

BEAUFORT COUNTY UNITED WAY, INC  
REVIEWED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2022 & 2021

WILSON, JONES & GRIFFIN, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

BEAUFORT COUNTY UNITED WAY, INC.  
WASHINGTON, NORTH CAROLINA  
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Independent Accountant's Review Report		
Statement of Financial Position	A	1
Statement of Activity	B	2
Statement of Cash Flows	C	3
Statement of Functional Expenses	D	4-5
Notes to Financial Statements		6-11
Schedules of Charities Program Service Expenses		12-13

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To The Board of Directors  
Beaufort County United Way, Inc.  
Washington, North Carolina

We have reviewed the accompanying financial statements of Beaufort County United Way, Inc. (a non-profit organization), which comprise the statement of financial position as of March 31, 2022, and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to the owner's financial data and making inquiries of the owners. 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**

The owners are responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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 in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Beaufort County United Way, Inc. and to meet our other 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 accounting principles generally accepted in the United States of America.

*Wilson, Jones & Griffin, P.A.*  
WILSON, JONES & GRIFFIN, P.A.  
Certified Public Accountants  
August 1, 2022

**BEAUFORT COUNTY UNITED WAY, INC.**  
**STATEMENT OF FINANCIAL POSITION – (UNAUDITED)**  
 March 31, 2022 and 2021

Exhibit A  
Page 1

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash and Cash Equivalents	\$ <u>199,277</u>	\$ <u>209,825</u>
Total Current Assets	199,277	209,825
 Property and Equipment		
Office Equipment	17,465	17,465
Building	95,216	95,216
Less: Accumulated Depreciation	<u>(34,190)</u>	<u>(30,728)</u>
Total Property and Equipment	78,491	81,953
<b>TOTAL ASSETS</b>	<b>\$ <u>277,768</u></b>	<b>\$ <u>291,778</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Payroll Taxes Payable	\$ 1,156	\$ 1,841
Other Payables	<u>685</u>	<u>685</u>
Total Current Liabilities	1,841	2,526
Total Liabilities	<u>1,841</u>	<u>2,526</u>
 <b>NET ASSETS:</b>		
Without Donor Restrictions	<u>275,927</u>	<u>289,252</u>
Total Net Assets	275,927	289,252
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ <u>277,768</u></b>	 <b>\$ <u>291,778</u></b>

The accompanying notes are an integral part of these financial statements.  
 See Accountant's Review Report

**BEAUFORT COUNTY UNITED WAY, INC.**  
**STATEMENT OF ACTIVITIES – (UNAUDITED)**  
**FOR THE YEAR ENDED MARCH 31, 2022**  
 (with comparative totals as of March 31, 2021)

Exhibit B  
Page 2

	2022	2021
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
Revenues and Gains		
Campaign Income	\$ 163,427	\$ 223,277
Grant Income	25,000	13,300
Office Rental Income	8,868	11,602
Interest Income	103	1,637
Total Revenue and Gains Without Donor Restrictions	197,398	249,816
 EXPENSES:		
Program Services	132,821	172,562
Management and General	48,393	46,983
Fundraising Expenses	29,509	31,255
Total Expenses	210,723	250,800
 Decrease in Net Assets Without Donor Restrictions	(13,325)	(984)
 Net Assets at Beginning of Year	289,252	290,236
 Net Assets at End of Year	\$ 275,927	\$ 289,252

The accompanying notes are an integral part of these financial statements.  
 See Accountant's Review Report

**BEAUFORT COUNTY UNITED WAY, INC.**  
**STATEMENT OF CASH FLOWS – (UNAUDITED)**  
**FOR THE YEAR ENDED MARCH 31, 2022**  
(with comparative totals as of March 31, 2021)

