

TRIDENT UNITED WAY
FINANCIAL REPORT
JUNE 30, 2023 AND 2022

TRIDENT UNITED WAY
FINANCIAL REPORT
JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Trident United Way
North Charleston, South Carolina

Opinion

We have audited the financial statements of Trident United Way, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Trident United Way as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Trident United Way and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Trident United Way's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 GAAS 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 GAAS, 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 Trident United Way'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 Trident United Way'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.

Mount Pleasant, South Carolina
February 26, 2024

Trident United Way
Statement of Financial Position
As of June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,011,895	\$ -	\$ 1,011,895
Short term investments	4,253,029	24,713	4,277,742
Accounts receivable	92,916	-	92,916
Contribution receivable, net	-	1,320,396	1,320,396
Prepaid expenses	43,925	-	43,925
Land, buildings, and equipment, net	2,081,223	-	2,081,223
Lessee right of use asset	302,743	-	302,743
Long term investments	10,264,680	942,089	11,206,769
TOTAL ASSETS	<u>\$ 18,050,411</u>	<u>\$ 2,287,198</u>	<u>\$ 20,337,609</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	\$ 190,848	\$ -	\$ 190,848
Payroll liabilities	96,880	-	96,880
Current lease liability	87,188	-	87,188
Deferred compensation	439,276	-	439,276
Campaign designations payable	-	116,373	116,373
Long term lease liability	215,555	-	215,555
Total liabilities	<u>1,029,747</u>	<u>116,373</u>	<u>1,146,120</u>
NET ASSETS			
Without donor restrictions			
Undesignated	5,902,171	-	5,902,171
Designated by Board for operating/emergency reserve	2,513,295	-	2,513,295
Designated by Board for endowment	6,140,001	-	6,140,001
Designated by Board for building reserve	383,974	-	383,974
Invested in property and equipment	2,081,223	-	2,081,223
Total without donor restrictions	17,020,664	-	17,020,664
With donor restrictions			
Perpetual in nature	-	467,528	467,528
Purpose and time restrictions	-	1,703,297	1,703,297
Total with donor restrictions	<u>-</u>	<u>2,170,825</u>	<u>2,170,825</u>
TOTAL NET ASSETS	<u>17,020,664</u>	<u>2,170,825</u>	<u>19,191,489</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,050,411</u>	<u>\$ 2,287,198</u>	<u>\$ 20,337,609</u>

See accompanying notes and independent auditors' report.

Trident United Way
Statement of Financial Position
As of June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 5,461,393	\$ -	\$ 5,461,393
Short term investments	122,210	35,626	157,836
Accounts receivable	931,643	-	931,643
Contribution receivable, net	-	1,496,880	1,496,880
Prepaid expenses	20,733	-	20,733
Land, buildings, and equipment, net	1,754,101	-	1,754,101
Long term investments	9,009,009	823,912	9,832,921
TOTAL ASSETS	<u>\$ 17,299,089</u>	<u>\$ 2,356,418</u>	<u>\$ 19,655,507</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	\$ 933,317	\$ 2,093	\$ 935,410
Payroll liabilities	83,357	-	83,357
Deferred compensation	441,996	-	441,996
Campaign designations payable	-	121,364	121,364
Total liabilities	<u>1,458,670</u>	<u>123,457</u>	<u>1,582,127</u>
NET ASSETS			
Without donor restrictions			
Undesignated	5,492,737	-	5,492,737
Designated by Board for operating/emergency reserve	2,438,841	-	2,438,841
Designated by Board for endowment	5,687,474	-	5,687,474
Designated by Board for community needs	50,000	-	50,000
Designated by Board for building reserve	417,266	-	417,266
Invested in property and equipment	1,754,101	-	1,754,101
Total without donor restrictions	<u>15,840,419</u>	<u>-</u>	<u>15,840,419</u>
With donor restrictions			
Perpetual in nature	-	467,528	467,528
Purpose and time restrictions	-	1,765,433	1,765,433
Total with donor restrictions	<u>-</u>	<u>2,232,961</u>	<u>2,232,961</u>
TOTAL NET ASSETS	<u>15,840,419</u>	<u>2,232,961</u>	<u>18,073,380</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,299,089</u>	<u>\$ 2,356,418</u>	<u>\$ 19,655,507</u>

See accompanying notes and independent auditors' report.

