
Beaufort County United Way

Washington, North Carolina

Audit Report

March 31, 2018

Beaufort County United Way Washington, North Carolina

Board of Directors

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Meg Howdy

Vice President

Stacy Drakeford

Secretary

Thomas Alligood

Treasurer

Bob Shultz

Executive Director

Sally Love

Board

Brian Alligood

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Heather Thienpont

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Beaufort County United Way
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Independent Auditor's Report

To the Board of Directors
Beaufort County United Way
Washington, NC

To the Board of Directors,

We have audited the accompanying financial statements of Beaufort County United Way, which comprise the Statement of Financial Position as of March 31, 2018, and the related Statement of Activities, Changes in Net Position and Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Member:

American Certified Public Accountants, NC Association of Certified Public Accountant, AICPA-
Governmental Audit quality Center

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beaufort County United Way as of March 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Larry E. Carpenter, CPA, PA

Larry E. Carpenter, CPA, PA

Greenville, NC

March 1, 2019

FINANCIAL STATEMENTS

Beaufort County United Way, Inc.
 Statements of Financial Position
 March 31, 2018 with Comparative Totals for March 31, 2017

	2018	2017
Assets		
Cash and cash equivalent	\$ 319,856	\$ 394,804
Property and equipment, net	92,775	1,424
	\$ 412,631	\$ 396,228
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued payroll taxes	\$ 1,643	\$ 2,120
Damage deposits	685	-
Total Liabilities	2,328	2,120
Net Assets:		
Unrestricted:		
Undesignated	410,303	394,108
Total Net Assets	410,303	394,108
	\$ 412,631	\$ 396,228

The accompanying notes are an integral part of these financial statements

Beaufort County United Way, Inc.

Statement of Activities

Fiscal Year Ended March 31, 2018 with Comparative Totals for March 31, 2017

Unrestricted	<u>2018</u>	<u>2017</u>
Revenue and Support:		
Net campaign revenue	\$ 295,191	\$ 194,564
Other Revenue		
Office rental income	6,335	-
Charity tracker receipts	1,310	-
Interest income	104	-
Other	-	2,072
Total other revenue	<u>7,750</u>	<u>2,072</u>
Total Revenue and Support	<u>302,940</u>	<u>196,636</u>
Expenses:		
Program services	207,890	229,312
Management and general	40,984	30,356
Fundraising expenses	35,543	32,000
Total Expenses	<u>284,417</u>	<u>291,668</u>
Changes in Net Assets	18,523	(95,032)
Net Assets, Beginning of Year	394,108	489,140
Net Assts, End of Year	<u>\$ 412,631</u>	<u>\$ 394,108</u>

The accompanying notes are an integral part of these financial statements

Beaufort County United Way, Inc.
Statement of Functional Expenses
Fiscal Year Ended March 31, 2018 with Comparative Totals for March 31, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2018</u>	<u>Total 2017</u>
Charities	\$ 186,789	\$ -	\$ -	\$ 186,789	\$ 208,958
Salaries	13,280	13,280	19,940	46,500	44,268
Payroll taxes	1,016	1,016	1,525	3,557	3,386
Subtotal	<u>14,296</u>	<u>14,296</u>	<u>21,465</u>	<u>50,057</u>	<u>47,654</u>
Bank and credit card fees	-	935	-	935	724
Licenses and fees	-	1,305	-	1,305	431
Professional fees	2,550	2,550	3,170	8,270	7,750
Outside services	-	-	-	-	400
Software	-	1,500	-	1,500	-
Computer hardware	-	216	-	216	305
Repairs and maintenance	-	2,387	-	2,387	142
Internet and hosting	-	615	-	615	479
Depreciation	1,160	1,160	1,546	3,865	13,559
Campaign expenses	-	-	4,575	4,575	959
Building lease	-	-	-	-	5,526
Utilities	1,191	1,191	-	2,381	-
Equipment lease	-	1,921	-	1,921	1,864
211 system fee	-	1,903	-	1,903	952
Postage	155	155	207	516	240
Office supplies	-	4,104	-	4,104	1,115
Telephone	-	1,704	-	1,704	129
Dues & subscriptions	-	1,665	-	1,665	1,020
Advertising	-	-	1,142	1,142	625
Insurance	-	-	3,438	3,438	2,455
Travel	-	2,924	-	2,924	1,697
Charity tracker	1,750	-	-	1,750	-
Learning trails	-	-	-	-	4,215
Miscellaneous	-	454	-	454	815
	<u>\$ 207,890</u>	<u>\$ 40,984</u>	<u>\$ 35,543</u>	<u>\$ 284,417</u>	<u>\$ 302,014</u>

The accompanying notes are an integral part of these financial statements

Beaufort County United Way, Inc.

Statement of Cash Flows

Fiscal Year Ended March 31, 2018 with Comparative Totals for March 31, 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 18,523	\$ (95,032)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	3,865	3,237
Increase (decrease) in accounts payable and accrued payroll tax liabilities	208	(4,098)
Net Cash Flows Used by Operating Activities	<u>22,597</u>	<u>(95,893)</u>
Cash Flows from Investing Activities	<u>-</u>	<u>-</u>
Net Increase in Cash	22,597	(95,893)
Cash and Cash Equivalent		
Cash and cash equivalent, Beginning of Year	297,260	393,153
Cash and cash equivalents, End of Year	<u>\$ 319,857</u>	<u>\$ 297,260</u>

Notes to Financial Statements

Beaufort County United Way, Inc.
Notes to Financial Statements
March 31, 2018

NOTE I — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The Organization was formed to collect gifts, bequests, and donations for the maintenance and support of health, educational, 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.

