

EAST COOPER COMMUNITY OUTREACH
MOUNT PLEASANT, SOUTH CAROLINA

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

**EAST COOPER COMMUNITY OUTREACH
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JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
East Cooper Community Outreach
Mount Pleasant, South Carolina

Opinion

We have audited the financial statements of East Cooper Community Outreach (a nonprofit corporation) which comprise the statements of financial position as of June 30, 2025 and 2024, 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 referred to above present fairly, in all material respects, the financial position of the East Cooper Community Outreach as of June 30, 2025 and 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Cooper Community Outreach 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 East Cooper Community Outreach's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 auditors' 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 East Cooper Community Outreach'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 East Cooper Community Outreach'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.

Glaser and Company, LLC

Charleston, South Carolina
November 18, 2025

**EAST COOPER COMMUNITY OUTREACH
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024**

	2025	2024
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 951,710	\$ 476,050
Grants and other receivables	203,144	144,176
Prepaid expenses	85,122	63,039
Unconditional promises to give, current	345,909	550,027
Total Current Assets	1,585,885	1,233,292
<u>Non-Current Assets</u>		
Cash and cash equivalents, restricted for capital campaign	793,883	3,495,258
Investments	2,016,218	1,714,593
Unconditional promises to give, net, net of current	225,608	499,113
Property and equipment, net	4,918,183	1,866,584
Total Non-Current Assets	7,953,892	7,575,548
Total Assets	\$ 9,539,777	\$ 8,808,840
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 80,951	\$ 21,552
Accrued payroll and related liabilities	27,499	11,558
Construction payables	59,364	196,313
Deferred revenue	13,750	6,250
Total Current Liabilities	181,564	235,673
Total Liabilities	181,564	235,673
<u>Net Assets</u>		
Without donor restriction		
Undesignated	6,481,790	2,649,864
Designated for operating reserve	848,000	848,000
Designated for disaster recovery	500,000	500,000
Designated for capital improvement	140,873	140,873
Total	7,970,663	4,138,737
With donor restriction	1,387,550	4,434,430
Total Net Assets	9,358,213	8,573,167
Total Liabilities and Net Assets	\$ 9,539,777	\$ 8,808,840

See accompanying notes to the financial statements.

**EAST COOPER COMMUNITY OUTREACH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue			
Contributions	\$ 2,190,263	\$ 147,590	\$ 2,337,853
Contributed nonfinancial assets - food	2,148,211	-	2,148,211
Contributed nonfinancial services	136,333	-	136,333
Special events, (net of direct costs of \$82,127)	204,394	-	204,394
Grants	294,856	138,618	433,474
Miscellaneous	16,597	-	16,597
Loss on disposal of fixed assets	(20,168)	-	(20,168)
Investment income, net	228,085	-	228,085
Total support and revenue	5,198,571	286,208	5,484,779
Net assets released from restriction	3,333,088	(3,333,088)	-
Total support and revenue and net assets released from restriction	8,531,659	(3,046,880)	5,484,779
Expenses			
Program services:			
Community outreach and empowerment	3,676,327	-	3,676,327
Dental and medical services	367,705	-	367,705
Total program services	4,044,032	-	4,044,032
Supporting services:			
Management and general	441,899	-	441,899
Fundraising	213,802	-	213,802
Total supporting services	655,701	-	655,701
Total expenses	4,699,733	-	4,699,733
Increase (decrease) in net assets	3,831,926	(3,046,880)	785,046
Net Assets at Beginning of Year	4,138,737	4,434,430	8,573,167
Net Assets at End of Year	\$ 7,970,663	\$ 1,387,550	\$ 9,358,213

See accompanying notes to the financial statements.

