

UNITED WAY OF
MONONGALIA AND PRESTON COUNTIES, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

Badger and Sal
Financial Consultants
Morgantown, WV

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Monongalia and Preston Counties, Inc.
Morgantown, West Virginia


We have audited the accompanying statements of financial position of United Way of Monongalia and Preston Counties, Inc. as of December 31, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of United Way of Monongalia and Preston Counties, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Monongalia and Preston Counties, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included on the contents page is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic statements taken as a whole.

July 26, 2010
Morgantown, West Virginia


Badger and Sal
Financial Consultants

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 806,102	\$ 883,782
Pledges receivable, net of allowance of \$ 139,000 and \$ 181,739 respectively	958,081	950,452
Total current assets	<u>1,764,183</u>	<u>1,834,234</u>
Property and Equipment		
Land	85,000	85,000
Buildings and improvements	423,368	384,382
Equipment	19,196	17,522
Software	2,217	1,697
	<u>529,781</u>	<u>488,601</u>
Less accumulated depreciation	<u>(91,717)</u>	<u>(81,163)</u>
	<u>438,064</u>	<u>407,438</u>
Total assets	<u>\$ 2,202,247</u>	<u>\$ 2,241,672</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of long-term note payable	\$ 12,390	\$ 11,602
Accounts payable and accrued expenses	48,821	9,636
Allocations payable	1,056,491	1,095,050
Due to designated agencies, net of allowance of \$ 19,657 and \$ 22,190 respectively	352,624	317,795
Deferred revenue	58,171	2,500
Total current liabilities	<u>1,528,497</u>	<u>1,436,583</u>
Long-Term Debt		
Long-term note payable	<u>215,473</u>	<u>227,866</u>
Net Assets		
Unrestricted		
Undesignated	436,277	442,679
Designated by the Board for operations	22,000	134,544
	<u>458,277</u>	<u>577,223</u>
Total liabilities and net assets	<u>\$ 2,202,247</u>	<u>\$ 2,241,672</u>

The notes are an integral part of these statements.

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	<u>2009</u>	<u>2008</u>
CHANGES IN UNRESTRICTED NET ASSETS:		
PUBLIC SUPPORT AND REVENUE		
Annual campaigns, net of estimated uncollectible pledges	\$ 1,596,461	\$ 1,741,586
Less donor designations	(458,411)	(413,736)
Annual campaign, net	1,138,050	1,327,850
Private and government grants	159,172	170,738
Investment income	1,272	11,305
Rental income	47,328	49,298
Other income	5,967	-
Total public support and revenue	1,351,789	1,559,191
ALLOCATIONS AND FUNCTIONAL EXPENSES		
Allocations to member agencies	1,064,012	1,077,835
Program services	249,645	203,826
Management and general expenses	61,742	83,946
Fundraising	95,336	92,604
Total allocations and functional expenses	1,470,735	1,458,211
INCREASE (DECREASE) IN NET ASSETS	(118,946)	100,980
Net assets, beginning of year	577,223	476,243
NET ASSETS, END OF YEAR	\$ 458,277	\$ 577,223

The notes are an integral part of these statements.

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (118,946)	\$ 100,980
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,554	10,267
Change in assets and liabilities:		
(Increase) Decrease in pledges receivable	(7,629)	24,368
Increase (Decrease) in accounts payable and accrued expenses	39,185	1,965
Increase (Decrease) in allocations payable	(38,559)	(4,243)
Increase (Decrease) in due designated agencies	34,829	(12,579)
Increase (Decrease) in deferred revenues	55,671	1,003
Net cash provided by (used in) operating activities	<u>(24,895)</u>	<u>121,761</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(41,180)</u>	<u>-</u>
Net cash (used in) investing activities	<u>(41,180)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment on notes payable	<u>(11,605)</u>	<u>(10,859)</u>
Net cash (used in) financing activities	<u>(11,605)</u>	<u>(10,859)</u>
NET INCREASE (DECREASE) IN CASH	(77,680)	110,902
Cash, beginning of year	<u>883,782</u>	<u>772,880</u>
CASH, END OF YEAR	<u>\$ 806,102</u>	<u>\$ 883,782</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ 1,736</u>	<u>\$ 16,200</u>
Income taxes paid	<u>\$ 3,107</u>	<u>\$ 1,912</u>

The notes are an integral part of these statements.