Trident United Way
Statement of Activities
For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Contribution revenue			
Campaign contributions	\$ 167,663	\$ 4,730,960	\$ 4,898,623
Contributed non-financial assets	218,552	-	218,552
Less donor designations	-	(479,402)	(479,402)
Less provision for uncollectible	-	(436,160)	(436,160)
Payments from previously closed campaigns	23,361	-	23,361
Other contributions	682,952	-	682,952
Net contribution revenue	<u>1,092,528</u>	<u>3,815,398</u>	<u>4,907,926</u>
Program service fees	11,000	-	11,000
FoodShare Berkeley County Revenue	1,802	-	1,802
Rental income	232,893	-	232,893
Other income	2,759	-	2,759
Employee Retention Credit proceeds	555,474	-	555,474
Investment return (net)	663,991	97,263	761,254
Net assets released from restrictions	3,974,797	(3,974,797)	-
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$ 6,535,244</u>	<u>\$ (62,136)</u>	<u>\$ 6,473,108</u>
EXPENSES			
Program Services			
Community Impact	\$ 837,450	\$ -	\$ 837,450
Health	149,838	-	149,838
Education	73,430	-	73,430
Financial Stability	1,147,403	-	1,147,403
Connecting the Community (SVE)	796,926	-	796,926
Total Program Services Expenses	<u>3,005,047</u>	<u>-</u>	<u>3,005,047</u>
Support Services			
General and administrative	803,915	-	803,915
Building	234,033	-	234,033
Fundraising	1,312,004	-	1,312,004
Total Support Services Expenses	<u>2,349,952</u>	<u>-</u>	<u>2,349,952</u>
TOTAL EXPENSES	<u>5,354,999</u>	<u>-</u>	<u>5,354,999</u>
INCREASE/(DECREASE) IN NET ASSETS	<u>1,180,245</u>	<u>(62,136)</u>	<u>1,118,109</u>
Net Assets at Beginning of Year	15,840,419	2,232,961	18,073,380
NET ASSETS AT END OF YEAR	<u>\$ 17,020,664</u>	<u>\$ 2,170,825</u>	<u>\$ 19,191,489</u>

See accompanying notes and independent auditors' report.

Trident United Way
Statement of Activities
For the Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Contribution revenue			
Campaign contributions	\$ 185,353	\$ 5,105,776	\$ 5,291,129
Contributed non-financial assets	125,175	-	125,175
Less donor designations	-	(637,316)	(637,316)
Less provision for uncollectible	-	(599,894)	(599,894)
Payments from previously closed campaigns	206,371	-	206,371
Other contributions	1,371,328	-	1,371,328
Net contribution revenue	<u>1,888,227</u>	<u>3,868,566</u>	<u>5,756,793</u>
Program service fees	81,669	-	81,669
Rental income	274,400	-	274,400
Other income	9,370	-	9,370
Payroll Protection Loan forgiveness	602,739	-	602,739
Investment return (net)	(1,052,706)	(110,246)	(1,162,952)
Net assets released from restrictions	4,633,951	(4,633,951)	-
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$ 6,437,650</u>	<u>\$ (875,631)</u>	<u>\$ 5,562,019</u>
EXPENSES			
Program Services			
Community Impact	\$ 2,103,699	\$ -	\$ 2,103,699
Health	466,580	-	466,580
Education	209,836	-	209,836
Financial Stability	1,795,670	-	1,795,670
Connecting the Community (SVE)	624,776	-	624,776
Total Program Services Expenses	<u>5,200,561</u>	<u>-</u>	<u>5,200,561</u>
Support Services			
General and administrative	419,524	-	419,524
Building	200,212	-	200,212
Fundraising	1,352,348	-	1,352,348
Total Support Services Expenses	<u>1,972,084</u>	<u>-</u>	<u>1,972,084</u>
TOTAL EXPENSES	<u>7,172,645</u>	<u>-</u>	<u>7,172,645</u>
DECREASE IN NET ASSETS	<u>(734,995)</u>	<u>(875,631)</u>	<u>(1,610,626)</u>
Net Assets at Beginning of Year	16,575,414	3,108,592	19,684,006
NET ASSETS AT END OF YEAR	<u>\$ 15,840,419</u>	<u>\$ 2,232,961</u>	<u>\$ 18,073,380</u>

See accompanying notes and independent auditors' report.

Trident United Way
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services						Supporting Services					
	Community Impact	Health	Education	Financial Stability	Connecting The Community	Total Programs	General and Admin	Building	Total Admin	Fundraising	Total Support	Total Expenses
Expenses												
Partner agency allocations	\$ 30,000	\$ -	\$ -	\$ 50,000	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000
Other agency grants	83,248	-	-	78,370	-	161,618	500	-	500	-	500	162,118
Salaries & benefits	274,150	104,045	28,394	630,128	406,081	1,442,798	577,921	1,006	578,927	917,195	1,496,122	2,938,920
Professional and contract services	252,566	22,755	45,000	209,212	44,252	573,785	124,141	44,618	168,759	175,323	344,082	917,867
Occupancy	34,945	-	-	79,695	9,155	123,795	20,808	135,486	156,294	28,864	185,158	308,953
Meetings and conferences	3,488	2,502	-	16,056	15,789	37,835	36,783	121	36,904	28,193	65,097	102,932
Events	-	456	-	-	9,351	9,807	-	-	-	-	-	9,807
Depreciation	64,676	-	-	13,851	12,559	91,086	8,965	6,733	15,698	40,944	56,642	147,728
Dues, subscriptions and publications	37,218	220	-	535	7,401	45,374	8,049	2,037	10,086	24,307	34,393	79,767
Advertising	-	-	-	12,487	248,739	261,226	-	-	-	32,954	32,954	294,180
Postage and printing	27,486	10,500	-	11,314	7,352	56,652	4,782	1,386	6,168	31,090	37,258	93,910
Supplies	-	6,265	36	29,479	25,403	61,183	2,175	8,855	11,030	6,635	17,665	78,848
Travel	287	3,095	-	15,619	3,971	22,972	15,725	-	15,725	7,264	22,989	45,961
Insurance	22,057	-	-	-	5,460	27,517	3,057	33,336	36,393	14,628	51,021	78,538
Card processing and bank fees	7,329	-	-	657	1,413	9,399	1,009	455	1,464	4,607	6,071	15,470
Total Expenses	\$ 837,450	\$ 149,838	\$ 73,430	\$ 1,147,403	\$ 796,926	\$ 3,005,047	\$ 803,915	\$ 234,033	\$ 1,037,948	\$ 1,312,004	\$ 2,349,952	\$ 5,354,999

See accompanying notes and independent auditors' report.