Exhibit C  
Page 3

	<u>2022</u>		<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Increase in Net Assets	\$ (13,325)	\$	(984)
Adjustment to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation	3,462		3,462
Increase (Decrease) in Liabilities:			
Payroll Taxes Payable	(685)		23
Net Cash Provided by Operating Activities	<u>(10,548)</u>		<u>2,501</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Fixed Assets	-		-
Net Cash Used By Investing Activities	<u>-</u>		<u>-</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increase (Decrease) in Debt	-		-
Net Cash Provided By Financing Activities	<u>-</u>		<u>-</u>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	 (10,548)		 2,501
 <b>BEGINNING CASH AND CASH EQUIVALENTS</b>	 209,825		 207,324
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 199,277</u>	<u>\$</u>	<u>209,825</u>

The accompanying notes are an integral part of these financial statements.  
See Accountant's Review Report

**BEAUFORT COUNTY UNITED WAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES – (UNAUDITED)**  
**FOR THE YEAR ENDED MARCH 31, 2022**  
**(with comparative totals as of March 31, 2021)**

Exhibit D  
Page 4

	2022			
	Program Service	Management & General	Fundraising	Total
Charities	\$ 105,363	\$ -	\$ -	\$ 105,363
Campaign	-	-	425	425
Fundraising	-	-	100	100
Operations	4,536	4,536	2,269	11,341
Insurance	-	3,830	-	3,830
Computer	1,845	1,845	2,460	6,150
Contracted Services	2,505	3,758	-	6,263
Payroll	16,801	16,801	22,402	56,004
Facilities	-	3,070	-	3,070
Maintenance	-	8,948	-	8,948
Licenses	-	1,665	-	1,665
Depreciation	1,038	1,038	1,386	3,462
Leases	-	2,169	-	2,169
Travel and Meetings	-	-	-	-
Postage and Printing	119	119	159	397
Miscellaneous	614	614	308	1,536
Total Expense	\$ 132,821	\$ 48,393	\$ 29,509	\$ 210,723

The accompanying notes are an integral part of these financial statements.  
See Accountant's Review Report

**BEAUFORT COUNTY UNITED WAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES – (UNAUDITED)**  
**FOR THE YEAR ENDED MARCH 31, 2022**  
 (with comparative totals as of March 31, 2021)

Exhibit D  
(continued)  
 Page 5

	2021			
	Program Service	Management & General	Fundraising	Total
Charities	\$ 144,521	\$ -	\$ -	\$ 144,521
Campaign	-	-	747	747
Fundraising	-	-	-	-
Operations	4,380	4,380	2,191	10,951
Insurance	-	3,356	-	3,356
Computer	2,871	2,871	3,827	9,569
Contracted Services	2,140	3,210	-	5,350
Payroll	16,858	16,858	22,477	56,193
Facilities	-	2,778	-	2,778
Maintenance	-	7,937	-	7,937
Licenses	-	1,719	-	1,719
Depreciation	1,038	1,038	1,386	3,462
Leases	-	2,082	-	2,082
Travel and Meetings	457	457	230	1,144
Postage and Printing	297	297	397	991
Miscellaneous	-	-	-	-
Total Expense	\$ 172,562	\$ 46,983	\$ 31,255	\$ 250,800

The accompanying notes are an integral part of these financial statements.  
 See Accountant's Review Report

BEAUFORT COUNTY UNITED WAY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2022

Page 6

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Beaufort County United Way, Inc., (the Organization) was formed in 1961, under the name of the United Fund of Washington, Inc.

The Organization was formed to collect gifts, bequests, and donations for the maintenance and support of health, welfare, and charitable institutions and agencies within Beaufort County, North Carolina. The Organization receives its revenues from donations by individuals, groups, and form campaigns run at area businesses.

The Organization's activities have funded by donations. Future funding is expected to be provided through additional fund-raising and area campaigns. There can be no assurance this strategy will be successful.

Accounting Method

The Company's policy is to prepare its financial statements on the modified cash basis of accounting. Under this method revenue is realized when received rather than earned, and expenses are recognized when paid rather than when the related obligation is incurred. Modifications to the cash basis of accounting results from management's decision to record property equipment and related depreciation, notes payable, prepaid expenses and advances to employees in the accompanying statements of assets, liabilities, and net assets – modified cash basis. In addition, certain in-kind donations are recorded in the accompanying statements of support, revenue, and expenses – modified cash basis.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with an original maturity of twelve months or less to be cash equivalents. The Organization places its cash and cash equivalents on deposit with local financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) provides coverage up to \$250,000 for substantially all depository accounts, and unlimited coverage for certain qualifying and participating non-interest-bearing transaction accounts. On March 31, 2022, the Organization did not exceed the insured amount.

