

**UNITED WAY OF GREENWOOD AND ABBEVILLE COUNTIES
AND SUBSIDIARY**

**INDEPENDENT AUDITOR'S REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2015

**Cox Accounting Solutions, LLC
Certified Public Accountants
Greenwood, South Carolina**

**United Way of Greenwood and Abbeville Counties
and Subsidiary
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June 30, 2015**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Greenwood and Abbeville Counties and Subsidiary
Greenwood, South Carolina

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the United Way of Greenwood and Abbeville Counties (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 the entity'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greenwood and Abbeville Counties and Subsidiary as of June 30, 2015, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Schedules 1, 2, and 3 on pages 14 through 17 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the United Way of Greenwood and Abbeville Counties and Subsidiary's 2014 consolidated financial statements, and our report dated November 14, 2014, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2015, on our consideration of United Way of Greenwood and Abbeville Counties and Subsidiary'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 Greenwood and Abbeville Counties and Subsidiary's internal control over financial reporting and compliance.

Cox Accounting Solutions, LLC

Greenwood, South Carolina

December 2, 2015

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Consolidated Statement of Financial Position
June 30, 2015 with Comparative Totals as of June 30, 2014**

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets:		
Cash and Cash Equivalents (Note 4)	\$ 898,474	\$ 970,279
Investments (Note 8)	393,457	389,146
Pledges Receivable, Net of Allowance for Uncollectible		
Pledges of \$72,502 (Note 6)	559,450	576,115
Grants and Contracts Receivable	22,900	0
Accounts Receivable	2,269	0
Total Current Assets	<u>1,876,550</u>	<u>1,935,540</u>
Fixed Assets:		
Property and Equipment, Net of Accumulated Depreciation of \$206,411 (Note 5)	<u>548,761</u>	<u>456,242</u>
 Total Assets	 <u>\$ 2,425,311</u>	 <u>\$ 2,391,782</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 12,767	\$ 11,729
Designations Payable	<u>60,361</u>	<u>81,398</u>
Total Current Liabilities	<u>73,128</u>	<u>93,127</u>
 Total Liabilities	 <u>73,128</u>	 <u>93,127</u>
Net Assets:		
Unrestricted Net Assets (Note 13)	1,278,431	1,317,108
Temporarily Restricted Net Assets (Note 12)	<u>1,073,752</u>	<u>981,547</u>
Total Net Assets	<u>2,352,183</u>	<u>2,298,655</u>
 Total Liabilities and Net Assets	 <u>\$ 2,425,311</u>	 <u>\$ 2,391,782</u>

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

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Consolidated Statement of Activities
For the Year Ended June 30, 2015 with Comparative Totals for June 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Combined Total</u>	<u>2014</u>
Revenues, Gains, and Other Support:				
Gross Campaign Results 2013	\$ 0	\$ 0	\$ 0	\$ 1,153,044
Less Donor Designations	0	0	0	(102,632)
Less Provision for Uncollectible	0	0	0	(70,877)
Net Campaign Revenue 2013	0	0	0	979,535
Gross Campaign Results 2014	0	1,210,412	1,210,412	0
Less Donor Designations	0	(82,338)	(82,338)	0
Less Provision for Uncollectible	0	(72,502)	(72,502)	0
Net Campaign Revenue 2014	0	1,055,572	1,055,572	0
Net Assets Released From Restrictions (Note 12)	1,040,012	(1,040,012)	0	0
Contributions	23,411	0	23,411	8,097
UCCC Contributions	3,884	0	3,884	13,056
Grants and Contracts	30,000	76,645	106,645	83,275
Rental Income	86,200	0	86,200	79,327
Investment Income	8,251	0	8,251	18,342
Service Fees Earned	14,910	0	14,910	16,522
In-Kind Contributions	3,634	0	3,634	1,450
Miscellaneous Income	122	0	122	1,558
Total Revenue, Gains, and Other Support	<u>1,210,424</u>	<u>92,205</u>	<u>1,302,629</u>	<u>1,201,162</u>
Expenses:				
Program Services:				
Gross Funds Awarded/Distributed	697,032	0	697,032	706,019
(Less Donor Designations)	(88,465)	0	(88,465)	(90,430)
Net Funds Awarded/Distributed	608,567	0	608,567	615,589
Grants and Contracts	59,293	0	59,293	98,041
Allocations	300,602	0	300,602	303,219
Total Program Services	<u>968,462</u>	<u>0</u>	<u>968,462</u>	<u>1,016,849</u>
Support Services:				
Management and General	156,423	0	156,423	158,848
Fundraising	112,981	0	112,981	113,043
United Way of America Dues (Note 7)	11,235	0	11,235	9,702
Total Support Services	<u>280,639</u>	<u>0</u>	<u>280,639</u>	<u>281,593</u>
Total Expenses	<u>1,249,101</u>	<u>0</u>	<u>1,249,101</u>	<u>1,298,442</u>
Change in Net Assets	(38,677)	92,205	53,528	(97,280)
Net Assets At Beginning of Year	<u>1,317,108</u>	<u>981,547</u>	<u>2,298,655</u>	<u>2,395,935</u>
Net Assets At End of Year	<u>\$ 1,278,431</u>	<u>\$ 1,073,752</u>	<u>\$ 2,352,183</u>	<u>\$ 2,298,655</u>

