

Beaufort County United Way, Inc
Financial Statements

For the Twelve Months Ended
March 31, 2020 & 2019

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Beaufort County United Way, Inc.

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March 31, 2020 & 2019

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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 nonprofit organization) which comprise the statements of financial position – modified cash basis as of March 31, 2020 and the related statements of activities – modified cash basis, the statements of functional expenses – modified cash basis, statements of cash flows – modified cash basis, and the related notes to the financial statements for the twelve months then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

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 statement for it to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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 it to be in accordance with the modified cash basis of accounting.

Basis of Accounting

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

Other Matter

The supplementary information included in the schedules of charities program services expense – modified cash basis is presented for additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statement. We have not audited the information and, accordingly do not express an opinion on such information. Based on our reviews, we are not aware of any material modifications that should be made to the accompanying supplementary information in order for them to be in accordance with the modified cash basis of accounting.

Report on 2019 Financial Statements and Supplementary Information

The March 31, 2019 financial statements were reviewed by other accountants, and they expressed that they were not aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. They have not performed any review procedures on either the financial statements or the supplementary information Since March 1, 2020.

Gray & King, CPAs, P.A.

Gray & King, CPAs, P.A.

Certified Public Accountants

Greenville, NC

February 8, 2021

Beaufort County United Way, Inc.
Statements of Financial Position - (Unaudited)
March 31, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and Cash Equivalents	\$ 207,324	\$ 278,873
Total Current Assets	<u>207,324</u>	<u>278,873</u>
Property and Equipment		
Office Equipment	17,465	17,465
Building	<u>95,216</u>	<u>95,216</u>
	112,681	112,681
Accumulated Depreciation	<u>(27,266)</u>	<u>(23,606)</u>
Net Property and Equipment	85,415	89,075
Total Assets	<u>\$ 292,739</u>	<u>\$ 367,948</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Payroll Taxes Payable	\$ 1,818	\$ 1,819
Other Payables	<u>685</u>	<u>685</u>
Total Current Liabilities	2,503	2,504
Net Assets		
Net Assets Without Donor Restrictions	290,236	365,444
Net Assets With Donor Restrictions	<u>-</u>	<u>-</u>
Total Net Assets	290,236	365,444
Total Liabilities and Net Assets	<u>\$ 292,739</u>	<u>\$ 367,948</u>

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

Beaufort County United Way, Inc.
Statements of Activities - (Unaudited)
For the Years Ended March 31, 2020 and 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2019 Total</u>
Revenues and Other Support				
Campaign Income	\$ 261,739	\$ -	\$ 261,739	\$ 219,033
Power of Purse	\$ -	\$ -	\$ -	\$ 7,514
Office Rental Income	\$ 8,935	\$ -	\$ 8,935	\$ 10,740
Interest Income	\$ 5,994	\$ -	\$ 5,994	\$ 2,861
Hurricane Florence Recovery	\$ -	\$ -	\$ -	\$ 57,544
Point in Time Revenue	\$ 600	\$ -	\$ 600	\$ 1,635
Charity Tacker Receipts	\$ -	\$ -	\$ -	\$ 261
Stuff the Bus Funding	\$ 270	\$ -	\$ 270	\$ -
Total Revenues, Gains, and Other Support	\$ 277,538	\$ -	\$ 277,538	\$ 299,588
Functional Expenses				
Program Services	\$ 268,059	\$ -	\$ 268,059	\$ 268,896
Management and General	\$ 46,351	\$ -	\$ 46,351	\$ 40,049
Fundraising Expenses	\$ 38,336	\$ -	\$ 38,336	\$ 35,502
Total Expenses	\$ 352,746	\$ -	\$ 352,746	\$ 344,447
Increase (Decrease) in Net Assets	\$ (75,208)	\$ -	\$ (75,208)	\$ (44,859)
Change in Net Assets	\$ (75,208)	\$ -	\$ (75,208)	\$ (44,859)
Net Assets at Beginning of the Year	\$ 365,444	\$ -	\$ 365,444	\$ 410,303
Net Assets at End of Year	<u>\$ 290,236</u>	<u>\$ -</u>	<u>\$ 290,236</u>	<u>\$ 365,444</u>

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See Accountant's Review Report

Beaufort County United Way, Inc.
Statements of Cash Flows - (Unaudited)
For the Years Ended March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (75,208)	\$ (44,859)
Adjustments to reconcile change in net assets to net cash used by operating activities:	-	-
Depreciation Expense	3,660	3,700
Increase (Decrease) in Payroll Taxes Payable	(1)	176
Net cash provided by operating activities	<u>(71,549)</u>	<u>(40,983)</u>
Cash flows from investing activities:		
No transactions	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
No transactions	-	-
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(71,549)	(40,983)
Cash and cash equivalents at beginning of year	<u>278,873</u>	<u>319,856</u>
Cash and cash equivalents at end of year	<u><u>\$ 207,324</u></u>	<u><u>\$ 278,873</u></u>

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

Beaufort County United Way, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2020 and 2019

	<u>Program Services</u>	<u>Mgmt. & General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2019 Total</u>
Charities	236,493	-	-	236,493	243,028
Campaign	-	-	1,258	1,258	1,380
Fundraising	-	-	7,536	7,536	7,432
Operations	3,872	3,871	1,936	9,679	7,604
Insurance	-	3,378	-	3,378	3,368
Computer	2,267	2,268	3,023	7,558	2,793
Contracted Services	3,990	5,985	-	9,975	2,657
Payroll	16,743	16,743	22,325	55,811	54,317
Facilities	-	3,172	-	3,172	3,215
Maintenance	-	1,177	-	1,177	1,995
Licenses	-	1,656	-	1,656	1,623
Depreciation	1,098	1,098	1,464	3,660	3,700
Leases	-	1,947	-	1,947	2,017
Travel and Meetings	653	653	326	1,632	2,010
Postage and Printing	353	353	468	1,174	1,109
Miscellaneous	2,590	4,050	-	6,640	6,199
	<u>\$ 268,059</u>	<u>\$ 46,351</u>	<u>\$ 38,336</u>	<u>\$ 352,746</u>	<u>\$ 344,447</u>

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, 2020 & 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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, 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.

