

UNITED WAY OF GREENVILLE COUNTY, INC.

FINANCIAL STATEMENTS AND REPORTS IN
ACCORDANCE WITH THE UNIFORM GUIDANCE

*As of and for the Year Ended December 31, 2020
(With Summarized Comparative Information for 2019)*

And Report of Independent Auditor

UNITED WAY OF GREENVILLE COUNTY, INC.

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Report of Independent Auditor

To the Board of Directors
United Way of Greenville County, Inc.
Greenville, South Carolina

We have audited the accompanying statement of financial position of United Way of Greenville County, Inc. (“United Way”) as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to United Way’s preparation and fair presentation of the financial statements 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’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greenville County, Inc. as of December 31, 2020, 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.

Prior Year Financial Statements

The financial statements of United Way of Greenville County, Inc. as of December 31, 2019, were audited by other auditors whose report dated July 23, 2020, expressed an unmodified opinion on those statements.

Report on Summarized Comparative Information

In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audits were 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*, 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021, on our consideration of United Way of Greenville County, Inc'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 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 United Way of Greenville County, Inc's internal control over financial reporting and compliance.



Greenville, South Carolina

May 24, 2021, except the Schedule of Expenditures of Federal Awards as to which the date is September 28, 2021

UNITED WAY OF GREENVILLE COUNTY, INC.
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020 (WITH COMPARATIVE FINANCIAL INFORMATION FOR 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,834,595	\$ 1,746,965
Certificates of deposit, current portion	-	320,165
Pledges receivable (less allowance for uncollectible accounts of \$1,660,993 and \$1,722,993 at December 31, 2020 and 2019, respectively)	6,702,168	8,348,896
Other receivables	1,276,260	214,053
Investments	2,603,939	2,259,858
Prepaid expenses	201,144	67,758
Total Current Assets	<u>14,618,106</u>	<u>12,957,695</u>
Certificates of deposit, excluding current portion	263,267	257,523
Endowment funds held by other organization	7,573,877	7,040,405
Cash surrender value of life insurance policies	1,044,215	962,855
Property and equipment, net of depreciation	<u>2,797,223</u>	<u>2,805,237</u>
Total Assets	<u>\$ 26,296,688</u>	<u>\$ 24,023,715</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 854,028	\$ 140,364
Accrued expenses	4,197	65,431
Due to designated agencies (less related portion of uncollectible pledges of approximately \$319,866 and \$190,000 in 2020 and 2019, respectively)	2,788,699	3,256,753
Funds held for others	21,210	149,907
Deferred revenue - cost reimbursement on designations	250,753	151,389
Long-term debt, current portion	<u>9,102</u>	<u>5,797</u>
Total Current Liabilities	3,927,989	3,769,641
Long-term debt, net of current portion	<u>409,418</u>	<u>419,203</u>
Total Liabilities	<u>4,337,407</u>	<u>4,188,844</u>
Net Assets:		
Net Assets Without Donor Restrictions	5,855,281	4,660,281
Net Assets With Donor Restrictions	<u>16,104,000</u>	<u>15,174,590</u>
Total Net Assets	<u>21,959,281</u>	<u>19,834,871</u>
Total Liabilities and Net Assets	<u>\$ 26,296,688</u>	<u>\$ 24,023,715</u>

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

UNITED WAY OF GREENVILLE COUNTY, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020 (WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Total
Revenues, Gains, and Other Support:				
Total campaign contributions	\$ 1,580,008	\$ 11,064,734	\$ 12,644,742	\$ 11,133,777
Less donor designations	503,150	(1,830,196)	(1,327,046)	(2,011,186)
Campaign revenue less donor designations	2,083,158	9,234,538	11,317,696	9,122,591
Provision for uncollectible pledges	(532,430)	(763,672)	(1,296,102)	(1,651,545)
Total Net Campaign Revenue	1,550,728	8,470,866	10,021,594	7,471,046
Private and government grants	5,354,258	114,250	5,468,508	2,068,643
Paycheck protection program grant	755,179	-	755,179	-
Other contributions	-	32,078	32,078	371,689
Donor designation fees and other revenues	268,146	-	268,146	200,132
Investment returns, net	31,042	122,717	153,759	196,439
Gifts in kind contributions	-	-	-	100,902
Total Revenues, Gains, and Other Support	7,959,353	8,739,911	16,699,264	10,408,851
Net assets released from restrictions	8,522,104	(8,522,104)	-	-
Total Revenues, Gains, and Other Support, Net of Assets Released From Restrictions	16,481,457	217,807	16,699,264	10,408,851
Functional Expenses:				
Community impact	12,368,883	-	12,368,883	10,989,542
Administrative	821,222	-	821,222	1,960,471
Fundraising	2,096,352	-	2,096,352	1,878,434
Total Expenses	15,286,457	-	15,286,457	14,828,447
Change in net assets before net change in pension benefit obligation, gifts in kind, and investment returns, net	1,195,000	217,807	1,412,807	(4,419,596)
Net change in pension benefit obligation	-	-	-	464,159
Gifts in kind	-	-	-	(100,902)
Investment returns, net	-	711,603	711,603	1,025,960
Change in net assets	1,195,000	929,410	2,124,410	(3,030,379)
Net assets, beginning of year	4,660,281	15,174,590	19,834,871	22,865,250
Net assets, end of year	\$ 5,855,281	\$ 16,104,000	\$ 21,959,281	\$ 19,834,871