Trident United Way
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services						Supporting Services					
	Community Impact	Health	Education	Financial Stability	Connecting The Community	Total Programs	General and Admin	Building	Total Admin	Fundraising	Total Support	Total Expenses
Expenses												
Partner agency allocations	\$ 1,287,816	\$ -	\$ -	\$ 50,000	\$ -	\$ 1,337,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,337,816
Other agency grants	9,200	-	-	881,291	-	890,491	-	-	-	-	-	890,491
Salaries & benefits	402,583	206,924	155,562	572,567	330,712	1,668,348	291,919	59,497	351,416	964,914	1,316,330	2,984,678
Professional and contract services	141,338	80,783	45,000	201,337	41,424	509,882	46,868	7,626	54,494	100,038	154,532	664,414
Occupancy	52,412	465	459	27,941	11,489	92,766	8,836	91,968	100,804	36,486	137,290	230,056
Meetings and conferences	1,362	1,669	74	7,850	2,260	13,215	13,682	28	13,710	48,559	62,269	75,484
Depreciation	88,959	-	-	18,347	17,274	124,580	12,445	4,871	17,316	56,316	73,632	198,212
Dues, subscriptions and publications	68,636	330	-	242	14,254	83,462	14,510	4,082	18,592	44,873	63,465	146,927
Advertising	-	6,000	414	13,411	180,350	200,175	4,088	-	4,088	40,252	44,340	244,515
Postage and printing	24,047	147	-	7,408	9,292	40,894	5,667	1,308	6,975	33,811	40,786	81,680
Supplies	(565)	164,216	7,820	7,261	10,312	189,044	5,962	1,504	7,466	5,758	13,224	202,268
Travel	1,455	6,046	507	7,864	2,275	18,147	5,453	-	5,453	3,840	9,293	27,440
Insurance	17,155	-	-	116	3,328	20,599	2,378	28,819	31,197	11,613	42,810	63,409
Card processing and bank fees	9,301	-	-	35	1,806	11,142	7,716	509	8,225	5,888	14,113	25,255
Total Expenses	\$ 2,103,699	\$ 466,580	\$ 209,836	\$ 1,795,670	\$ 624,776	\$ 5,200,561	\$ 419,524	\$ 200,212	\$ 619,736	\$ 1,352,348	\$ 1,972,084	\$ 7,172,645

See accompanying notes and independent auditors' report.

Trident United Way
Statement of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 1,118,109	\$ (1,610,626)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities:		
Depreciation	147,728	198,212
Realized/unrealized (gain) on investments	(761,254)	1,162,952
Provision for uncollectible contributions receivable	436,160	599,894
(Increase) decrease in operating assets		
Accounts receivable	838,727	(807,450)
Contributions receivable		
Trident United Way Campaign	(259,676)	139,077
Prepaid expenses	(23,192)	43,857
Lessee right of use asset	(302,743)	-
Increase (decrease) in operating liabilities		
Accounts payable	(744,562)	776,781
Current and long term lease liability	302,743	-
Payroll liabilities	13,523	(57,245)
Deferred compensation	(2,720)	(82,937)
Campaign designations payable	(4,991)	(2,699)
Forgiveness of Paycheck Protection Program SBA loan	-	(596,870)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	757,852	(237,054)
CASH FLOWS FROM INVESTING ACTIVITIES		
Leasehold improvements, equipment and software purchase	(474,850)	(34,530)
Sale/purchase of investments, net	(4,732,500)	55,184
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(5,207,350)	20,654
CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
 NET (DECREASE) IN CASH	 (4,449,498)	 (216,400)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 5,461,393	 5,677,793
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,011,895	\$ 5,461,393
SUPPLEMENTAL INFORMATION		
Forgiveness of Paycheck Protection Program SBA loan	\$ -	\$ (596,870)
Cash paid for amounts included in the measurement of lease liability	35,376	-
Right to use asset upon ASC 842 implementation for operating lease	330,085	-
Right to use asset after ASC 842 implementation for operating lease	302,743	-

See accompanying notes and independent auditors' report.

TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Trident United Way (the Organization) is a catalyst for measurable community transformation through collective impact in education, financial stability, and health. The Organization is committed to applying the collective impact discipline by bringing together various stakeholders, individuals, and organizations, to create long-lasting social change. Trident United Way's vision is to create positive, sustainable system change designed to help keep students on track to graduate, to help families achieve financial stability and to help citizens gain tools to live healthy lives.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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.

Classification of Net Assets

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

Net Assets Without Donor Restrictions - Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for operating/emergency reserve, board-designated endowment, and building reserve. See the statement of financial position for the composition of net assets without donor restrictions.

Net Assets With Donor Restrictions - Certain 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 donors. Other donor-imposed restrictions are perpetual on nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Note I for more information on the composition of net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash equivalents include money market funds and certificates of deposit valued equally with cash.

TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounts Receivable

Management considers all accounts receivable to be fully collectible based on experience. Accordingly, no allowance has been established for these accounts.

Contributions Receivable

Annual campaigns are conducted to raise support for operations and allocations to participating agencies. Contributions received are recorded with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions.

