

UNITED WAY OF CASCADE COUNTY
GREAT FALLS, MONTANA
FINANCIAL STATEMENTS
AS OF
JUNE 30, 2009 AND 2008

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Douglas Wilson & Company, P.C.

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INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of United Way of Cascade County as of June 30, 2009 and 2008, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of United Way's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit 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 in the first paragraph present fairly, in all material respects, the financial position of United Way of Cascade County as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.


Great Falls, Montana
August 19, 2009

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

	<u>06/30/09</u>	<u>06/30/08</u>
ASSETS		
Cash	\$ 132,165	\$ 154,908
Certificates of Deposit	69,203	89,315
Accounts Receivable	20,099	22,418
Interest Receivable	1,194	2,463
Pledges Receivable less Allowance for Uncollectible Pledges of \$45,000 and \$38,000	285,129	315,809
Prepaid Expenses	3,009	3,453
Beneficial Interest in Perpetual Trust	41,058	51,648
Cash Surrender Value of Life Insurance	52,545	57,464
Equipment	29,058	29,058
Less: Accumulated Depreciation	<u>(21,636)</u>	<u>(18,376)</u>
 Total Assets	 <u><u>\$ 611,824</u></u>	 <u><u>\$ 708,160</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Payroll Taxes Payable	\$ 3,340	\$ 3,285
Payable to United Way of Montana	37	37
Accrued Vacation	10,301	12,777
Allocations Payable	381,355	481,755
Due to Designated Service Providers	132,067	103,120
Capital Lease	3,101	5,445
Total Liabilities	<u>530,201</u>	<u>606,419</u>
Net Assets:		
Unrestricted:		
Designated for Operating Reserve	20,921	30,648
Permanently Restricted	60,702	71,093
Total Net Assets	<u>81,623</u>	<u>101,741</u>
 Total Liabilities and Net Assets	 <u><u>\$ 611,824</u></u>	 <u><u>\$ 708,160</u></u>

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support:				
Gross Campaign Revenue - Current Period	\$ -	896,627	\$ -	\$ 896,627
Less: Donor Designations	-	(275,028)	-	(275,028)
Bad Debt Expense	-	(65,816)	-	(65,816)
Net Available for Allocations and Operations	-	555,783	-	555,783
Contributions Released from Restrictions:				
Current Period Contributions	555,783	(555,783)	-	-
Net Campaign Revenue	555,783	-	-	555,783
Gain (Loss) from Perpetual Trust	-	-	(10,590)	(10,590)
Cash Surrender Value of Life Insurance	(5,118)	-	199	(4,919)
Interest and Investment Income	11,535	-	-	11,535
Contract Service Reimbursement/CFC	17,280	-	-	17,280
Donated Services	17,754	-	-	17,754
Total Revenue	597,234	-	(10,391)	586,843
Allocations and Other Functional Expenses:				
Funds Allocated to Service Providers	381,355	-	-	381,355
Program Services	76,580	-	-	76,580
Supporting Services	149,026	-	-	149,026
Total Expenses	606,961	-	-	606,961
Change in Net Assets	(9,727)	-	(10,391)	(20,118)
Net Assets, Beginning of Year	30,648	0	71,093	101,741
Net Assets, End of Year	\$ 20,921	\$ -	\$ 60,702	\$ 81,623

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support:				
Gross Campaign Revenue - Current Period	\$ -	976,831	\$ -	\$ 976,831
Less: Donor Designations	-	(273,561)	-	(273,561)
Bad Debt Expense	-	(44,343)	-	(44,343)
Net Available for Allocations and Operations	-	658,927	-	658,927
Contributions Released from Restrictions:				
Current Period Contributions	658,927	(658,927)	-	-
Net Campaign Revenue	658,927	-	-	658,927
Gain (Loss) from Perpetual Trust	-	-	(4,737)	(4,737)
Cash Surrender Value of Life Insurance	(2,912)	-	1,746	(1,166)
Interest and Investment Income	10,452	-	-	10,452
Contract Service Reimbursement/CFC	18,931	-	-	18,931
Donated Services	41,694	-	-	41,694
Total Revenue	727,092	-	(2,991)	724,101
Allocations and Other Functional Expenses:				
Funds Allocated to Service Providers	481,755	-	-	481,755
Program Services	86,688	-	-	86,688
Supporting Services	171,381	-	-	171,381
Total Expenses	739,824	-	-	739,824
Change in Net Assets	(12,732)	-	(2,991)	(15,723)
Net Assets, Beginning of Year	43,380	-	74,084	117,464
Net Assets, End of Year	\$ 30,648	\$ -	\$ 71,093	\$ 101,741