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

UNITED WAY OF GREENVILLE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020 (WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019)

	Program Services		Supporting Services		Totals	
	Community Impact	Administrative	Fundraising	2020	Summarized 2019	
Direct expenses	\$ 8,789,904	\$ 3,233	\$ 5,409	\$ 8,798,546	\$ 8,070,183	
Salaries and services	2,119,283	458,908	1,285,167	3,863,358	3,506,981	
Employee benefits and payroll taxes	491,573	60,738	299,468	851,779	823,263	
Professional fees and software costs	404,138	125,664	121,460	651,262	913,188	
Payments to affiliates	192,185	14,149	88,429	294,763	273,941	
Events and meetings	31,853	4,950	64,220	101,023	438,178	
Printing and promotional materials	42,941	1,778	23,883	68,602	122,422	
Occupancy	65,081	11,932	28,181	105,194	106,850	
Bank, merchant, and third party processor fees	888	4,197	58,213	63,298	91,362	
Deferred giving - donor life insurance premiums	-	-	69,585	69,585	89,414	
Organization and staff development	14,764	4,776	11,771	31,311	77,371	
Travel - local	7,778	80	1,216	9,074	34,296	
Telephone	15,593	1,622	7,082	24,297	23,484	
Insurance	14,956	1,173	6,516	22,645	21,493	
Membership dues	4,147	4,546	1,673	10,366	18,671	
Recruiting and moving	3,004	55,302	213	58,519	16,927	
Charitable contributions	19,400	-	-	19,400	6,624	
Interest	18,006	-	-	18,006	-	
Postage	4,844	3,358	1,474	9,676	7,997	
Miscellaneous	1,460	6,341	13,036	20,837	4,378	
Total before depreciation	12,241,798	762,747	2,086,996	15,091,541	14,647,023	
Depreciation	127,085	58,475	9,356	194,916	181,424	
Total functional expenses	\$ 12,368,883	\$ 821,222	\$ 2,096,352	\$ 15,286,457	\$ 14,828,447	

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

UNITED WAY OF GREENVILLE COUNTY, INC.
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020 (WITH COMPARATIVE FINANCIAL INFORMATION FOR 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Changes in net assets	\$ 2,124,410	\$ (3,030,379)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	194,916	181,424
Net unrealized gains on investments	(711,603)	(1,025,960)
Net change in pension benefit obligation	-	(755,091)
Provision for bad debt	(62,000)	1,722,993
Change in operating assets and liabilities:		
Pledges receivable	1,708,728	(110,483)
Accrued interest and other receivables	(1,062,207)	430,768
Prepaid expenses	(133,386)	(17,765)
Accounts payable	713,664	(88,969)
Accrued expenses	(61,234)	17,683
Grants payable	-	(170)
Due to designated agencies	(468,054)	1,106,990
Funds held for others	(128,697)	168,799
Assets managed for others	-	(76,407)
Deferred revenue	99,364	(146,717)
Unfunded pension obligation	-	145,466
Net cash flows from operating activities	<u>2,213,901</u>	<u>(1,477,818)</u>
Cash flows from investing activities:		
Net change from sales and maturities of investments	67,111	42,262
Purchases of property and equipment	(186,902)	(449,560)
Net cash flows from investing activities	<u>(119,791)</u>	<u>(407,298)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	-	425,000
Payments on long-term debt	(6,480)	-
Net cash flows from financing activities	<u>(6,480)</u>	<u>425,000</u>
Net change in cash and cash equivalents	2,087,630	(1,460,116)
Cash and cash equivalents, beginning of year	1,746,965	3,207,081
Cash and cash equivalents, end of year	<u>\$ 3,834,595</u>	<u>\$ 1,746,965</u>

