

Beaufort County United Way, Inc

Financial Statements

**For the Twelve Months Ended
March 31, 2021 & 2020**

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Beaufort County United Way, Inc.

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March 31, 2021 & 2020

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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, 2021 and 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.

Gray & King, CPAs, P.A.
Certified Public Accountants
Greenville, NC
September 30, 2021

Beaufort County United Way, Inc.
Statements of Financial Position - (Unaudited)
March 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and Cash Equivalents	\$ 209,825	\$ 207,324
Total Current Assets	209,825	207,324
Property and Equipment		
Office Equipment	17,465	17,465
Building	95,216	95,216
	112,681	112,681
Accumulated Depreciation	(30,728)	(27,266)
Net Property and Equipment	81,953	85,415
Total Assets	\$ 291,778	\$ 292,739

LIABILITIES AND NET ASSETS

Current Liabilities		
Payroll Taxes Payable	\$ 1,841	\$ 1,818
Other Payables	685	685
Total Current Liabilities	2,526	2,503
Net Assets		
Net Assets Without Donor Restrictions	289,252	290,236
Net Assets With Donor Restrictions	-	-
Total Net Assets	289,252	290,236
Total Liabilities and Net Assets	\$ 291,778	\$ 292,739

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, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2020 Total</u>
Revenues and Other Support				
Campaign Income	\$ 223,277	\$ -	\$ 223,277	\$ 261,739
Grant Income	\$ 13,300	\$ -	\$ 13,300	\$ -
Office Rental Income	\$ 11,602	\$ -	\$ 11,602	\$ 8,935
Interest Income	\$ 1,637	\$ -	\$ 1,637	\$ 5,994
Point in Time Revenue	\$ -	\$ -	\$ -	\$ 600
Charity Tacker Receipts	\$ -	\$ -	\$ -	\$ -
Stuff the Bus Funding	\$ -	\$ -	\$ -	\$ 270
Total Revenues, Gains, and Other Support	\$ 249,816	\$ -	\$ 249,816	\$ 277,538
Functional Expenses				
Program Services	\$ 172,562	\$ -	\$ 172,562	\$ 268,059
Management and General	\$ 46,983	\$ -	\$ 46,983	\$ 46,351
Fundraising Expenses	\$ 31,255	\$ -	\$ 31,255	\$ 38,336
Total Expenses	\$ 250,800	\$ -	\$ 250,800	\$ 352,746
Increase (Decrease) in Net Assets	\$ (984)	\$ -	\$ (984)	\$ (75,208)
Change in Net Assets	\$ (984)	\$ -	\$ (984)	\$ (75,208)
Net Assets at Beginning of the Year	\$ 290,236	\$ -	\$ 290,236	\$ 365,444
Net Assets at End of Year	\$ 289,252	\$ -	\$ 289,252	\$ 290,236

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

See Accountant's Review Report

Beaufort County United Way, Inc.
Statements of Cash Flows - (Unaudited)
For the Years Ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ (984)	\$ (75,208)
Adjustments to reconcile change in net assets to net cash used by operating activities:	-	-
Depreciation Expense	3,462	3,660
Increase (Decrease) in Payroll Taxes Payable	23	(1)
Net cash provided by operating activities	2,501	(71,549)
Cash flows from investing activities:		
No transactions	-	-
Net cash provided by investing activities	-	-
Cash flows from financing activities:		
No transactions	-	-
Net cash provided by financing activities	-	-
Net increase (decrease) in cash and cash equivalents	2,501	(71,549)
Cash and cash equivalents at beginning of year	207,324	278,873
Cash and cash equivalents at end of year	\$ 209,825	\$ 207,324