BEAUFORT COUNTY UNITED WAY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2022

Page 7

Property and Equipment

Donated assets are recorded at the fair market value at the time of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment.

Such amortization is included in depreciation and amortization in the financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Estimated useful lives of the Association's assets are as follows:

Buildings	31 or 39 years
Improvements	10 or 15 years
Furniture and Equipment	5 or 7 years
Computers and Related Equipment	3 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions, and are excluded from the excess of revenues over (under) expenses, unless explicit donor stipulation specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-live assets must be maintained; expirations of donor restrictions are reported when the donated or acquire long-lived assets are placed in service.

Compensated Absences

It is the policy of the Organization to allow full-time employees to accrue vacation at the rate of one week per year.

Income Taxes

Beaufort County United Way, Inc. is a not-for-profit corporation exempt from income taxes under section 501(c)(3) of the Internal Revenue Code of 1986 (IRC). As such, the Organization is not taxed on income derived from its exempt functions. However, the Organization is subject to tax on unrelated business income, which is generated from investment income and other activities not

BEAUFORT COUNTY UNITED WAY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2022

Page 8

related to their stated exempt purposes. The Organization had no significant deferred income tax assets or liabilities as of March 31, 2022, nor was there any unrelated business income for the twelve months ended March 31, 2022.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years subject to examination by the Internal Revenue Service are March 31, 2019, 2020, and 2021. The Organization is not currently under audit nor has the Organization been contacted by any jurisdictions. Therefore, no provision for the effects of uncertain tax positions have been recorded for the twelve months ended March 31, 2022.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. It is at least reasonably possible that the significant estimates used will change within the next year.

Excess of Revenues Over (Under) Expense

The statement of activities includes excess of revenues over (under) expenses. Changes in net assets without donor restrictions which are excluded from excess of revenues over (under) expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Revenue Recognition

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers, Accounting Standards Code Topic 606 (Topic 606). Topic 606 and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. Topic 606 outlines a single comprehensive model for

BEAUFORT COUNTY UNITED WAY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2022

Page 9

entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle in the pronouncement is the recognition of revenue for contracts with customers in an amount that reflects the consideration that an entity expects to be entitled to in exchange for the provisions of goods or services.

The Organization derives revenues primarily from water sales and related services. All of these revenues are recorded in the period in which the services are rendered in accordance with the payment terms.

The following is a summary of the principal forms of the Organization's services recognized in accordance with Topic 606 and how revenue is recognized for each.

*Campaign Revenue* – The Organization campaigns for donations from area businesses, governmental entities, and individuals. Revenue related to these donations is recognized in the period in which the donation is made.

Disaggregation of Revenue – In the following table, revenue recognized through Topic 606 is disaggregated by major service line and timing of revenue recognition.

Major Services:	
Campaign Revenue	\$ 163,427
<u>Total</u>	<u>\$ 163,427</u>
Timing of Revenue Recognition:	
Services Transferred Over Time	\$ -
Services Transferred At a Point in Time	163,427
<u>Total</u>	<u>\$ 163,427</u>

The Organization assesses certain economic factors and the potential or significant changes in those economic factors and its impact on the nature, amount, timing and uncertainty of revenue and cash flows. Common factors ordinarily impacting the Organization would be the ability of local businesses and individuals to make charitable donations. The factors have been assessed and management feels they have limited impact on the performance of the Organization. However, other factors such as the impact of the COVID-19 pandemic have been assessed as well and management feels it is not having a significant impact on the Organization's revenues.

BEAUFORT COUNTY UNITED WAY, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 MARCH 31, 2022

NOTE B – IN-KIND CONTRIBUTIONS

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with fund-raising, special projects, and office duties. The volunteer hours have not been recorded in the statement of activities.