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

UNITED WAY OF GREENVILLE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 1—Nature of activities and summary of significant accounting policies

Nature of Activities – The mission of United Way of Greenville County, Inc. (“United Way”) is to mobilize people and resources to improve lives, strengthen the community, and advance equity for the benefit of all.

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis.

United Way reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with restrictions, depending on the nature of the 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 restrictions and reported on the statement of activities as net assets released from restrictions.

Net assets with donor restrictions are campaign revenues and other support restricted for future years’ operations and for grants and programs restricted by grantors and donors as well as endowment funds. Earnings from the endowment funds are recorded as net assets with donor restrictions. A portion of those earnings may be appropriated by the Board of Directors (the “Board”) in accordance with spend rate in the board-approved Endowment Funds Spending Policy.

Cash and Cash Equivalents – United Way considers all highly liquid investments with a maturity of three months or less when originally purchased to be cash equivalents. United Way maintains bank accounts covered by the Federal Deposit Insurance Corporation (“FDIC”). At times throughout the year, United Way may maintain bank account balances in excess of the FDIC insured limit. Management does not believe that United Way is exposed to any significant credit risk related to cash.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments – Investments are presented in the financial statements in the aggregate at estimated fair value. Certificates of deposit are carried at the amount invested in the certificates. Endowment funds held by other organizations are recorded at fair value and represent United Way’s interest in pooled investments held at the Community Foundation of Greenville County (“Community Foundation”).

Pledges Receivable – Pledges receivable are recognized as revenues in the period received. An allowance for uncollectible pledges has been estimated based on past collection results. Pledges made that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions.

Revenue Recognition – Revenues from non-exchange transactions (contributions and grants) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional non-exchange transactions are recognized when the barrier is satisfied.

UNITED WAY OF GREENVILLE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 1—Nature of activities and summary of significant accounting policies (continued)

Property and Equipment – Property and equipment are reported at cost, if purchased, or fair value at the date of donation. United Way’s policy is to capitalize property and equipment which costs \$1,000 or greater. Depreciation is computed utilizing the straight-line method over the assets’ respective estimated useful lives, which is 40 years for the building and 3 to 10 years for office furniture and equipment.

Donated Materials and Services – Donated materials and services are reflected as contributions in the accompanying financial statements at their estimated fair values at the date of receipt. United Way pays for most services requiring specific expertise; however, a substantial number of volunteers have donated significant amounts of their time to assist United Way. For the year ended December 31, 2020, no specific donated materials and specialized services were recorded on the statement of activities, and no additional amounts have been recorded for volunteer hours or other general services.

Income Taxes – United Way 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. United Way has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2020.

Methods Used for Allocation of Expenses Among Program and Supporting Services – The costs of the program and supporting services of United Way have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited based on full-time equivalent positions or other statistical means dedicated to these functions as estimated by management.

Note 2—Pledges receivable

Pledges receivable represent unconditional promises to give and are usually due within one year. Pledges receivable that are collectable over future periods are discounted to their net present value. Additionally, management provides an estimate of uncollectible pledges for each campaign year. As of December 31, 2020, contributors to United Way’s annual campaigns have made unconditional promises to give, of which \$8,363,161 will be received within one year.

Note 3—Property and equipment

At December 31, 2020, property and equipment, net consist of the following:

Land	\$ 364,723
Building	3,075,727
Office furniture and equipment	1,529,017
	<hr/>
	4,969,467
Less accumulated depreciation	(2,172,244)
	<hr/>
	<u>\$ 2,797,223</u>

Depreciation expense for the year ended December 31, 2020 was \$194,916.

UNITED WAY OF GREENVILLE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 4—Net assets

At December 31, 2020, net assets without donor restrictions consist of the following:

Designated by the Board:	
Community initiatives	\$ 2,364,657
Funded operating reserve	1,789,787
Total designated by the Board	<u>4,154,444</u>
Undesignated for general activities, net	
Investment in property and equipment, net of related debt	2,378,703
Undesignated for general activities	<u>(677,866)</u>
Undesignated for general activities, net	<u>1,700,837</u>
Total net assets without donor restrictions	<u>\$ 5,855,281</u>

United Way's deficit in undesignated net assets for general activities of \$677,866 as of December 31, 2020 is partially funded through the use of the approximately \$1,789,787 in operating reserves.