**EAST COOPER COMMUNITY OUTREACH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue			
Contributions	\$ 1,750,766	\$ -	\$ 1,750,766
Contributed nonfinancial assets - food	1,856,011	-	1,856,011
Contributed nonfinancial services	123,661	-	123,661
Special events, (net of direct costs of \$98,078)	254,488	-	254,488
Grants	324,366	-	324,366
Miscellaneous	19,605	-	19,605
Loss on disposal of fixed assets	(14,759)	-	(14,759)
Investment income, net	259,748	-	259,748
Total support and revenue	4,573,886	-	4,573,886
 Net assets released from restriction	 407,602	 (407,602)	 -
 Total support and revenue and net assets released from restriction	 4,981,488	 (407,602)	 4,573,886
Expenses			
Program services:			
Community outreach and empowerment	3,414,508	-	3,414,508
Dental and medical services	469,807	-	469,807
Total program services	3,884,315	-	3,884,315
Supporting services:			
Management and general	312,753	-	312,753
Fundraising	219,307	-	219,307
Total supporting services	532,060	-	532,060
 Total expenses	 4,416,375	 -	 4,416,375
 Increase (decrease) in net assets	 565,113	 (407,602)	 157,511
Net Assets at Beginning of Year	3,573,624	4,842,032	8,415,656
Net Assets at End of Year	\$ 4,138,737	\$ 4,434,430	\$ 8,573,167

See accompanying notes to the financial statements.

**EAST COOPER COMMUNITY OUTREACH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Outreach and Empowerment</u>	<u>Dental and Medical</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
<u>Personnel</u>						
Salaries	\$ 606,956	\$ 91,493	\$ 698,449	\$ 199,575	\$ 139,240	\$ 1,037,264
Employee benefits	72,346	10,973	83,319	24,943	16,700	124,962
Payroll taxes	45,441	6,843	52,284	15,555	10,415	78,254
Total personnel	<u>724,743</u>	<u>109,309</u>	<u>834,052</u>	<u>240,073</u>	<u>166,355</u>	<u>1,240,480</u>
<u>Other functional expenses</u>						
Food and clothing assistance	2,188,787	-	2,188,787	-	-	2,188,787
Financial assistance	379,540	5,734	385,274	2,300	-	387,574
Out of poverty education	9,093	-	9,093	-	-	9,093
Donated dental and other supplies	11,520	5,937	17,457	-	-	17,457
Other programs	11,729	11,106	22,835	-	-	22,835
Janitorial	7,193	2,712	9,905	1,887	-	11,792
Rent and common area charges	72,638	-	72,638	-	-	72,638
Repairs and maintenance	10,359	5,571	15,930	7,759	-	23,689
Small equipment and software	27,890	3,046	30,936	50,019	10,543	91,498
Volunteer development	13,012	2,142	15,154	2,809	4,068	22,031
Office supplies and printing	7,089	2,673	9,762	1,859	969	12,590
Insurance	37,996	17,135	55,131	9,966	-	65,097
Professional and consulting services	55,785	140,378	196,163	39,836	30,613	266,612
Postage	3,755	1,416	5,171	677	308	6,156
Marketing and public relations	11,543	4,352	15,895	2,082	946	18,923
Seminars and workshops	9,010	3,397	12,407	2,363	-	14,770
Dues and subscriptions	1,867	704	2,571	490	-	3,061
Utilities	36,102	11,639	47,741	13,456	-	61,197
Bank fees	-	-	-	13,223	-	13,223
Moving costs	-	-	-	37,638	-	37,638
Depreciation and amortization	56,676	40,454	97,130	14,866	-	111,996
Miscellaneous	-	-	-	596	-	596
Total other functional expenses	<u>2,951,584</u>	<u>258,396</u>	<u>3,209,980</u>	<u>201,826</u>	<u>47,447</u>	<u>3,459,253</u>
Total expenses	<u>\$ 3,676,327</u>	<u>\$ 367,705</u>	<u>\$ 4,044,032</u>	<u>\$ 441,899</u>	<u>\$ 213,802</u>	<u>\$ 4,699,733</u>

See accompanying notes to the financial statements.