Contributions are recorded when the agency is notified of the pledge, and allowances are provided for amounts estimated to be uncollectible. Bequests are recorded as income at the time the agency has an established right to the bequest and the proceeds are measurable. An allowance for doubtful accounts is recorded based on management's historical collection information of trends and adjusted accordingly.

Prepaid Expenses

Expenses are recognized by the Organization on an accrual basis. Expenses paid in advance and not yet incurred are recorded as prepaid until the applicable period. Prepaid and other assets are primarily prepaid annual dues to United Way Worldwide and United Way Association of South Carolina, as well as prepaid service contracts and insurance.

Land, Buildings, and Equipment

Land, buildings, and equipment purchased are recorded at cost. The Organization capitalizes all expenditures for property and equipment in excess of \$1,000 with a useful life greater than one year. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets retired or otherwise disposed of, and the related accumulated depreciation, are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently. Land, buildings, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, from 3 to 40 years.

Investments

The Organization accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statements of financial position. Fair value of marketable equity and debt securities is based on quoted market prices.

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, 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 investment expenses.

**TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Investments - Continued

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 statements of financial position.

Endowment and Long-term Investments

Endowment investments consist of investments purchased with the following resources:

- Donor-restricted perpetual endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the organization's activities.
- Donor-restricted term endowments, which are contributions restricted by donors to investment for the term specified by the donor. During that term, the donor may either require investment income and appreciation to be reinvested in the fund or may permit the organization to spend those amounts in accordance with the donors' restrictions on use.
- Board-designated endowments, which are resources set aside by the Board of Directors for an indeterminate period to operate in a manner similar to a donor-restricted perpetual endowment. Because a board-designated endowment results from an internal designation, it can be spent upon the action of the Board of Directors.

Endowment investments also include investments purchased with unspent investment income and net gains on these resources. Other long-term investments are held under split-interest agreements with donors.

Endowment investments are reported at fair value with changes to fair value reported as investment return in the statement of activities. Purchases and sales of investments are reported on the trade date.

The Organization's endowment funds consist of donor-restricted endowments and funds designated by the board. Income from donor-restricted endowments is restricted for specific purposes, except for the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated operating/emergency reserve of \$2,513,295 is available in the case of economic downturns or natural disasters so the organization may maintain or expand services in times of great need. The board may also use these funds for one-time investment in capital, equipment, or technology beyond what could be funded through the annual campaign.

The board-designated endowment of \$6,140,001 is to provide long-term support of the fundraising and administrative functions for Trident United Way through an established four percent per year distribution.

TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Endowment and Long-term Investments – Continued

The board-designated building reserve of \$383,974 is to provide for major repairs and improvements to the organization-owned properties.

Revenues from Exchange Transactions

The Organization has revenue streams that are accounted for as exchange transactions including program fees. Because the Organization's performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14, Revenue from Contracts with Customers, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Contributed Non-financial Assets and Contributed Services

A substantial number of volunteers have donated significant amounts of time to the Organization's program services and to its fund-raising campaigns. Contributed services represent services requiring specialized skills that the Organization would typically purchase if not donated. Contributed non-financial assets and contributed services are recognized at their estimated fair values at date of receipt with an equal and offsetting amount in expenses in the Statement of Activities, resulting in a no net impact on the change in net assets during the fiscal year.

Accounting for Contributions

Trident United Way conducts annual fundraising campaigns in cooperation with many individuals and local employers. Contributions, including pledges and other unconditional promises to give, are recognized as revenue in the year the pledge is received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. The majority of the organization's pledges allow donors to make payments over 24 months. Since the pledge may extend beyond one fiscal year the organization treats them as time restricted. Such revenues will be presented as restricted until paid and released from restrictions.

Multi-year contributions have an implied time restriction that the amounts are not to be used until the year in which they are to be received, and therefore are reported as with donor restrictions. Amounts that are to be invested in perpetuity and only the income used will be recorded as with donor restrictions.

Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. It is the Organization's policy to record restricted contributions received and released in the same year as contributions without donor restrictions.

TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounting for Contributions – Continued

The Organization allows donors to designate their contributions to any agency qualified to receive charitable contributions. Donor-designated contributions are reflected in gross campaign results and deducts them from revenue on the statement of activities. Designations are paid when the pledge payment is collected.

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expense. Expenses that can be identified with a specific program or support service are charged directly to that program or support service.

Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied as follows:

- Salaries and wages, benefits and payroll taxes are allocated based on activity reports.
- Occupancy, telephone and internet services, insurance, supplies, depreciation, and other miscellaneous expenses are allocated based on the salary allocation and headcount for each program and supporting activity.

Every year, or more often when new space or programs are added, the basis on which costs are allocated are evaluated. General and administrative expenses include these costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Recently Adopted Accounting Pronouncements

The Organization adopted ASC 842, Leases; this standard requires lessees to recognize leases on the statement of financial position as right-of-use (ROU) assets and lease liabilities based on the value of the discounted future lease payments. In adopting ASC 842, the Organization elected to use practical expedients, including but not limited to, not reassessing past lease and easement accounting, and not recording assets or liabilities for leases with terms of one year or less. The adoption of ASC 842 is mandatory and is effective for years beginning after December 31, 2021. The Organization adopted this new standard effective July 1, 2022, the first day of the Organization's fiscal year. Upon adoption, the Organization recognized operating right-of-use assets and lease liabilities of \$302,743. ASC 842 did not have a significant effect on our accounting for lease contracts.

TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Compensated Absences

Employees of the Organization working at least 30 hours per week, are entitled to a minimum of 10 and maximum of 20 paid vacation days based on a years of service model. When an employee with at least 90 days of service leaves the organization, unused vacation is paid out at the hourly equivalent of the current pay rate. Employees are allowed to accumulate unused vacation time up to a maximum of 30 days (225 hours). Therefore, a liability is recorded at the end of the fiscal year for the total amount of vacation unused at that time. As of June 30, 2023 and 2022 the accrued vacation liability was \$95,165 and \$83,603, respectively.

Credit Risk Concentration

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash in deposit accounts which may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any unusual credit risk.

Leases

The Organization recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The organization is a lessee in a noncancellable operating lease with terms in excess of one year for office space. The Organization has classified this lease as an operating lease and recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease.

Fair Value of Financial Instruments

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 is effective for the Organization's financial assets and liabilities for the years ended June 30, 2023 and 2022. The estimated fair value amounts for specific groups of financial instruments are presented within the footnotes. Cash, accounts receivable, unconditional promises to give, accounts payable and accrued expenses are stated at cost, which approximates fair value, due to their short term to maturity.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets without donor restrictions, and net losses on endowment investments reduce that net asset class.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax.

**TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Income Tax Status - Continued

The Organization had no unrelated business income for the years ended June 30, 2023 and 2022. Therefore, no provision for income taxes was made. Management has evaluated the Organization's tax positions and concluded the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provision of this guidance. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE B - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,011,895	\$ 5,461,393
Short term investments	4,277,742	157,836
Cash and cash equivalents	5,289,637	5,619,229
Accounts receivable	92,916	931,643
Contributions receivable, net	1,320,396	1,496,880
Investments	11,206,769	9,832,921
Total financial assets	<u>17,909,718</u>	<u>17,880,673</u>
Less financial assets held to meet donor-imposed restrictions:		
Trident United Way Campaign	(1,142,164)	(1,342,555)
Other	(561,133)	(422,878)
In perpetuity	(467,528)	(467,528)
Less board-designated funds:		
Operating/emergency reserve	(2,513,295)	(2,438,841)
Endowment	(6,140,001)	(5,687,474)
Community needs	-	(50,000)
Building reserve	(383,974)	(417,266)
Total financial assets with restrictions	<u>(11,208,095)</u>	<u>(10,826,542)</u>
Amount available for general expenditures within one year	<u>\$ 6,701,623</u>	<u>\$ 7,054,131</u>

The above table reflects donor-restricted and board-designated funds as unavailable because it is the Organization's intention to invest those resources for the long-term support of the Organization.

However, in the case of need, the Board of Directors could appropriate resources from the operating/emergency reserve for \$2,513,295, designated endowment for \$6,140,001, or building reserve for \$383,974.

**TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE C – INVESTMENTS

Long- and short-term investments consist of net assets with donor restrictions and without donor restrictions managed by Morgan Stanley Smith Barney LLC, including a stock gift account. All investments are stated at fair value. Investments comprise the following as of June 30:

	<u>As of June 30, 2023</u>		<u>As of June 30, 2022</u>	
	<u>FMV</u>	<u>Cost</u>	<u>FMV</u>	<u>Cost</u>
Money market fund	\$ 184,408	\$ 184,408	\$ 121,609	\$ 121,609
Fixed income	5,657,863	5,716,458	1,027,759	1,063,304
Mutual funds – corporate bonds	3,494,029	3,467,175	3,166,668	3,392,736
Securities and security	6,148,210	5,315,788	5,674,722	5,135,818
	<u>\$ 15,484,511</u>	<u>\$ 14,683,830</u>	<u>\$ 9,990,758</u>	<u>\$ 9,713,467</u>

Maturities for the above listed investments are listed below:

	<u>As of June 30, 2023</u>	<u>As of June 30, 2022</u>
<u>Maturity Range in Years</u>		
3 months - 1 year	\$ 4,263,755	\$ 129,631
1 - 5 years	675,120	469,497
5-10 years	376,894	301,903
10 years and beyond	526,502	248,336
Mutual Funds – corporate	3,494,029	3,166,668
Securities and security	6,148,210	5,674,722
Total Investments	<u>\$ 15,484,511</u>	<u>\$ 9,990,758</u>

NOTE D – CONTRIBUTIONS RECEIVABLE

Contributions receivable have not been discounted as the campaign for Trident United Way runs for one year. Total unconditional promises to give consist of the following as of June 30:

	<u>Trident United Way Campaign</u>	
	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 1,496,880	\$ 2,235,851
Commitments made	3,501,651	3,118,041
Payments made	<u>(3,241,975)</u>	<u>(3,257,118)</u>
Balance before allowance	1,756,556	2,096,774
Allowance for uncollectible	<u>(436,160)</u>	<u>(599,894)</u>
Ending balance	<u>\$ 1,320,396</u>	<u>\$ 1,496,880</u>

TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE D – CONTRIBUTIONS RECEIVABLE – Continued

An allowance for doubtful accounts is maintained based on management's internal reserve policies. Management's estimate of uncollectible pledges was 10% and 12% for the years ended June 30, 2023 and 2022, respectively. Not all contributions are included in the calculation, as some contributions are paid in full at the time given.