At December 31, 2020, net assets with donor restrictions consist of the following:

2020 Campaign	\$ 6,543,394
2021 Campaign	23,273
Total time restricted funds	<u>6,566,667</u>
Purpose Restricted:	
United Way of Greenville County 211	114,250
Keep the Lights On Fund	148,651
COVID 19 Fund	<u>656,340</u>
Total purpose restricted funds	<u>919,241</u>
Endowment funds and cash surrender value of life insurance policies:	
Cash surrender value of life insurance policies restricted for endowments	<u>1,044,215</u>
Endowment funds subject to spending policy:	
Corpus	7,072,483
Accumulated earnings	<u>501,394</u>
Total endowment funds subject to spending policy	<u>7,573,877</u>
Total endowment funds and cash surrender value of life insurance policies	<u>8,618,092</u>
Total net assets with donor restrictions	<u>\$ 16,104,000</u>

UNITED WAY OF GREENVILLE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 4—Net assets (continued)

Net assets released from restrictions during the year ended December 31, 2020 consist of the following:

Satisfaction of Time Restriction:	
2019 Campaign	\$ 7,140,612
Appropriated endowment funds	<u>251,566</u>
	<u>7,392,178</u>
Satisfaction of Purpose Restriction:	
COVID 19 Funds	1,099,208
Other	<u>30,718</u>
	<u>1,129,926</u>
Total net asset released	<u>\$ 8,522,104</u>

Note 5—Investments

Investments are included in the following statement of financial position captions at December 31, 2020:

Certificates of deposit	\$ 263,267
Money market funds	2,603,939
Cash surrender value of life insurance policies	1,044,215
Endowment funds held by other organization	<u>7,573,877</u>
	<u>\$ 11,485,298</u>

Investment return, net is comprised of the following for the year ended December 31, 2020:

Interest and dividends	\$ 204,179
Investment fees	<u>(50,420)</u>
Total investment return, net, included in current operations	<u>153,759</u>
Investment return, net, included in non-operating activities:	
Unrealized gains on investments	<u>711,603</u>
Total investment return, net	<u>\$ 865,362</u>

Note 6—Cash surrender value of life insurance

United Way has purchased insurance on the lives of certain donors. As beneficiary, United Way receives the cash surrender value if the policy is terminated and, upon death of the insured, receives all benefits payable. The cash surrender value of the life insurance policies is \$1,044,215 at December 31, 2020.

UNITED WAY OF GREENVILLE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 7—Fair value disclosures

The following table presents the fair value measurements of financial instruments recognized in the accompanying statements of financial position measured at fair value on a recurring basis and level within the fair value hierarchy in which the fair value measurement falls at December 31, 2020:

	Fair Value at December 31, 2020	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1 Inputs)	Quoted Prices for Similar Assets and Liabilities (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
Investments:				
Certificates of deposit	\$ 263,267	\$ -	\$ 263,267	\$ -
Money market funds	2,603,939	2,603,939	-	-
Endowment funds held by other Organization	7,573,877	-	-	7,573,877
Cash surrender value of life insurance policies	1,044,215	-	-	1,044,215
Total assets at fair value	<u>\$ 11,485,298</u>	<u>\$ 2,603,939</u>	<u>\$ 263,267</u>	<u>\$ 8,618,092</u>

United Way's interest in pooled investments, which consists of funds held at the Community Foundation, are considered by United Way to be Level 3 investments because they represent receivables to be paid from the pooled investments managed by the Community Foundation. United Way has no ownership interest in the underlying investment and the fair value of the investments is used by management of the Community Foundation to determine the fair value of the payable to United Way.

