

BLACK RIVER UNITED WAY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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, 2024, and the related statements of activities 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, 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 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.

Other Matters

Prior Period Adjustment

As described in Note 8 to the financial statements management has recorded a prior period adjustment to accounts receivable.

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

June 3, 2025

BLACK RIVER UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 309,387
Restricted cash	29,512
Promises to give	<u>6,491</u>
Total current assets	345,390

NONCURRENT ASSETS

Property and equipment, net	<u>48,166</u>
Total assets	<u><u>\$ 393,556</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 6,868
Accrued payroll	3,367
Compensated absences	<u>2,629</u>
Total current liabilities	<u>12,864</u>

NET ASSETS

With donor restrictions	79,959
Without donor restrictions	<u>300,733</u>
Total net assets	<u>380,692</u>
Total liabilities and net assets	<u><u>\$ 393,556</u></u>

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

BLACK RIVER UNITED WAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Campaign contributions	\$ 220,595	\$ -	\$ 220,595
Grants	82,778	138,008	220,786
Other revenue, gains and support	10,524	-	10,524
Net assets released from restrictions:			
Satisfaction of program restrictions	147,712	(147,712)	-
Total revenues, gains and other support	461,609	(9,704)	451,905
EXPENSES			
Program services:			
Programs	204,961	-	204,961
Grants	169,087	-	169,087
Total program services	374,048	-	374,048
Support services:			
Management and general	92,937	-	92,937
Fundraising	57,980	-	57,980
Total support services	150,917	-	150,917
Total expenses	524,965	-	524,965
Changes in operations	(63,356)	(9,704)	(73,060)
NET ASSETS			
Beginning of year, as restated	364,089	89,663	453,752
End of year	\$ 300,733	\$ 79,959	\$ 380,692

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

BLACK RIVER UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services			Support Services			Total
	Programs	Grants	Total	Management and General	Fundraising	Total	
Salaries and wages	\$ 20,464	\$ 134,392	\$ 154,856	\$ 47,749	\$ 25,586	\$ 73,335	\$ 228,191
Payroll taxes	13,725	10,490	24,215	32,026	2,038	34,064	58,279
Total salaries and related expense	34,189	144,882	179,071	79,775	27,624	107,399	286,470
Agency allocations	2,363	-	2,363	-	-	-	2,363
Disaster resiliency	40,996	-	40,996	-	-	-	40,996
Mission: Read	75,455	-	75,455	-	-	-	75,455
Other grant expenses	-	24,205	24,205	-	-	-	24,205
Professional fees	6,765	-	6,765	1,691	-	1,691	8,456
Insurance and licenses	3,102	-	3,102	776	-	776	3,878
Other dues and publications	5,532	-	5,532	1,383	-	1,383	6,915
Supplies	2,370	-	2,370	593	-	593	2,963
Marketing	-	-	-	-	30,356	30,356	30,356
Bank charges	-	-	-	172	-	172	172
Postage	274	-	274	68	-	68	342
Telephone	6,454	-	6,454	1,613	-	1,613	8,067
Training, meetings and travel	5,893	-	5,893	1,473	-	1,473	7,366
Equipment (lease) maintenance	18,142	-	18,142	4,536	-	4,536	22,678
Total expenses before depreciation	167,346	24,205	191,551	12,305	30,356	42,661	234,212
Depreciation expense	3,426	-	3,426	857	-	857	4,283
Total expenses	<u>\$ 204,961</u>	<u>\$ 169,087</u>	<u>\$ 374,048</u>	<u>\$ 92,937</u>	<u>\$ 57,980</u>	<u>\$ 150,917</u>	<u>\$ 524,965</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, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ (73,060)
Adjustments to reconcile changes in net assets to net cash used in operating activities	
Depreciation	4,283
(Increase) decrease in:	
Promises to give	22,123
Accounts receivable	17,326
Increase (Decrease) in:	
Accounts payable	<u>(25,145)</u>
Net cash used in operating activities	<u>(60,017)</u>
Net decrease in cash	(60,017)

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

Beginning of year	<u>398,916</u>
End of year	<u><u>\$ 338,899</u></u>

RECONCILIATION TO STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents	\$ 309,387
Restricted cash	<u>29,512</u>
Total cash, cash equivalents, and restricted cash	<u><u>\$ 338,899</u></u>

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

BLACK RIVER UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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. Black River United Way is leading Georgetown and Williamsburg Counties to sustainability by empowering the lives of its community members.

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, 2024, 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, 2024, net assets with donor restrictions totaled \$79,959.

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, 2024

NOTE – 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 2024. 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, 2024.

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.

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, 2024. 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.

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. (Continued)

BLACK RIVER UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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, 2024, \$30,356 was recorded as advertising.

Fundraising Expenses

Fundraising costs are expensed as incurred. For the year ended December 31, 2024, \$57,980 was allocated as fundraising expenses.

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.

(Continued)

BLACK RIVER UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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	\$ 309,387
Restricted cash	29,512
Promises to give	6,491
Less those unavailable to be used for operations due to donor restrictions	<u>(79,959)</u>
	<u><u>\$ 265,431</u></u>

BLACK RIVER UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 — CASH AND CASH EQUIVALENTS

At December 31, 2024, the carrying amount of the Organization's cash and cash equivalents including restricted cash was \$338,899 and the bank balance totaled \$336,840 at December 31, 2024. At December 31, 2024, all bank were insured by Federal Deposit Insurance Coverage.

NOTE 4 — PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2024 consisted of the following:

Equipment	\$ 12,077
Lease holder improvements	52,380
Less: accumulated depreciation	<u>(16,291)</u>
Property and equipment, net	<u>\$ 48,166</u>

Depreciation expense for the year ended December 31, 2024 total to \$4,283.

NOTE 5 — CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Changes in net assets with donor restrictions are as follows:

Net assets with donor restrictions, December 31, 2023	\$ 89,663
Support	138,008
Released from restrictions	<u>(147,712)</u>
Net assets with donor restrictions, December 31, 2024	<u>\$ 79,959</u>

The following amounts remain as net assets with donor restrictions at December 31, 2024:

Program restricted:	
Americorps	<u>79,959</u>
Net assets with donor restrictions, December 31, 2024	<u>\$ 79,959</u>

NOTE 6 — IN-KIND LEASES

The Organization in-kind contributions consisted of the following for the year ended December 31, 2024:

Rent	\$ 8,000	<u>Usage</u> Program
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BLACK RIVER UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 – IN-KIND LEASES, Continued

The Organization leased its office facilities from International Paper for the year ended December 31, 2024. 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 7 – 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, 2024.

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, 2024, was \$0.

NOTE 8 – PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2024 the Organization recorded the following prior period adjustment to accounts receivable:

	Net Asset
Beginning balance net assets December 31, 2023	\$ 506,832
Accounts receivable	(53,080)
Beginning balance net assets, as restated January 1, 2024	<u>\$ 453,752</u>

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, June 3, 2025, 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.