**EAST COOPER COMMUNITY OUTREACH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Outreach and Empowerment</u>	<u>Dental and Medical</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
<u>Personnel</u>						
Salaries	\$ 570,630	\$ 149,139	\$ 719,769	\$ 183,494	\$ 140,702	\$ 1,043,965
Employee benefits	65,713	17,175	82,888	21,131	16,203	120,222
Payroll taxes	43,322	11,323	54,645	13,931	10,682	79,258
Total personnel	<u>679,665</u>	<u>177,637</u>	<u>857,302</u>	<u>218,556</u>	<u>167,587</u>	<u>1,243,445</u>
<u>Other functional expenses</u>						
Food and clothing assistance	1,888,419	-	1,888,419	-	-	1,888,419
Financial assistance	449,780	10,786	460,566	1,210	-	461,776
Out of poverty education	15,126	-	15,126	-	-	15,126
Donated dental and other supplies	27,861	87,587	115,448	8,212	-	123,660
Other programs	8,989	16,645	25,634	-	-	25,634
Janitorial	8,386	3,354	11,740	1,161	-	12,901
Rent and common area charges	75,477	-	75,477	-	-	75,477
Repairs and maintenance	19,345	6,799	26,144	13,310	-	39,454
Small equipment and software	20,790	-	20,790	4,784	10,464	36,038
Volunteer development	10,477	-	10,477	-	4,068	14,545
Office supplies and printing	9,661	5,538	15,199	1,917	904	18,020
Insurance	41,100	19,175	60,275	5,691	-	65,966
Professional and consulting services	25,543	71,716	97,259	3,537	25,006	125,802
Postage	4,232	1,693	5,925	586	-	6,511
Marketing and public relations	5,583	2,233	7,816	773	-	8,589
Seminars and workshops	16,424	6,570	22,994	2,274	-	25,268
Dues and subscriptions	4,838	1,935	6,773	670	112	7,555
Utilities	36,260	12,240	48,500	13,345	-	61,845
Bank fees	5,656	2,262	7,918	783	11,166	19,867
Moving costs	-	-	-	23,053	-	23,053
Depreciation and amortization	60,200	43,359	103,559	8,335	-	111,894
Bad debts	-	-	-	4,460	-	4,460
Miscellaneous	696	278	974	96	-	1,070
Total other functional expenses	<u>2,734,843</u>	<u>292,170</u>	<u>3,027,013</u>	<u>94,197</u>	<u>51,720</u>	<u>3,172,930</u>
Total expenses	<u>\$ 3,414,508</u>	<u>\$ 469,807</u>	<u>\$ 3,884,315</u>	<u>\$ 312,753</u>	<u>\$ 219,307</u>	<u>\$ 4,416,375</u>

See accompanying notes to the financial statements.

**EAST COOPER COMMUNITY OUTREACH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<u>Cash Flows from Operating Activities:</u>		
Change in Net Assets	\$ 785,046	\$ 157,511
Adjustments to reconcile change in Net Assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	111,996	111,894
Loss on disposal of property and equipment	20,168	14,759
Amortization of discount on unconditional promises to give	(40,660)	(18,541)
Net realized and unrealized gain on investments	(124,717)	(141,692)
Contributions received for long-term purpose	(106,930)	(308,144)
(Increase) Decrease in assets:		
Grants and other receivables	(58,968)	(124,594)
Prepaid expense	(22,083)	(16,094)
Operating lease right-of-use assets	-	42,161
Increase (Decrease) in liabilities:		
Accounts and construction payable	(77,550)	199,067
Deferred revenue	7,500	6,250
Accrued payroll and related liabilities	15,941	1,649
Operating lease liabilities	-	(46,344)
Net Cash Provided by (Used for) Operating Activities	509,743	(122,118)
<u>Cash Flows from Investing Activities:</u>		
Proceeds from sale of securities	369,249	240,105
Purchase of securities	(546,157)	(300,013)
Purchase of property and equipment	(3,183,763)	(725,624)
Net Cash Used for Investing Activities	(3,360,671)	(785,532)
<u>Cash Flows from Financing Activities</u>		
Contributions collected restricted for long-term purpose	625,213	1,129,742
Net Provided by Financing Activities	625,213	1,129,742
Net (Decrease) Increase in Cash and Cash Equivalents	(2,225,715)	222,092
Cash and Cash Equivalents, Beginning of Year	3,971,308	3,749,216
Cash and Cash Equivalents, End of Year	\$ 1,745,593	\$ 3,971,308
<u>Reconciliation of Cash and Cash Equivalents</u>		
Cash and cash equivalents	\$ 951,710	\$ 476,050
Cash and cash equivalents, restricted for capital campaign	793,883	3,495,258
	\$ 1,745,593	\$ 3,971,308

See accompanying notes to the financial statements.