Level 3 Reconciliation – The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statement of financial position using significant unobservable (Level 3) inputs:

	Endowment Funds Held by Other Organization	Cash Surrender Value of Life Insurance Policies
Balance, December 31, 2019	\$ 7,040,405	\$ 962,855
Contributions	32,078	-
Investment income, net of expenses	122,717	-
Unrealized gains	630,243	81,360
Distributions	(251,566)	-
Balance, December 31, 2020	<u>\$ 7,573,877</u>	<u>\$ 1,044,215</u>

UNITED WAY OF GREENVILLE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 8—Endowment funds held by other organization

The Community Foundation manages endowment funds of \$7,573,877 at December 31, 2020, from which the income is designated for United Way. Under the terms of this agreement, the Community Foundation will administer the endowment as part of its assets. United Way can utilize fund income for board designated and endowment purposes with the approval of its Board and the Community Foundation. The Community Foundation calculates and recommends the amount of the annual distributions from the endowment by multiplying the trailing five-year average of year-end balances by 4%. Distributions shall not reduce endowment balances below 80% of the corpus value. Typically, corpus values are kept as close to 100% as possible to ensure the preservation of corpus.

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, United Way classifies as net assets with donor restrictions held in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by United Way in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund,
- (2) The purposes of the organization and the donor-restricted endowment fund,
- (3) General economic conditions,
- (4) The possible effect of inflation and deflation,
- (5) The expected total return from income and the appreciation of investments,
- (6) Other resources of the organization,
- (7) The investment policies of the organization.

Changes in endowment net assets for the year ended December 31, 2020:

	With Donor Restrictions
Endowment net assets, beginning of year	\$ 8,003,260
Contributions	32,078
Net investment return	834,320
Distributions	<u>(251,566)</u>
Endowment net assets, end of year	<u>\$ 8,618,092</u>

UNITED WAY OF GREENVILLE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 9—Allocations payable

United Way's Board of Directors establishes an amount of allocations to be paid to local agencies and receives funding requests from agencies that the Board reviews based on certain criteria. At December 31, 2020, United Way had no outstanding allocations that were payable at year-end.

Note 10—Deferred revenue

United Way applies an administrative processing fee related to designations to recipient agencies specified by donors. The amount of the processing fees is recorded as revenue and is withheld from the amount that United Way disburses to the recipient agencies. Deferred revenue of \$250,753 at December 31, 2020 represents cost reimbursements on designations that are payable after December 31, 2020.

Note 11—Retirement plan

Effective January 1, 2019, United Way terminated its defined benefit pension plan. United Way has a Section 403(b) qualified defined contribution plan. United Way is committed to matching all of the first 4% and 50% of the next 2% of salary contributions for the thrift plan by each employee. Employer contributions to the thrift plan totaled \$139,244 in 2020.

Note 12—Long-term debt

Long-term debt consists of the following at December 31, 2020:

Mortgage	\$ 418,520
Less current maturities	(9,102)
Long-term debt, net of current maturities	<u>\$ 409,418</u>

On December 19, 2019, United Way entered into a mortgage with a lender in the amount of \$425,000. The mortgage accrues interest at a fixed rate of 5.00%. Monthly payments total \$2,485, including interest, with a final balloon payment of approximately \$359,000 due January 1, 2027.

The mortgage is collateralized by the building under purchase and does not contain any restrictive covenants.

The aggregate annual maturities of long-term debt for each of the five years subsequent to December 31, 2020 are as follows:

2021	\$ 9,102
2022	9,567
2023	10,057
2024	10,530
2025	10,764
Thereafter	<u>368,500</u>
	<u>\$ 418,520</u>

UNITED WAY OF GREENVILLE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 13—Related party transactions

United Way holds various deposit and investment accounts with financial institutions at which United Way board members are employed in executive and management roles.

Note 14—Liquidity and availability

United Way's liquidity management structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, United Way considers all expenditures related to its program services as well as the conduct of activities undertaken to support its program services to be general expenditures.

At December 31, 2020, financial assets available for general expenditure within one year of the statement of financial position date are as follows:

Cash and cash equivalents	\$ 3,834,595
Pledges receivable, due in one year	6,702,168
Other receivables, due in one year	1,276,260
Investments	<u>2,603,939</u>
	14,416,962
Less:	
Board designated net assets	(4,154,444)
Purpose restricted nets assets	<u>(919,241)</u>
	<u>\$ 9,343,277</u>

Note 15—Coronavirus Aid, Relief, and Economic Security Act proceeds

Due to the COVID-19 pandemic, Congress authorized the Small Business Association ("SBA") to make loans to small businesses with the express intent of keeping employees on the payroll during the crisis. United Way received a Paycheck Protection Program ("PPP") loan of \$755,179 granted by the SBA under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). PPP loans are considered conditional contributions, with a right of return in the form of an obligation to be repaid if a barrier to entitlement is not met. The barrier is that PPP loan funds must be used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent, and utilities) incurred following the receipt of the loan funds. United Way selected Accounting Standards Codification 958-605 as the applicable standard for not-for-profits. United Way recognized \$755,179 as government grant revenue for the year ended December 31, 2020, representing the qualifying expenses incurred (i.e., barriers were substantially met) which management believes are not subject to reversal.