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

**United Way of Greenwood and Abbeville Counties
and Subsidiary**
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2015 with Comparative Totals for June 30, 2014

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>UWA Dues</u>	<u>Total Expenses</u>	<u>Total 2014</u>
Expenses:						
Partner Agency Funding	\$ 697,032	\$ 0	\$ 0	\$ 0	\$ 697,032	\$ 706,019
(Less Donor Designations)	<u>(88,465)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(88,465)</u>	<u>(90,430)</u>
Sub-Total	<u>608,567</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>608,567</u>	<u>615,589</u>
Grants and Contracts	59,293	0	0	0	59,293	98,041
Salaries	144,164	84,252	52,423	0	280,839	287,996
Fringe Benefits	20,954	12,335	7,828	0	41,117	48,304
Office supplies, telephone, and maintenance	79,747	19,894	11,684	0	111,325	100,302
Professional and contract labor	8,824	10,409	5,989	0	25,222	21,193
Campaign and marketing	134	1,736	22,213	0	24,083	19,939
State Dues	4,021	0	0	0	4,021	4,054
Insurance	20,504	12,260	6,588	0	39,352	52,145
Travel	1,997	1,166	724	0	3,887	2,516
Conferences, training, and meetings	968	5,440	968	0	7,376	3,607
Miscellaneous	3,067	1,726	961	0	5,754	7,952
Depreciation	<u>16,222</u>	<u>7,205</u>	<u>3,603</u>	<u>0</u>	<u>27,030</u>	<u>27,102</u>
Sub-Total	<u>359,895</u>	<u>156,423</u>	<u>112,981</u>	<u>0</u>	<u>629,299</u>	<u>673,151</u>
United Way of America Dues	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,235</u>	<u>11,235</u>	<u>9,702</u>
Total Expenses	<u>\$ 968,462</u>	<u>\$ 156,423</u>	<u>\$ 112,981</u>	<u>\$ 11,235</u>	<u>\$ 1,249,101</u>	<u>\$ 1,298,442</u>

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

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2015 with Comparative Totals for June 30, 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 53,528	\$ (97,280)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	27,030	27,102
Net Unrealized (gains)/losses on investments	8,810	(5,438)
Net Investment Income	(13,121)	(9,081)
(Increase) Decrease in Net Pledges Receivable	16,665	11,990
(Increase) Decrease in Grants and Contracts Receivable	(22,900)	0
(Increase) Decrease in Accounts Receivable	(2,269)	0
Increase (Decrease) in Designations Payable	(21,037)	(3,918)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	1,038	(10,169)
Total Adjustments	<u>(5,784)</u>	<u>10,486</u>
Net Cash Provided (Used) by Operating Activities	<u>47,744</u>	<u>(86,794)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and Equipment Purchases	<u>(119,549)</u>	<u>(13,926)</u>
Net Cash Used by Investing Activities	<u>(119,549)</u>	<u>(13,926)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Cash Used by Financing Activities	<u>0</u>	<u>0</u>
Net (Decrease) in Cash and Cash Equivalents	(71,805)	(100,720)
Cash and Cash Equivalents at Beginning of Year	<u>970,279</u>	<u>1,070,999</u>
Cash and Cash Equivalents at End of Year	<u>\$ 898,474</u>	<u>\$ 970,279</u>

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

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2015**

Note 1 - Summary of Significant Accounting Policies

The accounting principles followed by the United Way of Greenwood and Abbeville Counties and Subsidiary (the Organization) and the methods of applying those principles which materially affect the determination of financial position, activities, and the changes in classes of net assets are summarized as follows:

Standards of Accounting and Reporting

The Organization principally follows standards of accounting and financial reporting prescribed for voluntary health and welfare organizations. The Organization's policy is to prepare its financial statements on the accrual basis of accounting; consequently, certain revenues are recognized when earned and certain expenses and purchases of assets are recognized when incurred.