B. Sources of Revenue

The Organization receives a majority of its revenue through campaign donations run through area business.

C. Method of Accounting

The financial statements have been prepared on the modified cash basis of accounting. Under this method, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the related obligation is incurred. Modifications to the cash basis of accounting result from management's decision to record property and 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.

D. Revenue Recognition

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Beaufort County United Way, Inc.
Notes to Financial Statements
March 31, 2018

E. Estimates

The preparation of financial statements on another comprehensive basis of accounting (modified cash-basis) requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Cash and Cash Equivalents

For financial statement purposes, the Organization considers cash on deposit, cash on hand, and certificates of deposits with original maturities less than one year, to be cash equivalents.

G. Property and Equipment

Property and equipment of the Organization are recorded at cost and depreciated over their estimated useful lives using straight-line basis. Depreciation expense for the years ended March 31, 2018 was \$3,865. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized.

Donations of property, equipment, and materials are recorded as support at their estimated fair market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

H. Compensated Absences

It is the policy of Beaufort County United Way, Inc. to allow full-time employees to accrue vacation at the rate of one week per year.

I. Contributed Services

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.

J. Income Taxes

The Organization follows Financial Accounting Standards Board Accounting Standards Codification guidance clarifying the accounting for uncertainty in income taxes recognized in an entity's financial statements. This interpretation prescribes a minimum probability threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying financial statements. The Organization's tax returns remain open for three years for federal and state income tax examinations.

Beaufort County United Way, Inc.
Notes to Financial Statements
March 31, 2018

K. Income Tax Status

Beaufort County United Way, Inc. is exempt from federal income taxes under Internal Revenue Code Section 501(C) (3). The Internal Revenue Service has classified the Corporation as other than a private foundation. Contributions to the Organization qualify for the charitable contribution deduction under Section 170 of the Internal Revenue Code.

L. Accounting for Uncertainty in Income Taxes

The FASB Accounting Standard Codification provides for recognition, measurement, presentation, and disclosure relating to uncertain tax positions. Management is unaware of any uncertain tax positions reflected in these financial statements that require disclosure. Generally, the Internal Revenue Service may examine a tax return for three years from the date that the return is filed. At March 31, 2018 the tax years ended March 31, 2017, 2016, and 2015 remain open for possible examination by the IRS.

M. Expense Allocation

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain costs have been allocated among the programs and supporting services benefited.

NOTE II— Concentrations

The Organization receives a large portion of its income from campaigns run in Beaufort County, North Carolina. The Organization received 94% and 61% of its revenue for the fiscal year ended March 31, 2018 and 2017, respectively, from businesses in Beaufort County.

The Organization receives a large portion of its contributions from campaigns run through PotashCorp Aurora. The Organization received 66% and 66% of its revenue for the fiscal year ended March 31, 2018 and 2017, respectively, from PotashCorp Aurora.

NOTE III— Subsequent Events

In accordance with FASB Accounting Standards Codification (ASC) 855, the Organization evaluated subsequent events through March 1, 2019, the date the financial statements were issued. There were no material subsequent events that required recognition or addition disclosure in these financial statements.

Beaufort County United Way, Inc.
Schedules of Charities Program Services Expenses
Fiscal Year Ended March 31, 2018 with Comparative Totals for March 31, 2017

	2018	2017
Albemarle Food Bank	\$ 9,300	\$ 8,550
American Red Cross - Great Palm Chapter	7,000	7,000
Amer Red Cross, Coast Carolina	3,517	957
Angels N Camo	93	8,007
ARC of Beaufort County	7,000	7,400
Beaufort County Mental Health	-	1,000
Beaufort County Meals on Wheels	152	-
Beaufort - Hyde Partnership	-	200
Boys & Girls Club of Beaufort County	10,000	15,000
Boys & Girls Club/Pitt County	120	-
Boys & Girls/Coastal Caro	5,000	-
Bread of Life Outreach Ministries	7,000	7,000
BSA - Eastern CA Council	8,000	9,500
Canines for Service	50	-
Children's Home Society	255	-
Coastal Pregnancy Center	93	-
Eagle's Wings	15,000	14,000
Grace Martin Harwell Senior Cen	3,000	3,000
GS -NC Coastal Pines	700	1,049
Habitat for Humanity	300	139
Higher Heights	1,500	2,000
Hope Clinic	-	1,177
Literacy Volunteers	5,000	5,000
New Bern/Food Bank/Ctr - East NC	-	(2,750)
Non United Way Agencies	373	33,052
Other United Way Agencies	-	432
PAL	5,500	5,000
Pamlico Christian Academy	-	4,849
Pamlico County 4-H	-	472
Pamlico Pals, Inc.	4,200	3,600
Police Activities League	5,000	-
Purpose of God Annex	7,000	7,000
REAL Crisis Intervention	4,000	4,300
Relay for Life - Beaufort Co	43	-
Ronald McDonald House	45	-
Ronald McDonald House-Winston	21	-
Ruth's House	4,000	3,500
Salvation Army	25,000	21,972
Salvation Army/Coastal Car	1,271	1,302
St. Jude Children's Hospital	-	1,019
The Arc of Craven County	178	86
The Arts of the Pamlico	-	100
U Way - Coastal Carolina	34,132	19,432
U Way - Pitt County	4,977	2,418
United Way NC	2,558	-
Untied Way of Lake County	-	456
United Way of Wayne County	-	684
United Way World	3,214	3,038
UW - Albemarle Area	-	366
UW - Lenoir/Greene Co	96	-
Wounded Warrior Project	-	3,051
Zion Shelter	2,100	4,600
Totals Charities Program Services Expenses	<u>\$ 186,789</u>	<u>\$ 208,958</u>