NOTE E – FAIR VALUE MEASUREMENTS AND DISCLOSURES

Financial Accounting Standards Board (FASB) guidance establishes a fair-value hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Organization's assumptions (unobservable inputs). Determining where an asset or liability falls in that hierarchy depends on the lowest-level input that is significant to the fair-value measurement as a whole.

FASB ASC 820, *Fair Value Measurements and Disclosures* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

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). Trident United Way held no financial instruments that were valued using Level 3 measurements as of June 30, 2023 or 2022.

The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs: Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity can access at the measurements date and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Inputs: Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is markets in which there are few transactions, prices are not current, or prices vary substantially over time.

Level 3 Inputs: Unobservable inputs for valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgement or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgement by management.

At June 30, 2023 and 2022, the Organization's investments were classified within Level 1 or 2 of the hierarchy.

**TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE E – FAIR VALUE MEASUREMENTS AND DISCLOSURES – Continued

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy. There have been no changes in the valuation methodologies used as of June 30, 2023 and 2022.

Money market funds: Valued at amortized cost which approximate fair value.

Bonds: Valued at the closing price reported in the active market in which the bond is traded or based on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual funds: Valued using the Net Asset Value (NAV) based on the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

Equities: Valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the organization's assets measure at fair value at June 30, 2023 and 2022:

Description	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 184,408	\$ -	\$ -	\$ 184,408
Bonds	-	5,657,863	-	5,657,863
Mutual funds - corporate	3,494,029	-	-	3,494,029
Securities and security	6,148,210	-	-	6,148,210
Total assets at fair value	\$ 9,826,648	\$ 5,657,863	\$ -	\$ 15,484,511

Description	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 121,609	\$ -	\$ -	\$ 121,609
Bonds	-	1,027,759	-	1,027,759
Mutual funds - corporate	3,166,668	-	-	3,166,668
Securities and security	5,674,722	-	-	5,674,722
Total assets at fair value	\$ 8,962,999	\$ 1,027,759	\$ -	\$ 9,990,758

TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE F - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment for the years ended June 30, 2023 and 2022 consist of the following:

	Beginning Balance July 1, 2022	Additions	Disposition	Ending Balance June 30, 2023
Building and improvements	\$ 2,987,486	\$ 124,563	\$ -	\$ 3,112,049
Equipment	359,705	47,700	-	407,405
Total depreciable assets	3,347,191	172,263	-	3,519,454
Less accumulated depreciation	(2,083,090)	(147,728)	-	(2,230,818)
Net depreciable assets	1,264,101	24,535	-	1,288,636
Land	490,000	-	-	490,000
Work in progress	-	302,587	-	302,587
Total land, buildings, and equipment	<u>\$ 1,754,101</u>	<u>\$ 327,122</u>	<u>\$ -</u>	<u>\$ 2,081,223</u>

	Beginning Balance July 1, 2021	Additions	Disposition	Ending Balance June 30, 2022
Building and improvements	\$ 2,954,386	\$ 33,100	\$ -	\$ 2,987,486
Equipment	358,275	1,430	-	359,705
Total depreciable assets	3,312,661	34,530	-	3,347,191
Less accumulated depreciation	(1,884,878)	(198,212)	-	(2,083,090)
Net depreciable assets	1,427,783	(163,682)	-	1,264,101
Land	490,000	-	-	490,000
Total land, buildings, and equipment	<u>\$ 1,917,783</u>	<u>\$ (163,682)</u>	<u>\$ -</u>	<u>\$ 1,754,101</u>

Depreciation expense for the years ended June 30, 2023 and 2022 is \$147,728 and \$198,212, respectively.

The Organization's work in progress is to replace the HVAC ducting throughout the building. The total expected cost of the project is \$486,022. The Organization has paid the HVAC vendor \$302,587 as of June 30, 2023, with the remaining \$183,435 to be billed as work is completed. The work is expected to be completed by March 31, 2024 and the work in progress will be put into service after completion.

NOTE G – ACCOUNTING FOR ENDOWMENTS

The Organization's endowment consists of funds established either by donors (referred to as donor-restricted endowment funds) and or by resources set aside by the Board of Directors to function as endowments (referred to as board-designated endowment funds). Donor-restricted endowment funds are further divided into those that provide a perpetual source of support for the organization's activities (referred to as perpetual endowments) and those that are restricted by donors to investment for a specific term (referred to as term endowments).

As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE G – ACCOUNTING FOR ENDOWMENTS - Continued

The state of South Carolina enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective July 1, 2008. UPMIFA establishes law for the management and investment of donor-restricted endowment funds. Donor-restricted endowment funds are subject to a time restriction imposed by UPMIFA until amounts are appropriated for expenditure by the organization.