Principles of Consolidation

The consolidated financial statements include the accounts of the United Way of Greenwood and Abbeville Counties and the United Center for Community Care (UCCC). UCCC is consolidated since the United Way of Greenwood and Abbeville Counties has a controlling economic interest in UCCC. All material interorganization transactions have been eliminated.

Financial Statement Presentation

The Organization adopted FASB ASC 958-205, "*Not-for-Profit Presentation of Financial Statements*." Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The adoption of ASC 958-205 utilizes three separate classes of net assets as follows:

- a. Unrestricted Net Assets - the part of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. This class of net assets accounts for all resources over which the Board of Directors has discretionary control to use in carrying on the operations of the Organization in accordance with its charter and bylaws. It also accounts for the Organization's net investment in fixed assets. In addition, it includes self-imposed limits such as voluntary resolutions by the Board of Directors.
- b. Temporarily Restricted Net Assets - the part of net assets of the Organization resulting (a) from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (c) from reclassifications to (or from) other classes of net assets of a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the Organization pursuant to those stipulations.
- c. Permanently Restricted Net Assets - the part of the net assets of the Organization resulting (a) from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (c) from reclassifications from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Notes to Consolidated Financial Statements (Continued)
June 30, 2015**

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all currency and demand deposits to be cash equivalents.

Investments

Investments in fixed income securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment

Expenditures for property and equipment are recorded at cost and donated property is recorded at fair market value at the date of receipt and carried net of accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets. Expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of furniture and equipment, the cost of the asset and the related accumulated depreciation are removed from the accounts and the resulting gain or loss is reported in the statement of activities.

Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received restricted for future periods or for specific purposes are reported as temporarily-restricted or permanently-restricted support that increases those net assets classes. Donor designations are not included in campaign revenue but are recorded as liabilities on the statement of financial position.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Promises to Give/Pledges

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Conditional promises to give are temporarily restricted until the campaign year is closed. The allowance for uncollectible pledges is based on management's estimate of pledges that will not be collected. Management reviews the prior years' history of collections in making this estimate.

Donated Assets and Supplies

Donated assets and supplies are recorded at fair market value at the date of receipt. If donors stipulate how long the assets must be used, then the contributions are recorded as temporarily restricted support. In the absence of such stipulations, donations of assets and supplies are recorded as unrestricted support. During the year, the Organization received medical supplies and equipment from various donors that were contributed to the public using referrals from other organizations. These donations, which were considered immaterial, were not recorded in the financial statements.

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Notes to Consolidated Financial Statements (Continued)
June 30, 2015**

Note 1 - Summary of Significant Accounting Policies (Continued)

Grants and Contract Income

Revenue is recognized when the Organization performs the services specified in the the agreement.

Contributed Services

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide many services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. During the year, \$3,200 was recorded for services contributed for the production of a campaign video and other campaign materials, which were used for fundraising activities.

Functional Allocation of Expenses

The cost of providing various programs and activities is summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and support services benefited.

Indirect Expenses

Allocable indirect expenses have been allocated between program services and supporting services principally on the basis of estimated time spent by the Organization's personnel at each of these functions.

Advertising

The Organization expenses advertising costs as they are incurred. The Organization incurred advertising cost of \$407 for the year ended June 30, 2015.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Organization

The Organization was incorporated under the laws of the State of South Carolina on December 10, 1945, to function as an eleemosynary corporation and to act as a central agency or clearinghouse to raise and distribute funds for other eleemosynary, charitable, and social agencies. This organization serves Greenwood and Abbeville counties. The Organization is located in Greenwood, South Carolina and is dependent on the economic conditions of the geographic area surrounding Greenwood, South Carolina. The organization is dependent on the local community and industries for financial support.

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Notes to Consolidated Financial Statements (Continued)
June 30, 2015**

Note 3 - Tax Status

The United Way of Greenwood and Abbeville Counties is a non-profit organization supported by contributions from local organizations and individuals and is exempt from state and federal income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected 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. There was no unrelated business taxable income for the year ended June 30, 2015. No interest and penalties are recognized in the consolidated statement of activities, functional expenses, cash flows, or consolidated statement of financial position. The tax years that remain subject to examination by major jurisdiction include fiscal years ending June 30, 2012 through June 30, 2015.