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 149,617	\$ 34,527	\$ 46,036	\$ 230,180
Fringe benefits	16,740	3,863	5,151	25,754
Payroll taxes	11,998	2,769	3,692	18,459
UWA service fee	10,859	2,506	3,341	16,706
Office Expense	10,355	2,380	3,174	15,909
Interest expense	10,047	2,318	3,091	15,456
Depreciation	6,860	1,583	2,111	10,554
Campaign printing	-	-	8,271	8,271
Maintenance	5,255	1,213	1,617	8,085
Campaign materials	-	-	7,284	7,284
Utilities	4,576	1,056	1,408	7,040
CFC expense	5,624	-	-	5,624
UBIT expense	-	5,210	-	5,210
Professional fees	3,250	750	1,000	5,000
Insurance liability	3,244	749	998	4,991
Tax expense	2,355	544	725	3,624
Miscellaneous expense	2,299	530	707	3,536
Meeting and public relations	-	-	2,974	2,974
Postage and shipping	1,900	438	585	2,923
Management fee	1,739	401	535	2,675
Telephone	1,493	345	459	2,297
Travel	-	-	1,736	1,736
Dues and subscriptions	920	212	283	1,415
Building insurance	514	119	158	791
Rental expense	-	229	-	229
	<u>\$ 249,645</u>	<u>\$ 61,742</u>	<u>\$ 95,336</u>	<u>\$ 406,723</u>

The notes are an integral part of these statements.

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 120,264	\$ 48,527	\$ 42,198	\$ 210,989
Fringe benefits	15,711	6,339	5,513	27,563
Payroll taxes	11,932	4,815	4,187	20,934
Interest expense	9,234	3,726	3,240	16,200
Office supplies	5,968	2,409	2,092	10,469
Depreciation	5,852	2,362	2,053	10,267
UWA service fee	5,492	2,216	1,927	9,635
Professional fees	5,187	2,093	1,820	9,100
Campaign printing	-	-	8,241	8,241
Maintenance	4,388	1,771	1,540	7,699
Utilities	3,836	1,548	1,346	6,730
Tax expense	3,135	1,265	1,100	5,500
Postage and shipping	2,249	908	789	3,946
Meeting and public relations	-	-	3,857	3,857
Rental expense	-	-	3,440	3,440
Insurance liability	1,916	773	673	3,362
Management fee	1,618	653	567	2,838
Miscellaneous expense	1,592	642	559	2,793
UBIT expense	-	2,386	-	2,386
Building insurance	1,307	527	459	2,293
Telephone	1,303	526	457	2,286
State campaign	-	-	2,252	2,252
Dues and subscriptions	1,141	460	400	2,001
Campaign materials	-	-	1,909	1,909
CFC expense	1,701	-	-	1,701
Travel	-	-	1,300	1,300
LGA	-	-	685	685
	<u>\$ 203,826</u>	<u>\$ 83,946</u>	<u>\$ 92,604</u>	<u>\$ 380,376</u>

The notes are an integral part of these statements.

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

United Way of Monongalia and Preston Counties, Inc. (the Organization) is located in Morgantown, West Virginia, and is incorporated under the laws of West Virginia as a nonprofit corporation. The Organization was formed to raise, receive, and distribute funds for participating members and to develop effective programs to meet the needs of the community. The Organization's mission is to improve the provision of health and human services in Monongalia and Preston Counties, West Virginia by assessing needs through the use and promotion of volunteerism. The Organization has the responsibility to allocate donations from resource providers to whichever beneficial agencies the Organization chooses and to establish and define the programs that disburse the funds contributed. Although most giving to the Organization is unrestricted, some donors designate a particular purpose for which their contributions will be spent.

