

UNITED CHRISTIAN MINISTRIES OF ABBEVILLE COUNTY
ABBEVILLE, SOUTH CAROLINA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT
AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cox Accounting Solutions, LLC
Greenwood, South Carolina

United Christian Ministries of Abbeville County
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December 31, 2022

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INDEPENDENT ACCOUNTANT’S REVIEW REPORT

To the Board of Directors
United Christian Ministries of Abbeville County
Abbeville, South Carolina

We have reviewed the accompanying financial statements of United Christian Ministries of Abbeville County (a non-profit organization) which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2022 and the related statements of revenues, expenses, and changes in net assets – modified cash basis, functional expenses – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant’s Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of United Christian Ministries of Abbeville County and to meet our other ethical responsibilities, in accordance with the ethical requirements related to our review.

Accountant’s Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Cox Accounting Solutions, LLC

Greenwood, South Carolina
December 7, 2023

United Christian Ministries of Abbeville County
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis
December 31, 2022

Assets

Current Assets:

Cash and Cash Equivalents (Note 3)	\$ 149,150
Investments (Note 7)	322,684
Total Current Assets	471,834

Property and Equipment

Property, Furniture and Equipment, Net of Accumulated Depreciation of \$32,483 (Note 5)	100,286
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Total Assets	\$ 572,120
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Liabilities and Net Assets

Net Assets:

Without Donor Restrictions (Note 1)	\$ 502,351
With Donor Restrictions (Note 8)	69,769
Total Net Assets	572,120

Total Liabilities and Net Assets	\$ 572,120
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United Christian Ministries of Abbeville County
Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis
For the Year Ended December 31, 2022

Change in Net Assets Without Donor Restrictions:	
Revenues and Other Support:	
Contributions	\$ 107,468
Grants	23,950
Other Income	202
Investment Income	347
Total Net Assets Without Donor Restrictions and Other Support	<u>131,967</u>
Net Assets Released from Restriction	<u>16,355</u>
Total Revenue and Other Support	<u>148,322</u>
Expenses and Losses:	
Program Services	116,109
Management and General	27,646
Total Expenses and Losses	<u>143,755</u>
Change in Net Assets Without Donor Restrictions	<u>4,567</u>
Change in Net Assets With Donor Restrictions:	
Grants and Contributions	26,444
Net Assets Released from Restriction	<u>(16,355)</u>
Change in Net Assets With Donor Restrictions	<u>10,089</u>
Change in Net Assets	14,656
Net Assets, Beginning of Year	557,464
Net Assets, End of Year	<u><u>\$ 572,120</u></u>

See accompanying notes and independent accountant's review report.

United Christian Ministries of Abbeville County
Statement of Functional Expenses - Modified Cash Basis
For the Year Ended December 31, 2022

	Program Services				Total Expenses
	Emergency Assistance	Free Clinic	Food Pantry	Management & General	
Expenses and Losses:					
Program - Housing	\$ 24,317	\$ 0	\$ 0	\$ 0	\$ 24,317
Program - Utilities	38,552	0	0	0	38,552
Program - Food Purchased	0	0	9,611	0	9,611
Program - Miscellaneous	13,322	0	0	0	13,322
Free Clinic - Client Expenses	0	29,722	0	0	29,722
Equipment	585	0	0	0	585
Annual Meeting	0	0	0	865	865
Depreciation Expense	0	0	0	4,639	4,639
Insurance	0	0	0	3,937	3,937
Newsletter Expense	0	0	0	2,509	2,509
Office Supplies	0	0	0	2,608	2,608
Professional Fees	0	0	0	1,550	1,550
Dues	0	0	0	837	837
Utilities	0	0	0	5,862	5,862
Miscellaneous Expenses	0	0	0	4,839	4,839
Total Expenses	\$ 76,776	\$ 29,722	\$ 9,611	\$ 27,646	\$ 143,755

United Christian Ministries of Abbeville County
Notes to Financial Statements - Modified Cash Basis
December 31, 2022

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

The United Christian Ministries of Abbeville County (the Organization) is a South Carolina nonprofit corporation formed in 2008. The Organization was formed by a group of local churches, in Abbeville County dedicated to helping individuals, especially the elderly and working poor families, remain or become self-reliant. The Organization provides financial and spiritual assistance to Abbeville County citizens in crisis, and provides vouchers and referrals to other agencies and organizations. The Organization has locations in Abbeville, Lowndesville, and Calhoun Falls, South Carolina and is dependent on the economic conditions of Abbeville County. The Organization is dependent on the local community for financial support and for volunteers. The Organization also operates a free clinic, providing medical services to those in need, and three food pantries.