Note 4 - Concentrations of Credit Risk

The Organization maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2015, the book balance of the Organization's deposits was \$898,474 and the bank balance was \$931,496 all of which was covered by federal depository insurance or collateral held at a financial institution.

Note 5 - Property and Equipment

Changes in property and equipment of the Organization consisted of the following for the year ended June 30, 2015:

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>
Land	\$ 20,350	\$ 0	\$ 0	\$ 20,350
Buildings and Improvements	434,244	119,549	0	553,793
Furniture and Equipment	173,529	0	0	173,529
Autos	7,500	0	0	7,500
Less: Accumulated Depreciation	<u>(179,381)</u>	<u>(27,030)</u>	<u>0</u>	<u>(206,411)</u>
	<u>\$ 456,242</u>	<u>\$ 92,519</u>	<u>\$ 0</u>	<u>\$ 548,761</u>

Total depreciation was \$27,030 for the year ended June 30, 2015.

Note 6 - Pledges Receivable

Unconditional promises to give at June 30, 2015, are as follows:

	<u>June 30, 2015</u>
Unconditional Promises to Give:	
Receivable in less than one year	\$ 631,952
Less allowance for uncollectible promises	<u>(72,502)</u>
Net Unconditional Promises to Give	<u>\$ 559,450</u>

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Notes to Consolidated Financial Statements (Continued)
June 30, 2015**

Note 7 - Related Party Transactions

The United Way of Greenwood and Abbeville Counties is affiliated with the United Way of America. The Organization is required to pay national dues to the affiliate based on a percentage of revenue received. The Organization must pay the national dues in order to use the United Way name and logo. During the year ended June 30, 2015, the Organization paid national dues of \$11,235.

During the year, the organization received pledges and contributions from several board members and from other organizations whose board members are also members of the board of directors for the United Way of Greenwood and Abbeville Counties and the UCCC.

Note 8 - Investments

Investments are comprised of the following at June 30, 2015. Investments are stated at fair value.

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Money Market Funds	\$ 18,303	\$ 18,303	\$ 0
Fixed Income Securities	396,880	375,154	(21,726)
Total	<u>\$ 415,183</u>	<u>\$ 393,457</u>	<u>\$ (21,726)</u>

Investment income for the year ended June 30, 2015 is comprised of the following:

Interest Income from Cash	\$ 7
Interest Income from Investment	16,410
Net realized losses on investments	644
Net unrealized gain on investments	<u>(8,810)</u>
	<u>\$ 8,251</u>

United Way paid investment fees of \$3,933 in 2015.

Note 9 - Fair Value Measurements

The accounting standards establish 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 or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - financial instruments with quoted prices in active markets for identical assets or liabilities.

Level 2 - financial instruments with valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - financial instruments that are not actively traded on a market exchange and require using significant unobservable inputs in determining fair value. The inputs into the determinations of fair value require significant judgment or estimation by the investment manager.

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Notes to Consolidated Financial Statements (Continued)
June 30, 2015**

Note 9 - Fair Value Measurements (Continued)

The following table summarizes the valuation of the Organization's financial assets and liabilities measured at fair value as of June 30, 2015, based on the level of input utilized to measure fair value:

<u>Assets measured at fair value</u>	<u>Fair value at June 30, 2015</u>	Fair value measurements at June 30, 2015 using:		
		<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Money Market Funds	\$ 18,303	\$ 18,303	\$ 0	\$ 0
Fixed Income Securities	<u>375,154</u>	<u>0</u>	<u>375,154</u>	<u>0</u>
Total Assets at Fair Value	<u>\$ 393,457</u>	<u>\$ 18,303</u>	<u>\$ 375,154</u>	<u>\$ 0</u>

Prices for money market funds are readily available in the active markets in which those securities are traded, and the resulting fair values are shown in the "Level 1 input" column. Prices for Fixed Income Securities are based on quoted prices and interest rates, and the resulting fair values are shown in the "Level 2 input" column.

Note 10 - Retirement Plan

The Organization has a retirement plan that covers full-time employees after one year of continuous employment. The plan is qualified under Section 401(k) of the Internal Revenue Code. Contributions are made based on ten percent of the employee's base salary. Contributions were made to the plan in the amount of \$19,626 for the year ended June 30, 2015.

Note 11 - Operating Lease

The Organization rents office space to various nonprofit agencies.