NOTE C – CASH AND CAHS EQUIVALENTS

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the amounts shown in the statement of cash flows:

	2022	2021
Cash and Cash Equivalents	\$ 199,277	\$ 209,825
Restricted Cash	-	-
Total	\$ 199,277	\$ 209,825

The Organization maintains cash balances and it's held to maturity bonds at four banks. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At March 31, 2022 and 2021, the Organization did not have an uninsured cash balance.

NOTE D – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization manages its liquid resources by focusing on receiving charitable donations to ensure the entity has adequate funding to cover its program operations. The Organization prepares detailed budgets and actively manages costs to ensure the entity remains liquid.

The Organization's financial assets as of March 31, 2022 expected to be available within one year to meet the cash needs for general expenditures comprise the following:

Cash and Cash Equivalents	\$ 199,277
Receivables	-
Financial Assets, At Year End	199,277
Less Those Unavailable for General Expenditures Within One Year	-
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 199,277

BEAUFORT COUNTY UNITED WAY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2022

NOTE E – PROPERTY AND EQUIPMENT

Year-end cost and accumulated depreciation are as follows:

	2022	2021
Equipment and fixtures	\$ 17,465	\$ 17,465
Building	95,216	95,216
	112,681	112,681
Less: Accumulated depreciation	(34,190)	(30,728)
Total	\$ 78,491	\$ 81,953

Depreciation expense was \$3,462 for the year ended March 31, 2022 and \$3,462 for the year ended March 31, 2021.

NOTE F – CONCENTRAITONS OF CONTRIBUTION REVENUE

The Organization receives a large portion of its contributions from campaigns run through Nutrien. The Organization received 62% and 51% of its revenue for the fiscal year ended March 31, 2022, and 2021, respectively, from Nutrien.

NOTE G – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 1, 2022, the date which financial statements were available to be issued.

**BEAUFORT COUNTY UNITED WAY, INC.**  
**SCHEDULES OF CHARITITES PROGRAM SERVICES EXPENSE**  
**MARCH 31, 2022**  
(with comparative totals as of March 31, 2021)

Page 12

	<u>2022</u>	<u>2021</u>
BCUW Emergency Fund	\$ 9,628	\$ 3,500
Bright Futures	127	-
BSA – Eastern CA Council	800	2,778
GS – NC Coastal Pines	481	432
Pamlico Pals Inc	3,600	3,550
Am. Red Cross – Great Pamlico Chapter	1,950	3,894
Arc of Beaufort County Co.	5,500	4,062
Salvation Army	16,400	18,420
Boys and Girls Club of B.C.	6,700	6,712
Non-united Way Agencies	-	180
Eagle’s Wings	7,900	7,888
Zion Shelter	3,000	3,334
Purpose of God Annex	-	111
Albemarle Food Bank	2,000	6,450
U Way – Coastal Carolina	8,924	35,075
U Way – Pitt County	1,448	7,157
Literacy Volunteers	4,100	4,296
Am. Red Cross Coastal Carolina	1,950	2,340
Boys & Girls/ Coastal Carolina	-	167
Coastal Women’s Shelter	-	90
Carteret Domestic Violence Program	-	86
Hope Clinic	-	2,545
Pitt Co. Habitat for Humanity	289	259
Salvation Army Coastal Carolina	-	630
Bread of Life Outreach	6,200	6,130
Religious Community Service	-	446
REAL Crisis Intervention	2,100	2,090
Grace Martin Harwell Senior Center	3,000	2,446
The EPIC Center	-	216
Washington Police & Fire Depart.	-	264
UW – Albemarle Area	-	310
Promise Place	-	180
Ruth’s House	5,000	6,256
Canines for Service	85	102
Four Paws and a Wake Up	-	128

Children's Home Society/NC	-	204
Habitat for Humanity – Beaufort County	481	102
Inner Banks Stem Center	3,000	2,500
READ ENC	-	21
Reviving Lives Ministries	-	173
Beaufort-Hyde Partnership	5,000	3,357
Open Door Community Center	5,700	5,640
	<u>105,363</u>	<u>144,521</u>
	\$	\$