u><u>\$ 15,697</u></u>

NOTE G – CONTRIBUTIONS DESIGNATED BY DONORS

For the year ended March 31, 2024, United Way received pledges and/or contributions totaling \$3,808,590 for the 2023-2024 campaign year. At the contributors' option, their donation may be designated to a qualifying not-for-profit agency. When this type of designation occurs, these funds are reflected as liabilities for donor choice amounts. Gross donor choice amounts designated for future periods were approximately \$519,409 of the total pledge and/or contributions received for the 2023-2024 campaign year. At March 31, 2024, \$536,023 was unpaid and recorded as a liability in the accompanying statement of financial position.

NOTE H – RETIREMENT PLAN

United Way has a 401(k) defined contribution plan, which covers substantially all employees with at least one year of service. United Way makes contributions equal to three percent of participants' salary each year. United Way may also make annual matching contributions to the plan of ½ participants' elective deferrals, subject to a maximum match of two percent. The amount contributed to the plan for the year ended March 31, 2024 was \$33,748.

NOTE I – OPERATING LEASES

United Way has three leases with terms greater than 12 months. All are considered operating leases.

The main office is leased under a lease that was amended in February 2024 and expires on August 31, 2026. Monthly lease payments range from \$5,862 at the time of the amendment to \$6,179 at the end of the lease.

The Union County Carnegie Library is leased under a lease that began on October 1, 2018 and initially expired on December 31, 2019. The lease has renewal options that could extend the lease five additional years through December 31, 2024 with quarterly payments of \$750.

The Gaffney office is leased under a lease beginning December 1, 2023 and expires on November 30, 2026. Monthly payments range from \$1,750 at lease inception to \$1,850 at the end of the lease.

United Way recognizes a right-of-use asset and lease liability for leases with terms greater than 12 months. Options to extend or terminate a lease are included in the right-of-use asset and lease liability when it is reasonably certain that such options will be exercised. United Way does not recognize right-of-use assets or lease liabilities for short-term leases (those with terms of 12 months or less) and recognizes lease expense on a straight-line basis over the lease term for these leases.

**UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

NOTE I – OPERATING LEASES (CONTINUED)

To determine the present value of the lease payments, the United Way utilizes its incremental borrowing rate as of the date of the adoption of ASC Topic 842, *Leases* (April 1, 2022) or as of the commencement date of the lease, whichever is later. The weighted-average discount rate for the United Way was 7.70% as of March 31, 2024. The weighted-average remaining lease term of all leases was 2.46 years, which includes renewal terms that the United Way was reasonably certain would be exercised.

Lease expense for the year ended March 31, 2024 was \$78,957.

Future minimum lease payments under these non-cancelable leases are as follows:

Year Ending March 31	Main Office	Union Center	Gaffney	Total
Future Minimum Rent Payments				
2025	\$ 70,505	2,250	21,200	\$ 93,955
2026	72,678	-	21,800	94,478
2027	30,895	-	14,800	45,695
	174,078	2,250	57,800	234,128
Interest	(15,494)	(39)	(6,313)	(21,846)
Total Lease Liabilities	158,584	2,211	51,487	212,282
Lease Liabilities - Current	(60,666)	(2,211)	(17,489)	(80,366)
Lease Liabilities - Noncurrent	\$ 97,918	-	33,998	\$ 131,916

NOTE J – NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS

The United Way primarily raises funds through annual workplace campaigns that allow donors to make pledges in the current fiscal year that will be paid through payroll deductions occurring in the following fiscal year. These pledges are reflected below as donor restricted with respect to time because they are annual campaign pledges designated for a future period.

In addition, United Way received some contributions restricted for the purposes below.

Net Assets with time restrictions	\$ 890,554
Homeless Prevention	20,604
Net Assets with donor restrictions	<u>911,158</u>
Net assets without donor restrictions	1,479,837
Total Net Assets	<u>\$ 2,390,995</u>

**UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

NOTE K – COMMITMENT

At March 31, 2024, the United Way had remaining commitments related to an accounting software agreement totaling approximately \$271,000, to be paid in annual installments through 2027.

NOTE L – SUBSEQUENT EVENTS

Termination of Federal Grant Funding

In April 2025, the AmeriCorps notified the United Way of the termination of its AmeriCorps VISTA federal grant, originally awarded on August 1, 2024, to support youth outreach programming. The effective termination date is April 25, 2025. This grant and related program fees totaling approximately \$168,000 annually will not be received. The United Way is evaluating mitigation strategies, including alternative funding sources, and cost reductions.

Subsequent events have been evaluated through September 12, 2025, which is the date the financial statements were available to be issued.

This page is intentionally left blank

SUPPLEMENTAL SCHEDULE

UNITED WAY OF THE PIEDMONT, INC.
SPARTANBURG, SOUTH CAROLINA

SUPPLEMENTAL SCHEDULE - FUNCTIONAL EXPENSES (OVERHEAD) CALCULATION

YEAR ENDED MARCH 31, 2024

CAMPAIGN RESULTS AND OTHER REVENUE:

Net Campaign Results	\$	3,289,181
Grant Income		1,451,252
Investment Income (Loss)		54,962
Designations from other United Ways		57,998
Other		257,233
Service Fees		24,278
Total Revenue	\$	<u>5,134,904</u>
All Costs relating to fundraising and management and general	\$	967,602
Overhead as a % of total Revenue		18.8%