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, 2021 and 2020

	<u>Program Services</u>	<u>Mgmt. & General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2020 Total</u>
Charities	144,521	-	-	144,521	236,493
Campaign	-	-	747	747	1,258
Fundraising	-	-	-	-	7,536
Operations	4,380	4,380	2,191	10,951	9,679
Insurance	-	3,356	-	3,356	3,378
Computer	2,871	2,871	3,827	9,569	7,558
Contracted Services	2,140	3,210	-	5,350	9,975
Payroll	16,858	16,858	22,477	56,193	55,811
Facilities	-	2,778	-	2,778	3,172
Maintenance	-	7,937	-	7,937	1,177
Licenses	-	1,719	-	1,719	1,656
Depreciation	1,038	1,038	1,386	3,462	3,660
Leases	-	2,082	-	2,082	1,947
Travel and Meetings	457	457	230	1,144	1,632
Postage and Printing	297	297	397	991	1,174
Miscellaneous	-	-	-	-	6,640
	<u>\$ 172,562</u>	<u>\$ 46,983</u>	<u>\$ 31,255</u>	<u>\$ 250,800</u>	<u>\$ 352,746</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, 2021 & 2020

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, 2021 & 2020

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, 2021.

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, 2021 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, 2021 & 2020

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, 2021, nor was there any unrelated business income for the twelve months ended March 31, 2021.

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, 2018, 2019, and 2020. 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, 2021.

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, 2021 & 2020

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, 2021 are summarized as follows:

<u>Deposit Accounts</u>	<u>Amount</u>
Checking – First Bank	\$ 24,556
Checking – First Bank	1,187
Checking – First Bank	1,250
Money Market – First Bank	73,288
Money Market – First Bank	8,027
Certificate of Deposit – First Bank	<u>101,517</u>
	<u>\$ 209,825</u>

NOTE 4 – LIQUIDITY AND AVAILABILITY

The Organization has \$209,825 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 51% and 60% of its revenue for the fiscal year ended March 31, 2021 and 2020, respectively, from Nutrien.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 30, 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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
BCUW Emergency Fund	3,500	-
Hurricane Florence Recovery	-	23,756
Point in Time Program Expenses	-	460
Stuff The Bus	-	355
BC 360	-	50
Salvation Army of New Bern	-	925
BSA - Eastern CA Council	2,778	7,000
GS - NC Coastal Pines	432	444
Pamlico Pals Inc	3,550	10,000
Am Red Cross - Great Pamlico Chapter	3,894	10,000
Arc of Beaufort Co	4,062	10,133
Salvation Army	18,420	20,440
Boys and Girls Club of B.C.	6,712	19,000
Non United Way Agencies	180	-
Eagle's Wings	7,888	15,000
Zion Shelter	3,334	4,600
Habitat for Humanity New Bern	-	222
Purpose of God Annex	111	-
Albemarle Food Bank	6,450	18,000
U Way - Coastal Carolina	35,075	33,604
U Way - Pitt County	7,157	2,718
Literacy Volunteers	4,296	7,500
B. Co Meals on Wheels	-	105
American Red Cross Coastal Carolina	2,340	444
Boys & Girls/Coastal Carolina	167	-
Coastal Women's Shelter	90	1,554
Craven Literacy Council	-	266
Carteret Domestic Violence Program	86	-
Hope Clinic	2,545	1,798
Pitt Co Habitat for Humanity	259	-
Salvation Army Coastal Carolina	630	925
Bread of Life Outreach	6,130	8,000
Religious Community Service	446	-
REAL Crisis Intervention	2,090	5,000
Grace Martin Harwell Senior Center	2,446	3,000
The EPIC Center	216	222
Washington Police & Fire Department	264	-
UW - Albemarle Area	310	659
Catholic Charities	-	712
Promise Place	180	-
Ruth's House	6,256	4,000
Canines for Service	102	125
Four Paws and a Wake Up	128	-
Children's Home Society/NC	204	255
Habitat for Humanity - Beaufort County	102	43
Inner Banks Stem Center	2,500	6,000
READ ENC	21	-
Reviving Lives Ministries	173	178
Beaufort-Hyde Partnership	3,357	9,000
Open Door Community Center	5,640	10,000
	<u>\$ 144,521</u>	<u>\$ 236,493</u>

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

See Accountant's Review Report