UPMIFA permits the organization to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. In making its determination to appropriate or accumulate, the organization must act in good faith, with the care that an ordinary prudent person in a like position would exercise under similar circumstances, and it must consider, if relevant, the following factors:

- The duration and preservation of the endowment fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from the income and appreciation of investments
- Other resources of the organization
- The investment policy of the organization

The net asset composition for the endowment as of June 30, 2023 and 2022, are as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Type of Endowment Fund			
Donor-restricted funds			
Perpetual endowment	\$ -	\$ 467,528	\$ 467,528
Purpose restricted endowment	-	208,199	208,199
Board-designated endowment	6,140,001	-	6,140,001
Total subject to expenditure for a specified purpose:	<u>\$ 6,140,001</u>	<u>\$ 675,727</u>	<u>\$6,815,728</u>
	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Type of Endowment Fund			
Donor-restricted funds			
Perpetual endowment	\$ -	\$ 467,528	\$ 467,528
Purpose restricted endowment	-	158,050	158,050
Board-designated endowment	5,687,474	-	5,687,474
Total subject to expenditure for a specified purpose:	<u>\$ 5,687,474</u>	<u>\$ 625,578</u>	<u>\$6,313,052</u>

**TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE G – ACCOUNTING FOR ENDOWMENTS - Continued

Investment and Spending Policies

The Lane Tocqueville Legacy Circle Endowment fund was established on June 30, 2010. The endowment fund has a corpus of \$467,528, established from previous restricted revenue and scrap value from the obsolete railroad box cars. The earnings of the endowment are eligible to be drawn upon to support the operations of the organization at a rate of 5% of the annual balance of the endowment if the balance is above the original corpus amount. The accumulated earnings from the endowment are recorded as net assets with donor restrictions by purpose and the corpus of the endowment is recorded as net assets with donor restrictions perpetual in nature.

The Organization has an investment policy for the board-designed Trident United Way Endowment Fund, which is monitored by the Investment Committee of its Board of Directors. The investment policy describes the objective for the fund and sets ranges for asset allocation.

The objective of the board-designated endowment fund places the highest emphasis on providing annual cash infusions to operations to help supplement operating expenses. Therefore 20% of the fund is to be available and free from excessive market risk immediately after a crisis. To meet the growth target, it is understood that two-thirds (2/3) of the Fund are to be invested in medium and long-term investment strategies. Therefore, these dollars would be only used in the most significant circumstances to reduce the likelihood of underperformance and excessive deterioration of real principal during a stage of poor fund performances. The Endowment fund is a board-established sub-account to provide long-term support of the fundraising and administrative functions of the Organization through an established annual distribution. The rate changed from 5% to 4% as voted on by the Board of Directors on December 11, 2020. The distribution amount is calculated on the account value as of June 30 annually.

The following is a summary of the asset allocation guidelines, with allowable ranges for each asset type:

<i>Asset Category</i>	<i>Target</i>	<i>Maximum</i>
Global Equity	70%	90%
Global Fixed Income & Cash	20%	40%
Real Asset/Real Return	10%	30%
Alternative Investments	0%	30%

**TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE G – ACCOUNTING FOR ENDOWMENTS - Continued

The changes in endowment net assets for the years ended June 30, 2023 and 2022, are as follows:

	2023		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Endowment net assets, July 1, 2022	\$ 5,687,474	\$ 625,578	\$6,313,052
Investment Return (Loss)	452,527	50,149	502,676
Contributions	-	-	-
Appropriation of endowment assets for expenditure - subject to distribution	-	-	-
Endowment net assets, June 30, 2023	<u>\$ 6,140,001</u>	<u>\$ 675,727</u>	<u>\$6,815,728</u>
	2022		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Endowment net assets, July 1, 2021	\$ 6,376,699	\$ 744,216	\$7,120,915
Investment Return (Loss)	(710,475)	(81,656)	(792,131)
Contributions	21,250	-	21,250
Appropriation of endowment assets for expenditure - subject to distribution	-	(36,982)	(36,982)
Endowment net assets, June 30, 2022	<u>\$ 5,687,474</u>	<u>\$ 625,578</u>	<u>\$6,313,052</u>

NOTE H – PAYCHECK PROTECTION PROGRAM

During the year ended June 30, 2020, the Organization received a Paycheck Protection Program loan of \$582,216 granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted March 27, 2020. On April 15, 2020 the Organization received loan funds of \$582,216 with an interest rate of 1%. On February 1, 2021 the Organization submitted forgiveness documentation and loan forgiveness of \$582,216 plus \$5,838 of interest. The forgiveness application was approved on April 15, 2021.

During the year ended June 30, 2021, the Organization received a second Paycheck Protection Program loan of \$596,870. On February 4, 2021 the Organization received loan funds of \$596,870 with an interest rate of 1%. On December 8, 2021 the Organization submitted forgiveness documentation and loan forgiveness of \$596,870 plus \$5,869 of interest. The forgiveness application was approved on March 11, 2022.

As of June 30, 2022 the Organization no longer has any liability to report on the statement of financial position for Paycheck Protection Program loans.

**TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods are as follows:

	<u>2023</u>	<u>2022</u>
Purpose restrictions:		
Trident United Way Campaign	\$ 1,142,164	\$ 1,342,555
Other, Net	561,133	422,878
Total purpose restrictions	<u>\$ 1,703,297</u>	<u>\$ 1,765,433</u>
Perpetual in nature:		
Endowment	\$ 467,528	\$ 467,528
Total endowments	<u>\$ 467,528</u>	<u>\$ 467,528</u>
Total net assets with donor restrictions	<u><u>\$ 2,170,825</u></u>	<u><u>\$ 2,232,961</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors are as follows:

	<u>2023</u>	<u>2022</u>
Purpose or period restrictions accomplished:		
Trident United Way Campaign	\$ 3,913,295	\$ 4,555,412
Other	61,502	78,539
Net assets released from restrictions	<u><u>\$ 3,974,797</u></u>	<u><u>\$ 4,633,951</u></u>

NOTE J – POSTRETIREMENT BENEFITS

<u>Organization Contributions</u>	<u>Percent</u>
Matching safe harbor	0%-4%
Non-contributory discretionary	1%
Total Organization Contribution	<u><u>1%-5%</u></u>

401K Plan

The Organization has established a retirement plan formed under section 401(k) of the Internal Revenue Code, which covers substantially all employees. Participants in the plan may elect to make voluntary before-tax and/or after-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended.

