

BEAUFORT COUNTY UNITED WAY, INC
REVIEWED FINANCIAL STATEMENTS
AS OF JUNE 30, 2023

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		6-10
Schedules of Charities Program Service Expenses		11-12

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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 June 30, 2023, and the related statement of activities, functional expenses, and cash flow 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

January 3, 2023

BEAUFORT COUNTY UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION – (UNAUDITED)
June 30, 2023

Exhibit A
Page 1

ASSETS	<u>2023</u>
Current Assets:	
Cash and Cash Equivalents	\$ <u>273,717</u>
Total Current Assets	
Property and Equipment	
Office Equipment	17,465
Building	95,216
Less: Accumulated Depreciation	<u>(37,654)</u>
Total Property and Equipment	<u>75,027</u>
TOTAL ASSETS	\$ <u>348,744</u>
LIABILITIES AND NET ASSETS	
LIABILITIES:	
Payroll Taxes Payable	\$ 1,074
Other Payables	<u>450</u>
Total Current Liabilities	1,524
Other Liabilities	<u>25,758</u>
Total Liabilities	<u>27,282</u>
NET ASSETS:	
Without Donor Restrictions	<u>321,462</u>
Total Net Assets	<u>321,462</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>348,744</u>

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 JUNE 30, 2023

Exhibit B
Page 2

	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:	
Revenues and Gains	
Campaign Income	\$ 204,520
Grant Income	17,017
Office Rental Income	10,318
Interest Income	1,133
Total Revenue and Gains Without Donor Restrictions	232,988
EXPENSES:	
Program Services	102,897
Management and General	44,466
Fundraising Expenses	38,000
Total Expenses	185,363
Decrease in Net Assets Without Donor Restrictions	47,625
Prior Period Adjustments	(2,090)
Net Assets at Beginning of Year	275,927
Net Assets at End of Year	\$ 321,462

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 JUNE 30, 2023

Exhibit C

Page 3

		<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$	45,535
Adjustment to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		3,463
Increase (Decrease) in Liabilities:		
Payroll Taxes Payable		(316)
Other Liabilities		25,758
Net Cash Provided by Operating Activities		<u>74,440</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets		-
Net Cash Used By Investing Activities		<u>-</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (Decrease) in Debt		-
Net Cash Provided By Financing Activities		<u>-</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		 74,440
 BEGINNING CASH AND CASH EQUIVALENTS		 <u>199,277</u>
ENDING CASH AND CASH EQUIVALENTS	\$	<u><u>273,717</u></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 JUNE 30, 2023

Exhibit D
Page 4

	2023			
	Program Service	Management & General	Fundraising	Total
Charities	\$ 73,760	\$ -	\$ -	\$ 73,760
Campaign	-	-	874	874
Fundraising	-	-	6,601	6,601
Operations	4,159	4,159	2,080	10,398
Insurance	-	3,090	-	3,090
Computer	3,501	3,500	4,667	11,668
Contracted Services	2,042	3,063	-	5,105
Payroll	16,794	16,793	22,391	55,978
Facilities	-	3,595	-	3,595
Maintenance	-	1,686	-	1,686
Licenses	-	1,726	-	1,726
Depreciation	1,037	1,039	1,387	3,463
Leases	-	4,211	-	4,211
Miscellaneous	1,604	1,604	-	3,208
Total Expense	\$ 102,897	\$ 44,466	\$ 38,000	\$ 185,363

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
JUNE 30, 2023

Page 5

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 from 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 June 30, 2023, the Organization did not exceed the insured amount.

BEAUFORT COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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
JUNE 30, 2023

Page 7

related to their stated exempt purposes. The Organization had no significant deferred income tax assets or liabilities as of June 30, 2023, nor was there any unrelated business income for the twelve months ended June 30, 2023.

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 June 30, 2022 and 2023 and March 31, 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 June 30, 2023.

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
JUNE 30, 2023

Page 8

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
 JUNE 30, 2023

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 CASH 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:

		<u>2023</u>	
Cash and Cash Equivalents	\$	209,825	
Restricted Cash		<u>-</u>	
Total	\$	<u>209,825</u>	

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 June 30, 2023 and 2022, 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 June 30, 2023 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		<u>-</u>	
Financial Assets, At Year End		<u>199,277</u>	
Less Those Unavailable for General Expenditures Within One Year		<u>-</u>	
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$	<u>199,277</u>	

BEAUFORT COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE E – PROPERTY AND EQUIPMENT

Year-end cost and accumulated depreciation are as follows:

	2023
Equipment and fixtures	\$ 17,465
Building	<u>95,216</u>
	112,681
Less: Accumulated depreciation	<u>(37,654)</u>
Total	\$ <u>75,027</u>

Depreciation expense was \$3,462 for the year ended June 30, 2023 and \$3,462 for the year ended June 30, 2022.

NOTE F – CONCENTRATIONS 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 June 30, 2023, and 2022, respectively, from Nutrien.

NOTE G – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 3, 2024 the date which financial statements were available to be issued.

BEAUFORT COUNTY UNITED WAY, INC.
SCHEDULES OF CHARITITES PROGRAM SERVICES EXPENSE
JUNE 30, 2023

Page 11

	2023
BCUW Emergency Fund	\$ 3,500
Bright Futures	-
BSA – Eastern CA Council	2,778
GS – NC Coastal Pines	432
Pamlico Pals Inc	3,550
Am. Red Cross – Great Pamlico Chapter	3,894
Arc of Beaufort County Co.	4,062
Salvation Army	18,420
Boys and Girls Club of B.C.	6,712
Non-united Way Agencies	180
Eagle’s Wings	7,888
Zion Shelter	3,334
Purpose of God Annex	111
Albemarle Food Bank	6,450
U Way – Coastal Carolina	35,075
U Way – Pitt County	7,157
Literacy Volunteers	4,296
Am. Red Cross Coastal Carolina	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	259
Salvation Army Coastal Carolina	630
Bread of Life Outreach	6,130
Religious Community Service	446
REAL Crisis Intervention	2,090
Grace Martin Harwell Senior Center	2,446
The EPIC Center	216
Washington Police & Fire Depart.	264
UW – Albemarle Area	310
Promise Place	180
Ruth’s House	6,256
Canines for Service	102
Four Paws and a Wake Up	128

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