During the year ended December 31, 2020, United Way received \$2,705,935 of CARES Act funds through the Greenville County Cares Act for utility payment assistance in Greenville County and expansion of the Greenville County resource line (2-1-1). These funds are included in private and government grants on the statement of activities.

Note 16—Subsequent events

Subsequent events have been evaluated through May 24, 2021, which is the date the financial statements were available to be issued.

**Report of Independent Auditor 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***

To the Board of Directors
United Way of Greenville County, Inc.
Greenville, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Greenville County, Inc. (“United Way”), which comprise the statement of financial position as of December 31, 2020 and the statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated May 24, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the United Way'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 United Way's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cherry Bekaert LP".

Greenville, South Carolina
May 24, 2021

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
United Way of Greenville County, Inc.
Greenville, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the United Way of Greenville County, Inc.'s (the "United Way") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the United Way's major federal program for the year ended December 31, 2020. The United Way's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the United Way's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the United Way's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the United Way's compliance.

Opinion on Each Major Federal Program

In our opinion, the United Way complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the United Way is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the United Way's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the United Way's 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.

Cherry Bekaert LLP

Greenville, South Carolina
September 28, 2021

UNITED WAY OF GREENVILLE COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2020

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR section 200.516(a)? ___ yes X no

Identification of major programs:

<u>Assistance Listing #</u>	<u>Program Name</u>
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between
Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? ___ yes X no

UNITED WAY OF GREENVILLE COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2020

Section II. Financial Statement Findings

None reported for the year ended December 31, 2020.

Section III. Federal Award Findings and Questioned Costs

None reported for the year ended December 31, 2020.

Section IV. Prior Year Findings

None reported for the year ended December 31, 2019.

UNITED WAY OF GREENVILLE COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

Federal Grantor/(Pass-Through Grantor)/Program Title	Assistance Listing Number	Grant/Contact Number	Amounts Passed Through to Subrecipient	Federal Expenditures
<u>Corporation for National and Community Service</u>				
Direct Programs:				
Volunteers in Service to America	94.013	N/A	\$ -	\$ 10,000
<i>Pass-Through from United Way Association of South Carolina</i>				
Americorps	94.006	17FXHSC001	-	392,928
Total Corporation for National and Community Service			<u>-</u>	<u>402,928</u>
<u>U.S. Department of Homeland Security</u>				
<i>Pass-Through from United Way Worldwide</i>				
Emergency Food and Shelter National Board Program	97.024	N/A	4,647	18,690
Total U.S. Department of Homeland Security			<u>4,647</u>	<u>18,690</u>
<u>U.S. Department of Agriculture</u>				
<i>Pass-Through from South Carolina Department of Social Services</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	4400022736	118,639	118,639
Total U.S. Department of Agriculture			<u>118,639</u>	<u>118,639</u>
<u>U.S. Department of Education</u>				
Fund for the Improvement of Education	84.215	ED-GRANTS-022719-001	-	108,751
Total U.S. Department of Education			<u>-</u>	<u>108,751</u>
<u>U.S. Department of Treasury</u>				
Direct Programs:				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	21 VITA0260	97,190	136,457
<i>Pass-Through from Greenville County</i>				
COVID 19 - Coronavirus Relief Fund	21.019	N/A	-	2,705,935
Total U.S. Department of Treasury			<u>97,190</u>	<u>2,842,392</u>
Total Expenditures of Federal Awards			<u>\$ 220,476</u>	<u>\$ 3,491,400</u>

UNITED WAY OF GREENVILLE COUNTY, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of United Way of Greenville County, Inc. (the “United Way”) and is presented on the accrual basis of accounting. 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* (“Uniform Guidance”). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 2—Summary of significant accounting policies

Basis of Accounting – Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable.

Indirect Cost Rate – The United Way has elected not to use the 10% de minimum indirect cost rate as allowed under the Uniform Guidance.