During the years ended June 30, 2023 and 2022 the total matching safe harbor of up to 4 percent and a 1 percent non-contributory discretionary expenses were \$51,940 and \$90,824, respectively.

Deferred Compensation

The Organization provides deferred compensation to a former key employee. The assets are owned by the Organization until certain provisions of the plan are met by the employee. Deferred compensation liability for the years ended June 30, 2023 and 2022 was \$439,276 and \$441,996, respectively.

**TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE K – CONTRIBUTED NON-FINANCIAL ASSETS AND CONTRIBUTED SERVICES

Contributed Non-Financial Assets and Contributed Services

2023

<u>Description</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Outdoor advertising	\$ 149,431	Marketing & Communications	No donor restrictions	Value provided by entities that place media with traditional and digital billboards.
Radio, digital and other media	\$ 58,121	Marketing & Communications	No donor restrictions	Value provided by entities that place media with television, radio and social media platforms. Values are based on time of airing, length of airing and/or website "hits" based on readily determinable values in the media space.
Financial Consulting	\$ 9,500	Financial Consulting - ERC/PPP & 941X Preparation	No donor restrictions	Valuation provided by consultant providing service.
Time and Services - AmeriCorps Workshop	\$ 1,500	AmeriCorps Workshop - 10/14/2022	No donor restrictions	Valuation provided by consultant providing service.

2022

<u>Description</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Outdoor advertising	\$ 83,875	Marketing & Communications	No donor restrictions	Value provided by entities that place media with traditional and digital billboards.
Radio, digital and other media	\$ 38,800	Marketing & Communications	No donor restrictions	Value provided by entities that place media with television, radio and social media platforms. Values are based on time of airing, length of airing and/or website "hits" based on readily determinable values in the media space.
Backpacks	\$ 2,500	Young Leader's United Back to School Supply Drive	No donor restrictions	Estimated value based on like items available for purchase on Amazon.com.

NOTE L – BUILDING LEASES

The Organization rents part of its building under multi-year lease contracts. Rental income is used exclusively to maintain the building and no donor funds are used for this purpose. Estimated future rental income under the current leases as of June 30, 2023:

2024	\$	174,324
2025		103,468
2026		77,938

TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE M – RELATED PARTY TRANSACTIONS

One member of the Board of Directors contributed financial consulting services to assist the Organization in filing for Employee Retention Credits and Paycheck Protection Plan forgiveness. The contributed services for the years ended June 30, 2023 and 2022 were valued at \$9,500 and \$0 respectively.

NOTE N – LEASE COMMITMENTS

The Organization leases an office building under a three-year non-cancelable lease agreement dated March 1, 2023. Monthly payments are \$6,650 and began on March 1, 2023. Monthly payments increase annually by 3%. This lease expires on March 1, 2026 with an annual renewal option. The right of use asset and corresponding liability is \$199,252 at June 30, 2023.

The Organization leases five office copiers under a five-year non-cancelable lease agreement dated January 26, 2023. Monthly payments are \$2,194 and began on March 1, 2023. This lease expires on February 28, 2028 with an annual renewal option. The right of use asset and corresponding liability is \$103,491 at June 30, 2023.

Future operating lease payments are expected to be paid as follows for the fiscal years ended June 30:

2024	\$	106,927
2025		109,345
2026		82,769
2027		26,329
2028		17,553

NOTE O – CREDIT RISK

Financial instruments that potentially subject the Organization to credit risk consist principally of cash at financial institutions and investments. At times, the balances in cash accounts may be in excess of FDIC insurance limits. The unlimited coverage is separate from, and in addition to, the insurance coverage provided for a depositor's other accounts held at an FDIC-insured bank. Management continuously monitors the Organization's balances at financial institutions and invests excess operating cash in short-term investments. Trident United Way maintains its cash accounts at various local banks. The cash in these accounts is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank at June 30, 2023 and 2022.

At June 30, 2023 and 2022, total cash held by the local banks totaled \$1,116,267 and \$5,549,394, of which \$0 and \$5,049,394 were unsecured, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents.

**TRIDENT UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE O – CREDIT RISK – Continued

The Organization also has cash (money market funds) held in an investment account with Morgan Stanley. The cash in this account is held in the trust department of Morgan Stanley and is not insured by the Securities Investor Protection Corporation (SIPC) or FDIC coverage. At June 30, 2023 and 2022, the total cash held by Morgan Stanley for the Organization was \$174,016 and \$116,342, respectively.

NOTE P – RISKS AND UNCERTAINTIES

The Organization invests in various investment instruments such as money market funds, fixed income, mutual funds and equities. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

NOTE Q - SUBSEQUENT EVENTS

In accordance with ASC 855, the Organization evaluated subsequent events through the report date, the date the financial statements were available to be issued and has concluded no significant events meet the criteria of the professional accounting standards to be recognized or not recognized but disclosed in the financial statements.