**EAST COOPER COMMUNITY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

1. NATURE OF OPERATIONS

Nature of Activities

East Cooper Community Outreach (“ECCO”) is a community-supported organization that provides assistance, guidance, and resources to help our neighbors navigate life’s challenges. Founded over three decades ago on the principle of neighbors helping neighbors, the organization has never wavered from this foundational tenet. What began as an emergency relief effort in the aftermath of Hurricane Hugo, has developed into a permanent resource in the community providing help and hope to our neighbors in their time of need. This is done through a variety of essential services, one-on-one coaching, and an extensive referral network.

Incorporated as a 501(c)(3) organization in 1990, ECCO is uniquely positioned in the area as one of only a few agencies in the greater Charleston region that provides comprehensive wrap-around support services and programs to low-income households. All of ECCO’s essential services are available to those who live or work East of the Cooper River and meet ECCO’s income eligibility guidelines. ECCO’s income eligibility is based on 250% of the Federal Poverty Guidelines. All essential services are provided to community members at no cost and include but are not limited to food and clothing, dental and medical services, prescription assistance, financial assistance, disaster relief, and various seasonal initiatives. Further, ECCO provides guidance and resources designed to support individuals with limited financial resources who are facing a wide range of life’s challenges.

Additionally, ECCO’s health services (medical, dental, and Rx Assistance) are available to uninsured adult residents of the Tri-County and the Asset Development Program (ADP) is open to residents of the Tri-County area. Participants of these programs must also must meet ECCO’s income eligibility guidelines.

ECCO’s client-centered direct services interrupt the fear that hampers individuals' progress to well-being, focusing on empowering a new level of health and wellness, improved quality of life, and economic stability. Principal revenues for ECCO are provided by individual donations, business support, civic organizations, church tithes and foundation grants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounts of ECCO are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

The financial statements of ECCO have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require ECCO to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ECCO. These net assets may be used at the discretion of ECCO’s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ECCO or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**EAST COOPER COMMUNITY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Board designated:

Operating reserve - The balance should be approximately 120 days of budgeted operational expenditures.

Disaster recovery - ECCO was originally established as a direct result of Hurricane Hugo. In the spirit of the founding of the organization the board intends to have available funds to aid in the recovery of future disasters.

Capital improvement - The purpose of the fund is intended for larger capital outlay expenditures. This fund should be used in coordination with a replacement reserve study.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Income Taxes

ECCO is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Financial Accounting Standards Board (“FASB”) provides guidance on ECCO’s evaluation of accounting for uncertainty in income taxes. Management evaluated ECCO’s tax position and concluded that ECCO had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Fiscal years ending on or after June 30, 2021 remain subject to examination by federal tax authorities.

Revenue Recognition

Contributions and grants, which are limited to the use of various ECCO programs or other-directed uses, received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions and grants that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed nonfinancial assets/services

Donated marketable securities and other such non-cash donations are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the ECCO reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. ECCO reclassifies net assets with donor-imposed restrictions to net assets without donor-imposed restrictions at that time.

ECCO receives a significant amount of donated services from unpaid volunteers who assist in the operation of ECCO programs and properties. Amounts for volunteer services have not been recognized in the statements of activities because the criteria for recognition under ASC 958-605, *Not-for-Profit Entities –Revenue Recognition*, have not been satisfied.

**EAST COOPER COMMUNITY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

During the years ended June 30, 2025 and 2024, ECCO received \$2,148,211 and \$1,856,011, respectively, in donated food to be used by ECCO for distribution to low-income members of the communities it serves. During the years ended June 30, 2025 and 2024, ECCO received \$136,333 and \$123,661, respectively, of other professional services.

ECCO receives a significant amount of clothing for distribution to low-income families in the communities it serves. No financial recognition of these critical goods is reflected in these financial statements due to the relative limited percentage of such goods that meet the criteria for distribution under ECCO's outreach programs. Management deems any difference between this approach and the approach required by accounting principles generally accepted in the United States of America to be immaterial to the financial statements as a whole.