The Organization acts as the intermediary for the Combined Federal Campaign. The Organization collects and disburses funds in accordance with the donor's designation for a fee.

In July 2009, the Monongalia County Family Resource Network, Inc. (FRN) came under the umbrella of the Organization. FRN's mission is to work to encourage and empower individuals and families in the community through cooperative planning and services. FRN is a not-for-profit corporation organized under the laws of the state of West Virginia and is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

Significant Accounting Policies

Basis of Financial Reporting

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Annual Campaigns

Annual fund-raising campaigns are conducted each year from August through December. The distribution of unrestricted campaign proceeds allocated to agencies commence the subsequent January, while funds that are donor designated to agencies are disbursed beginning in February. Contributions and gifts with no restrictions or specified uses identified by the donor or grantor are included in unrestricted revenue in the statement of activities.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. All pledges receivable are to be collected within one year.

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

The Organization uses the allowance method to determine doubtful promises receivable. The allowance is based on prior years experience and management's analysis of specified promises made.

Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization receives more than 3,000 volunteer hours per year. No monetary value has been assigned to these contributed hours.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual results could differ from those estimates. Significant estimates are those relating to the allowance for doubtful pledges receivable and depreciation.

Property and Office Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method.

Average useful lives used for depreciation with respect to major classifications of property and equipment are as follows:

	<u>Estimated Life</u>
Building	40 years
Equipment	5 – 10 years
Software	5 years

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is subject to federal and state corporate income tax on unrelated business taxable income from rentals of the building in which it has its operations. This is caused by debt financing of the building. The unrelated business income tax is \$3,693 for 2009 and \$2,697 for 2008.

Cash and Cash Equivalents

For purpose of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2009

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities. Expenses are charged to program services, management and general, and unrestricted fundraising based on a combination of specific identification and allocation by management.

Compensated Absences

Employees' vacation benefits are recognized in the period earned.

Advertising

The Organization expenses advertising costs as they are incurred.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments in banks in excess of the U.S. Federal Deposit Insurance Corporations (FDIC) insured \$250,000 limit and all investments in money market and government reserve funds. The Organization has an arrangement in place whereby each night the balance in the account that is normally over the limit, is swept in order to avoid the FDIC insured limits. Management has not experienced any losses in such accounts and believes the Organization is not exposed to any significant credit risk related to cash.

NOTE PAYABLE

	<u>2009</u>	<u>2008</u>
Mortgage payable to a bank, interest at 6.60% through April 2022, monthly payments of \$2,255, secured by real estate	\$ 227,863	\$ 239,468
Less Current maturities	<u>12,390</u>	<u>11,602</u>
	<u>\$ 215,473</u>	<u>\$ 227,866</u>

At December 31, 2009 , future maturities of this note payable are as follows:

2010	\$ 12,390
2011	13,234
2012	14,135
2013	15,096
2014	16,123
Thereafter	<u>156,885</u>
	<u>\$ 227,863</u>

DESCRIPTION OF LEASING ARRANGEMENTS (RENTAL INCOME)

As lessor, the Organization leases residential space. The lease agreements are non-cancelable 1 year term leases.

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

DONOR DESIGNATED CONTRIBUTIONS

The Organization received certain pledges designated by donors for distributions to organizations both affiliated and unaffiliated with United Way. All restricted pledges, subject to collection and net of administrative fees, are distributed as designated by the donors.

Donor-designated contributions available for distribution resulted from the following programs:

	<u>2009</u>	<u>2008</u>
United Way and agencies	\$ 146,337	\$ 130,126
Outside agencies	56,048	35,957
Combined Federal Campaign	<u>169,896</u>	<u>173,902</u>
	<u>\$ 372,281</u>	<u>\$ 339,795</u>

SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 26, 2010, the date on which the financial statements were available to be issued. No other events were identified that required adjustments or disclosures in the financial statements.