The Organization's activities have been 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.

Basis 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.

Financial Statement Presentation

Beaufort County United Way, Inc. presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 (formerly Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-For-Profit Organizations*). Accordingly, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions include unrestricted resources which represent the portion of funds that are available for the operating activities of the Organization. Board-designated net assets represent reserve funds and other amounts the Organization has set aside for a specific purpose.

Beaufort County United Way, INC.
Notes to the Financial Statements
March 31, 2020 & 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of donor restricted contributions and gifts. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as restricted revenue, when received, and unexpended amounts are reported as net assets with donor restrictions at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the Statement of Activities as “Net Assets Released from Restrictions.” There were no net assets with donor restrictions at March 31, 2020.

Cash and Cash Equivalents

Beaufort County United Way, Inc. considers all highly liquid investments with a maturity of twelve months or less when purchased 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. At March 31, 2020 the Organization did not exceed the insured amount.

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 net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

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.

Beaufort County United Way, INC.
Notes to the Financial Statements
March 31, 2020 & 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment of the Organization are recorded at cost and depreciated over their estimated useful lives using straight-line basis. 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.

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.

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 related to their stated exempt purposes.

The Organization had no significant deferred income tax assets or liabilities as of March 31, 2020, nor was there any unrelated business income for the twelve months ended March 31, 2020.

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, 2017, 2018, and 2019. 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, 2020.

NOTE 2 – 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.

Beaufort County United Way, INC.
Notes to the Financial Statements
March 31, 2020 & 2019

NOTE 3 – CASH AND CASH EQUIVALENTS

As stated in Note 1, Cash and cash equivalents consist of short-term, highly liquid investments that are readily convertible to cash within twelve months of the purchase date. Cash and cash equivalents as of March 31, 2020 are summarized as follows:

<u>Deposit Accounts</u>	<u>Amount</u>
Checking – First Bank	\$ 53,214
Checking – First Bank	1,000
Money Market – First Bank	53,110
Certificate of Deposit – First Bank	<u>100,000</u>
	<u>\$ 207,324</u>

NOTE 4 – LIQUIDITY AND AVAILABILITY

The Organization has \$207,324 of cash available within one year of the statement of financial position date to meet cash needs for general operating expenditures.

As part of the Committee's liquidity management plan, cash in excess of daily requirements is invested in money market accounts.

NOTE 5 – COST ALLOCATION

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied.

NOTE 6 – CONCENTRATIONS OF CONTRIBUTION REVENUE

The Organization receives a large portion of its contributions from campaigns run through Nutrien. The Organization received 60% and 51% of its revenue for the fiscal year ended March 31, 2020 and 2019, respectively, from Nutrien.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 8, 2021 the date which the financial statements were available to be issued.

Beaufort County United Way, Inc.
Schedules of Charities Program Services Expense
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
United Way NC - Dues	-	741
Program Service	-	1,000
Hurricane Florence Recovery	23,756	33,670
Point in Time Program Expenses	460	1,491
Stuff The Bus	355	-
BC 360	50	-
Salvation Army of New Bern	925	-
BSA - Eastern CA Council	7,000	3,400
GS - NC Coastal Pines	444	444
Pamlico Pals Inc	10,000	10,000
Am Red Cross - Great Pamlico Chapter	10,000	10,000
Arc of Beaufort Co	10,133	10,000
Salvation Army	20,440	25,000
Boys and Girls Club of B.C.	19,000	11,300
Eagle's Wings	15,000	15,800
Zion Shelter	4,600	4,600
Habitat for Humanity New Bern	222	125
Purpose of God Annex	-	1,916
Albemarle Food Bank	18,000	12,100
U Way - Coastal Carolina	33,604	39,476
U Way - Pitt County	2,718	5,696
Literacy Volunteers	7,500	7,500
B. Co Meals on Wheels	105	136
American Red Cross Coastal Carolina	444	178
Coastal Women's Shelter	1,554	-
Craven Literacy Council	266	-
Hope Clinic	1,798	-
Salvation Army Coastal Carolina	925	599
Bread of Life Outreach	8,000	12,000
Religious Community Service	-	222
UW Lenoir/Greene Co	-	96
Higher Heights	-	3,000
REAL Crisis Intervention	5,000	3,000
Grace Martin Harwell Senior Center	3,000	2,000
The EPIC Center	222	-
UW - Albemarle Area	659	776
Catholic Charities	712	-
Ruth's House	4,000	4,300
Canines for Service	125	150
Children's Home Society/NC	255	255
Habitat for Humanity - Beaufort County	43	-
Inner Banks Stem Center	6,000	5,000
Reviving Lives Ministries	178	-
Coastal Pregnancy Center	-	510
Cornerstone Community Worship	-	51
Dilday Center Belhaven	-	266
Senior Club of Belhaven	-	473
Beaufort-Hyde Partnership	9,000	425
Open Door Community Center	10,000	15,332
	<u>\$ 236,493</u>	<u>\$ 243,028</u>

The accompanying notes are an integral part of these financial statements.

See Accountant's Review Report