Note 12 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	<u>June 30, 2015</u>
Periods after June 30, 2015	\$ 1,055,572
DSS Grant	2,155
Stuff The Bus	1,997
UCCC Grants	<u>14,028</u>
Total Temporarily Restricted Net Assets	<u>\$ 1,073,752</u>

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Notes to Consolidated Financial Statements (Continued)
June 30, 2015**

Note 12 - Temporarily Restricted Net Assets (Continued)

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

	<u>June 30, 2015</u>
Purpose restriction accomplished:	
Rasmussen	\$ 13
UCCC Grants	32,972
VITA Grant	22,900
Stuff The Bus	<u>4,592</u>
	60,477
Time restrictions expired on fund-raising campaign contributions	<u>979,535</u>
Total Restrictions Released	<u><u>\$ 1,040,012</u></u>

Note 13 - Board Designated Net Assets

As of June 30, 2015, the Board of Directors had designated unrestricted net assets for the following purposes:

	<u>June 30, 2015</u>
United Way of SC	\$ 1,562
Impact Target Spending	10,116
Rasmussen	32,789
Financial Stability	<u>4,549</u>
Total Board Designated Net Assets	<u><u>\$ 49,016</u></u>

Note 14 - Partner Agency Funding

The Board of Directors of United Way of Greenwood and Abbeville Counties allocates funds to various agencies based on the Organization's policy regarding such allocations. During 2015, agencies received \$608,567 from the Organization. In addition, the non-partner and partner agencies received \$88,465 in net donor designations.

Note 15 - Subsequent Events

The Organization evaluated subsequent events through December 2, 2015, which is the date the financial statements were available to be issued.

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Schedule of Functional Expenses
Program Services
Partner Agency Funding
For the Year Ended June 30, 2015**

Partner Agency Funding:	
Alston Wilke Society	\$ 15,069
Bowers-Rodgers Home	25,225
Boy Scouts of Gwd - Youth Grant	12,567
The Child's Place	12,587
Community Initiatives	49,340
Burton Center	61,097
Faith Home, Inc.	72,639
Food Bank	23,461
Girl Scouts Council	4,417
Greenwood Cancer Service	38,187
CHC - Children's Center	65,445
Healthy Learners	17,939
Laurens County Safe Home	10,791
Legal Services Agency	32,222
Meg's House	40,480
Pathway House	48,457
The Salvation Army	22,061
Sexual Trauma & Counseling	9,591
UCMAC	18,184
YMCA	21,647
Abbeville Youth Athletics	<u>7,161</u>
 Total Expenses	 <u>\$ 608,567</u>

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Consolidating Schedule of Financial Position
June 30, 2015**

	UW of Greenwood and Abbeville Counties	UCCC	Elimination of Intercompany Transactions	Consolidated Total
Current Assets:				
Cash and Cash Equivalents	\$ 819,149	\$ 79,325	\$ 0	\$ 898,474
Investments	393,457	0	0	393,457
Pledges Receivable, Net of Allowance for Uncollectible Pledges	559,450	0	0	559,450
Due From UCCC/UW	263	69	(332)	0
Grants and Contracts Receivable	22,900	0	0	22,900
Accounts Receivable	0	2,269	0	2,269
Total Current Assets	<u>1,795,219</u>	<u>81,663</u>	<u>(332)</u>	<u>1,876,550</u>
Fixed Assets:				
Furniture and Equipment, Net of Accumulated Depreciation	<u>479,639</u>	<u>69,122</u>	<u>0</u>	<u>548,761</u>
Total Assets	<u>\$ 2,274,858</u>	<u>\$ 150,785</u>	<u>\$ (332)</u>	<u>\$ 2,425,311</u>
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 11,067	\$ 1,700	\$ 0	\$ 12,767
Due to UCCC/UW	69	263	(332)	0
Designations Payable	<u>60,361</u>	<u>0</u>	<u>0</u>	<u>60,361</u>
Total Current Liabilities	<u>71,497</u>	<u>1,963</u>	<u>(332)</u>	<u>73,128</u>
Total Liabilities	<u>71,497</u>	<u>1,963</u>	<u>(332)</u>	<u>73,128</u>
Net Assets:				
Unrestricted Net Assets	1,143,637	134,794	0	1,278,431
Temporarily Restricted Net Assets	<u>1,059,724</u>	<u>14,028</u>	<u>0</u>	<u>1,073,752</u>
Total Net Assets	<u>2,203,361</u>	<u>148,822</u>	<u>0</u>	<u>2,352,183</u>
Total Liabilities and Net Assets	<u>\$ 2,274,858</u>	<u>\$ 150,785</u>	<u>\$ (332)</u>	<u>\$ 2,425,311</u>