Cash and Cash Equivalents

For purposes of the statements of cash flows, ECCO considers cash and highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Grants and Unconditional Promises to Give

Grants and other receivables are stated at unpaid balances less amounts determined by management to be uncollectible. It is ECCO's policy to charge off an uncollectible receivable when management determines the receivable will not be collected based on experience, third-party contacts, and other circumstances. Promises to give collected over future years are discounted to their net realizable value. Discount rates range from 1.13% to 4.33% at June 30, 2025 and 2022. At June 30, 2025 and 2024, no allowance was deemed necessary. ECCO uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific commitments made.

Investments

ECCO follows ASC 958-320, Not-for-Profit Entities, Investments – Debt and Equity Securities. Under ASC 958-320, investments in marketable securities with readily determinable fair values are reported at fair values in the statements of financial position. Unrealized gains and losses are included in the statements of activities.

Property and Equipment and Depreciation

ECCO capitalizes all expenditures for property and equipment in excess of \$1,500. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method based on the items' estimated useful lives ranging from 3 to 39 years. Expenditures for repairs and maintenance are charged as an expense when incurred.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged to programs and supporting services on the basis of time and expense analyses. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of ECCO.

**EAST COOPER COMMUNITY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Advertising Expenses

ECCO reports advertising costs as incurred. Advertising and marketing expenses for the years ended June 30, 2025 and 2024 were \$18,923 and \$8,589, respectively, and are reported as marketing and public relations expense in the statements of functional expenses.

Use of Estimates

The preparation of the financial statements are in accordance with accounting principles generally accepted in the United States of America which 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.

Compensated Absences

ECCO's vacation policy allows for up to one week of vacation to be carried over to the following year (after an employee's date of hire). All carried-over vacation time must be approved by the Executive Director. Management has not made an accrual for such carry-over time and recognizes such time as incurred. Management deems this approach, versus that recommended by accounting principles generally accepted in the United States of America to be immaterial to the financial statements as a whole.

Reclassifications

Certain 2024 balances have been reclassified to conform with 2025 presentation.

Recent Accounting Pronouncements

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the ECCO's net assets or changes in net assets.

3. CONCENTRATION OF CREDIT RISK

Cash and Cash Equivalents

The Organization maintains its cash balances at various financial institutions located in the state of South Carolina. These cash funds were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at June 30, 2025 and 2024. At June 30, 2025, ECCO has \$0 of uninsured balances.

Investments

Financial instruments that potentially subject ECCO to concentrations of credit risk consist principally of cash deposits maintained within brokerage accounts. The accounts at the brokerage firm contain cash and securities. Balances are insured up to \$500,000, with a limit of \$250,000 for cash, by the Securities Investor Protection Corporation (SIPC). SIPC insurance does not protect ECCO from market fluctuations in account value.

4. FAIR VALUE

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). ECCO groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

**EAST COOPER COMMUNITY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

4. FAIR VALUE - CONTINUED

These fair value levels are as follows:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

All of ECCO's investments are valued at fair value under Level 1 inputs at June 30, 2025 and 2024. Investments are presented in the financial statements at fair market value.

5. INVESTMENTS

Investments consist of the following at June 30:

	2025		
	Fair Value	Cost	Unrealized Gains
Cash	\$ 505,317	\$ 505,317	\$ -
U.S. Treasury Securities	440,268	436,606	3,662
Mutual funds	33,807	24,567	9,240
Exchange traded funds	1,036,826	662,656	374,170
	\$ 2,016,218	\$ 1,629,146	\$ 387,072
	2024		
	Fair Value	Cost	Unrealized Gains (Losses)
Cash	\$ 174,294	\$ 174,294	\$ -
U.S. Treasury Securities	435,060	429,636	5,424
Mutual funds	211,579	213,260	(1,681)
Exchange traded funds	893,660	614,947	278,713
	\$ 1,714,593	\$ 1,432,137	\$ 282,456

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5. INVESTMENTS - CONTINUED

Investment income for the years ended June 30 is as follows:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 112,638	\$ 126,048
Unrealized and realized (losses) gains, net	124,717	141,692
Investment fees	<u>(9,270)</u>	<u>(7,992)</u>
Investment income, net	<u>\$ 228,085</u>	<u>\$ 259,748</u>

6. USE OF FACILITIES

ECCO provides the use of its facilities to certain other non-profit organizations at no cost to support programs and initiatives that benefit ECCO's clients. Memorandums of Understanding are established with such groups outlining expectations and shared responsibilities for both parties. Similar agreements will be established with any entities seeking to use or establish space at the ECCO facility.