SUPPLEMENTAL
INFORMATION

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
 COMBINING STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2009

	United Way	Combined Federal Campaign	Adjustments and Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 721,885	\$ 84,217	\$ -	\$ 806,102
Pledges receivable	938,619	175,112	(16,650)	1,097,081
Allowance for doubtful accounts	(119,343)	(19,657)	-	(139,000)
Total current assets	1,541,161	239,672	(16,650)	1,764,183
Property and Equipment				
Land	85,000	-	-	85,000
Buildings and improvements	423,368	-	-	423,368
Equipment	19,196	-	-	19,196
Software	2,217	-	-	2,217
	529,781	-	-	529,781
Less accumulated depreciation	(91,717)	-	-	(91,717)
	438,064	-	-	438,064
Total assets	\$ 1,979,225	\$ 239,672	\$ (16,650)	\$ 2,202,247
LIABILITIES AND NET ASSETS				
Current Liabilities				
Current portion of long-term note payable	\$ 12,390	\$ -	\$ -	\$ 12,390
Accounts payable and accrued expenses	48,821	-	-	48,821
Allocations payable	1,056,491	-	-	1,056,491
Due to designated agencies	202,385	186,546	(16,650)	372,281
Allowance	-	(19,657)	-	(19,657)
Deferred revenue	58,171	-	-	58,171
Total current liabilities	1,378,258	166,889	(16,650)	1,528,497
Long-Term Debt				
Long-term note payable	215,473	-	-	215,473
Net Assets				
Unrestricted				
Undesignated	363,494	72,783	-	436,277
Designated by the Board for operations	22,000	-	-	22,000
	385,494	72,783	-	458,277
Total liabilities and net assets	\$ 1,979,225	\$ 239,672	\$ (16,650)	\$ 2,202,247

The notes are an integral part of these statements.

UNITED WAY OF MONONGALIA AND PRESTON COUNTIES, INC.
 COMBINING STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2009

	United Way	Combined Federal Campaign	Adjustments and Eliminations	Total
CHANGES IN UNRESTRICTED NET ASSETS:				
PUBLIC SUPPORT AND REVENUE				
Annual campaigns, net of estimated uncollectible pledges	\$ 1,393,801	\$ 202,660	\$ -	\$ 1,596,461
Less donor designations	<u>(277,015)</u>	<u>(181,396)</u>	-	<u>(458,411)</u>
Annual campaign, net	1,116,786	21,264	-	1,138,050
Private and government grants	175,822	-	(16,650)	159,172
Investment income	1,233	39	-	1,272
Rental income	47,328	-	-	47,328
Other income	<u>5,967</u>	<u>-</u>	<u>-</u>	<u>5,967</u>
Total public support and revenue	<u>1,347,136</u>	<u>21,303</u>	<u>(16,650)</u>	<u>1,351,789</u>
ALLOCATIONS AND FUNCTIONAL EXPENSES				
Allocations to member agencies	1,064,012	-	-	1,064,012
Program services	249,603	16,692	(16,650)	249,645
Management and general expenses	61,742	-	-	61,742
Fundraising	<u>95,336</u>	<u>-</u>	<u>-</u>	<u>95,336</u>
Total allocations and functional expenses	<u>1,470,693</u>	<u>16,692</u>	<u>(16,650)</u>	<u>1,470,735</u>
INCREASE (DECREASE) IN NET ASSETS	(123,557)	4,611	-	(118,946)
Net assets, beginning of year	<u>509,051</u>	<u>68,172</u>	<u>-</u>	<u>577,223</u>
NET ASSETS, END OF YEAR	<u>\$ 385,494</u>	<u>\$ 72,783</u>	<u>\$ -</u>	<u>\$ 458,277</u>

The notes are an integral part of these statements.