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Consolidating Schedule of Activities
For the Year Ended June 30, 2015**

	Unrestricted				Temporarily Restricted				
	UW	UCCC	Unadjusted Totals	Elimination of Intercompany Transactions	Consolidated Total	UW	UCCC	Consolidated Total	Consolidated Total
Revenues, Gains, and Other Support:									
Gross Campaign Results 2014	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,210,412	\$ 0	\$ 1,210,412	\$ 1,210,412
Less Donor Designations	0	0	0	0	0	(82,338)	0	(82,338)	(82,338)
Less Provision for Uncollectible	0	0	0	0	0	(72,502)	0	(72,502)	(72,502)
Net Campaign Revenue 2014	0	0	0	0	0	1,055,572	0	1,055,572	1,055,572
Net Assets Released From Restrictions	1,007,040	32,972	1,040,012	0	1,040,012	(1,007,040)	(32,972)	(1,040,012)	0
Contributions	23,411	0	23,411	0	23,411	0	0	0	23,411
UCCC Contributions	0	3,884	3,884	0	3,884	0	0	0	3,884
Grants and Contracts	0	30,000	30,000	0	30,000	29,645	47,000	76,645	106,645
Rental Income	0	86,200	86,200	0	86,200	0	0	0	86,200
Investment Income	8,251	0	8,251	0	8,251	0	0	0	8,251
Service Fees Earned	14,910	0	14,910	0	14,910	0	0	0	14,910
In-Kind Contributions	3,634	0	3,634	0	3,634	0	0	0	3,634
Miscellaneous Income	122	0	122	0	122	0	0	0	122
Total Revenue, Gains, and Other Support	1,057,368	153,056	1,210,424	0	1,210,424	78,177	14,028	92,205	1,302,629
Expenses:									
Program Services:									
Gross Funds Awarded/Distributed	697,032	0	697,032	0	697,032	0	0	0	697,032
(Less Donor Designations)	(88,465)	0	(88,465)	0	(88,465)	0	0	0	(88,465)
Net Funds Awarded/Distributed	608,567	0	608,567	0	608,567	0	0	0	608,567
Grants and Contracts	59,293	0	59,293	0	59,293	0	0	0	59,293
Allocations	185,056	115,546	300,602	0	300,602	0	0	0	300,602
Total Program Services	852,916	115,546	968,462	0	968,462	0	0	0	968,462
Support Services:									
Management and General	108,433	47,990	156,423	0	156,423	0	0	0	156,423
Fundraising	76,837	36,144	112,981	0	112,981	0	0	0	112,981

**United Way of Greenwood and Abbeville Counties
and Subsidiary
Consolidating Schedule of Activities
For the Year Ended June 30, 2015**

	Unrestricted				Temporarily Restricted				
	UW	UCCC	Unadjusted Totals	Elimination of Intercompany Transactions	Consolidated Total	UW	UCCC	Consolidated Total	Consolidated Total
United Way of America Dues	11,235	0	11,235	0	11,235	0	0	0	11,235
Total Support Services	196,505	84,134	280,639	0	280,639	0	0	0	280,639
Total Expenses	1,049,421	199,680	1,249,101	0	1,249,101	0	0	0	1,249,101
Change in Net Assets	7,947	(46,624)	(38,677)	0	(38,677)	78,177	14,028	92,205	53,528
Net Assets At Beginning of Year	1,135,690	181,418	1,317,108	0	1,317,108	981,547	0	981,547	2,298,655
Net Assets At End of Year	<u>\$ 1,143,637</u>	<u>\$ 134,794</u>	<u>\$ 1,278,431</u>	<u>\$ 0</u>	<u>\$ 1,278,431</u>	<u>\$ 1,059,724</u>	<u>\$ 14,028</u>	<u>\$ 1,073,752</u>	<u>\$ 2,352,183</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
United Way of Greenwood and Abbeville Counties and Subsidiary

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 consolidated financial statements of United Way of Greenwood and Abbeville Counties (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 2, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered United Way of Greenwood and Abbeville Counties and Subsidiary's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of Greenwood and Abbeville Counties and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 United Way of Greenwood and Abbeville Counties and Subsidiary's consolidated 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 determination of financial statement amounts. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cox Accounting Solutions, LLC

Greenwood, South Carolina

December 2, 2015