7. REVOLVING LINE OF CREDIT

In October 2020, ECCO obtained an unsecured revolving line of credit of \$50,000 at Finemark National Bank & Trust. Minimum monthly interest payments are computed based on average daily balance, including interest at the lender's prime rate. All outstanding principal and unpaid interest is due and payable on November 28, 2025. The line of credit had no outstanding balance at June 30, 2025 and 2024.

8. PROPERTY AND EQUIPMENT

Property and equipment, consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
Land leasehold, net of amortization	\$ 180,917	\$ 187,417
Building	4,802,524	1,233,108
Capital improvements	191,270	215,967
Equipment, furniture and fixtures	456,205	217,256
Dental equipment	223,787	251,251
Vehicles	197,710	197,710
Construction in Process	-	699,916
	<u>6,052,413</u>	<u>3,002,625</u>
Accumulated depreciation	<u>(1,134,230)</u>	<u>(1,136,041)</u>
Net property and equipment	<u>\$ 4,918,183</u>	<u>\$ 1,866,584</u>

Depreciation and amortization expense for the years ended June 30, 2025 and 2024 was \$111,996 and \$111,894, respectively.

**EAST COOPER COMMUNITY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

8. PROPERTY AND EQUIPMENT - CONTINUED

In 2003, ECCO moved to their current facilities in Mount Pleasant, South Carolina. The building is owned by ECCO, and was constructed through funds obtained through a capital campaign. The land for the facility is owned by the Diocese of Charleston and provided to ECCO under an annual lease in the amount of \$1. ECCO has recognized the fair market value of this 50-year lease at inception at a value of \$325,000. The value of this lease is amortized to expense on a straight-line basis over the term of the lease.

In 2025, ECCO completed a 13-month renovation project to renovate its 22-year old facility and reunite all of the organization's services back under one roof. The project added 2,772 square feet to the building footprint. A portion of the facility was converted to a combined Health Services wing. The Clothing Closet has returned to Six Mile Road main campus. The amount of available parking at Six Mile Road was also expanded. This capital campaign priority enables clients to meet critical day-to-day needs in a single trip.

9. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consisted of the following at June 30:

	2025	2024
Unconditional promises to give	\$ 580,931	\$ 1,099,214
Less: unamortized discount	(9,414)	(50,074)
Unconditional promises to give, net	\$ 571,517	\$ 1,049,140

Amounts expected to be collected for the years ended June 30, are as follows:

2026	\$ 345,909
2027	232,456
2028	1,566
2029	1,000
	\$ 580,931

10. CONTRIBUTED NONFINANCIAL ASSETS/SERVICES

Contributed nonfinancial assets/services, when received, are reflected as contributions in the accompanying financial statements at their estimated fair market values at date of receipt. Food items collected for distribution to ECCO clients are recorded at their fair market value. The value of donated food at June 30, 2025 and 2024 totaled \$2,148,211 and \$1,856,011, respectively. As noted in footnote 2 to the financial statements, no value is assigned to donated clothing items.

Contributed nonfinancial services consist primarily of professional services in ECCO's dental clinic. These professional services are recognized as contributions – contributed nonfinancial services in the statements of activities. The value of donated dental during the years ended June 30, 2025 and 2024 totaled \$8,325 and \$26,420, respectively. The amount recognized is calculated using the number of patients and fee rates of \$101 per patient for the years ended June 30, 2025 and 2024, respectively. The

**EAST COOPER COMMUNITY OUTREACH
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JUNE 30, 2025 AND 2024**

10. CONTRIBUTED NONFINANCIAL ASSETS/SERVICES - CONTINUED

value of donated medical professionals during the years ended June 30, 2025 and 2024 totaled \$43,237 and \$50,621, respectively. Other donated services consist of various other professional services, repair services, and rental space totaling \$84,771 and \$46,620 for the years ended June 30, 2025 and 2024, respectively.

Other volunteer services are not recognized as contributions as they do not meet required standards for recognition as provided in accounting principles generally accepted in the United States of America. A substantial number of volunteers donate a significant amount of time to ECCO programs. For the years ended June 30, 2025 and 2024, approximately a value of \$1,017,924 and \$799,288 was received (based on the Independent Sector's Value of nonprofessional volunteers of \$34.79 and \$33.49 per hour, respectively).