The accounting principles followed by the United Christian Ministries of Abbeville County 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:

Basis of Accounting

The Organization principally follows standards of accounting and financial reporting prescribed for other non-profit organizations. The Organization's policy is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

The Organization has modified the cash basis of accounting to recognize investments at fair value in the statement of assets, liabilities, and net assets with the related unrealized gain or loss reflected in the statement of revenue, expenses and changes in net assets.

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect the reported amounts of assets, 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.

Net Assets

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

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor- (or other certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

United Christian Ministries of Abbeville County
Notes to Financial Statements - Modified Cash Basis
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

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

Investments

Investments are reported at their fair value and consist of a money market fund, certificates of deposit, and treasury bills. The fair value of the investments is based on quoted prices in active markets.

Contributions

Contributions, gifts, and private grants that are not restricted as to time or manner of use are recognized as unrestricted support in the period in which they are received. Support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

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. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. For assets retired or disposed of, cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period. Expenditures for maintenance and repairs are charged to expense as incurred; significant improvements or renovations are capitalized.

In-Kind Support and Donated Services

During 2022, several organizations provided the use of equipment and building space and the cost of utilities to the Organization at no charge. The Organization also receives a material amount of donated food annually. The fair market value of the donated food and benefits cannot be reasonably determined. The Organization is also dependent on numerous volunteers who assist in the Organization's program services and fund-raising campaigns, such as physicians volunteering at the free clinic.

Functional Expenses

The Organization allocates certain expenses based on specific identification. Allocation of the remaining expenses to program services, management and general, or fundraising are based on activity as determined by management.

Fair Value Measurements

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable values or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date.

Assets and liabilities measured at fair value are categorized into one of three different levels depending on the observability of the inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included with Level 1 for the asset or liability, either directly or indirectly through market-corroborated inputs. Level 3 inputs are unobservable inputs for the asset or liability, including the Organization's own assumptions in determining the fair value of the assets or liabilities.

United Christian Ministries of Abbeville County
Notes to Financial Statements - Modified Cash Basis
December 31, 2022

Note 2 - Tax Status

The United Christian Ministries of Abbeville County is exempt from federal and state 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 Organization 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 income for the year ended December 31, 2022. No interest and penalties are recognized in the statement of revenue, expenses and other changes in net assets - modified cash basis. The tax years that remain subject to examination by major jurisdiction include fiscal years ending December 31, 2019 through December 31, 2022.

Note 3 - Concentrations of Credit Risk

The Organization maintains its cash balances in one financial institution. At December 31, 2022 the book balance of the Organization's deposits was \$149,150 and the bank balance was \$151,572, which was covered by federal deposit insurance.

Note 4 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$	149,150
Money Market Investments		322,684
Less: Net Asset With Donor Restrictions		<u>(69,769)</u>
Total		<u><u>\$ 402,065</u></u>

Note 5 - Property and Equipment

Changes in property and equipment of the Organization consisted of the following for the year ended December 31, 2022 :

	<u>Balance</u> <u>December 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31, 2022</u>
Machinery and Equipment	16,498	\$ 4,057	\$ 0	\$ 20,555
Buildings and Improvements	112,214	-	0	112,214
Less: Accumulated Depreciation	<u>(27,844)</u>	<u>(4,639)</u>	<u>0</u>	<u>(32,483)</u>
	<u>\$ 100,868</u>	<u>\$ (582)</u>	<u>\$ 0</u>	<u>\$ 100,286</u>

Total depreciation for the year ended December 31, 2022 was \$4,639.

Note 6 - Operating Leases

The Organization entered into a land lease with an individual in July 2015, to lease approximately 2 acres of land. The Organization leased the land for nominal consideration and the term of the lease is 20 years beginning July 31, 2015. A donated modular building was donated to the Organization in 2015 and moved to the leased land.

United Christian Ministries of Abbeville County
Notes to Financial Statements - Modified Cash Basis
December 31, 2022

Note 7 - Investments

Investments are reported on the basis of quoted market prices in active markets (Level 1) and consist of the following as of December 31, 2022:

Money Market	\$	17,143
Certificates of Deposit		255,739
US Treasury Bills		49,801
	<u>\$</u>	<u>322,683</u>

Note 8 - Net Assets With Donor Restrictions

During 2022, the Organization received several grants that were restricted for certain purposes. The amount of funds remaining for the purpose restrictions as of December 31, 2022 was \$69,769.

Note 9 - Subsequent Events

The Organization evaluated subsequent events through December 7, 2023, which is the date the financial statements were available to be issued. The Organization has not evaluated subsequent events after December 7, 2023.