11. RETIREMENT PLAN

ECCO has a 403(b)-retirement plan that substantially covers all full-time employees who have achieved 90-days of employment. ECCO matches 100% of the first 3% of salary deferral elected by each eligible employee. ECCO's contributions to the 403(b) plan for the years ended June 30, 2025 and 2024 were \$16,116 and \$13,361, respectively.

12. RELATED PARTIES

During the years ended June 30, 2025 and 2024, employees and board members made contributions of \$78,847 and \$383,386, respectively, to ECCO in support of its programs.

13. ENDOWMENT

In 2001, ECCO established a fund at the Coastal Community Foundation of South Carolina (CCF) for the benefit of the organization as an endowment. ECCO does not currently take any distributions from this fund. In accordance with the terms and operations agreement between ECCO and CCF, as well as ASC 958-605: Revenue Recognition, the principal is the property of the CCF and, accordingly, is not recorded by ECCO. At June 30, 2025 and 2024, the fund had a balance of \$60,465 and \$57,194, respectively.

14. OPERATING LEASES

ECCO entered into a lease agreement for a satellite facility in March 2021. The lease is for three years and expired March 31, 2024. The monthly rent payments under this agreement were \$6,330, increasing 3% annually. On April 1, 2023 the satellite facility lease agreement was amended to decrease the monthly rent payments to \$4,679. On June 14, 2024, the lease was amended extending the term to December 31, 2024 with a monthly base rent of \$5,361. Effective January 1, 2025, this lease converted to a month-to-month basis. On June 30, 2025 this lease was terminated.

On November 2, 2023, ECCO signed a 4-year operating lease for a copier. Monthly payments of \$122 are due through November 2027. ECCO is not recognizing this lease under ASC 842 provisions due to its immateriality.

In accordance with ASC 842, *Leases*, management determines an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on our statements of financial position. ECCO currently does not have any financing leases that require recognition under this standard.

**EAST COOPER COMMUNITY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

15. RESTRICTED NET ASSETS

Donor imposed restrictions on net assets are comprised of the following at June 30:

	<u>2025</u>	<u>2024</u>
Subject to purpose restrictions:		
Beyond Our Walls - Capital Campaign	\$ 1,068,015	\$ 4,247,013
Mobile office	125,000	-
ADP	13,618	-
	<u>1,206,633</u>	<u>4,247,013</u>
Subject of passage of time:		
Leasehold use of land	<u>180,917</u>	<u>187,417</u>
	<u>\$ 1,387,550</u>	<u>\$ 4,434,430</u>

16. BEYOND OUR WALLS - CAPITAL CAMPAIGN

The following details the changes in ECCO's capital campaign net assets for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Capital Campaign net assets, beginning of year	\$ 4,247,013	\$ 4,645,732
Contributions	147,590	308,144
Releases:		
Renovation costs	(2,869,500)	(613,969)
Transportation	-	(92,894)
Renovation furniture & fixtures	(457,088)	-
	<u>(3,326,588)</u>	<u>(706,863)</u>
Capital Campaign net assets, end of year	<u>\$ 1,068,015</u>	<u>\$ 4,247,013</u>

**EAST COOPER COMMUNITY OUTREACH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

17. AVAILABILITY OF FINANCIAL RESOURCES

The following reflects ECCO's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date. Amounts not available include amounts set aside for long-term investing in board reserves and designations that could be drawn upon if the governing board approves that action.

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 1,745,593	\$ 3,971,308
Grants and other receivables	203,144	144,176
Unconditional promises to give	571,517	1,049,140
Investments	2,016,218	1,714,593
	4,536,472	6,879,217
Less those unavailable for general expenditures within one year due to:		
Contractual or donor imposed restrictions:		
Restricted by donor for time or purpose	(1,248,932)	(4,434,430)
Board designations:		
Disaster recovery	(500,000)	(500,000)
Capital reserve	(140,873)	(140,873)
	\$ 2,646,667	\$ 1,803,914

18. SUBSEQUENT EVENTS

In accordance with ASC 855, management evaluated subsequent events at June 30, 2025 through November 18, 2025 the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.