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY
GREAT FALLS, MONTANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	6/30/09	6/30/08
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (20,118)	\$ (15,723)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation Expense	3,260	3,260
Donated Equipment Recorded as Revenue	-	(2,000)
(Increase) Decrease in Beneficial Interest in Perpetual Trust	10,590	4,737
(Increase) Decrease in Cash Surrender Value of Life Insurance	4,919	1,166
(Increase) Decrease in Accounts Receivable	3,588	5,932
(Increase) Decrease in Pledges and Designations Receivable	30,680	(48,977)
(Increase) Decrease in Prepaid Expenses	444	(1,539)
Increase (Decrease) in Payroll Taxes Payable	(2,421)	3,970
Increase (Decrease) in Payable to United Way of Montana	-	(2,093)
Increase (Decrease) in Allocations and Designations Payable	(71,453)	21,429
Net Cash Used by Operating Activities	(40,511)	(29,838)
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	-	(975)
Cash Flows from Financing Activities:		
Payment of Lease Payable	(2,344)	(1,755)
Net Decrease in Cash	(42,855)	(32,568)
Cash at Beginning of Year	244,223	276,791
Cash at End of year	\$ 201,368	\$ 244,223
Supplemental Disclosure of Cash Flow Information:		
Interest Paid	\$ 513	\$ 625
Schedule of Noncash Investing and Financing Activities:		
Purchase of copier under a capital lease	\$ -	\$ (7,200)

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2009

	Program Services				Supporting Services				Total
	Service Provider Relations	Education & Technical Assistance	Total Program Services	General & Admin.	Fund Raising & Campaign	Contract Services Combined Federal Campaign	Total Supporting Services		
Salaries	\$ 17,799	\$ 11,018	\$ 28,817	\$ 27,969	\$ 27,969	\$ 12,154	\$ 68,092	\$ 96,909	
Payroll Taxes	1,407	871	2,278	2,212	2,212	875	5,299	7,577	
Employee Benefits	4,151	2,570	6,721	6,524	6,524	2,060	15,108	21,829	
	23,357	14,459	37,816	36,705	36,705	15,089	88,499	126,315	
United Way of America Dues	8,531	-	8,531	-	-	-	-	8,531	
Dues and Subscriptions	238	147	385	374	374	-	748	1,133	
Computer Expense	81	50	131	127	127	-	254	385	
Insurance	306	189	495	480	480	-	960	1,455	
Interest Expense	108	67	175	169	169	-	338	513	
Local Transportation	1,106	684	1,790	1,737	1,737	-	3,474	5,264	
Miscellaneous	1,056	652	1,708	1,655	1,655	-	3,310	5,018	
Meeting Expense	265	164	429	417	417	-	834	1,263	
Occupancy	1,676	1,038	2,714	2,634	2,634	1,845	7,113	9,827	
Office Supplies	250	155	405	393	393	-	786	1,191	
Postage	1,162	719	1,881	1,826	1,826	-	3,652	5,533	
Professional Fees	4,158	2,574	6,732	6,534	6,534	-	13,068	19,800	
Campaign Printing and Advertising	5,678	3,515	9,193	8,923	8,923	-	17,846	27,039	
Equipment Repair and Maintenance	1,002	620	1,622	1,574	1,574	-	3,148	4,770	
Telephone	734	454	1,188	1,153	1,153	-	2,306	3,494	
Training	171	106	277	269	269	-	538	815	
Depreciation	684	424	1,108	1,076	1,076	-	2,152	3,260	
Total	\$ 50,563	\$ 26,017	\$ 76,580	\$ 66,046	\$ 66,046	\$ 16,934	\$ 149,026	\$ 225,606	

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2008

	Program Services				Supporting Services				Total
	Service Provider Relations	Education & Technical Assistance	Total Program Services	General & Admin.	Fund Raising & Campaign	Contract Services Combined Federal Campaign	Total Supporting Services		
Salaries	\$ 18,980	\$ 11,750	\$ 30,730	\$ 29,826	\$ 29,826	\$ 12,154	\$ 71,806	\$ 102,536	
Payroll Taxes	1,366	846	2,212	2,147	2,147	875	5,169	7,381	
Employee Benefits	3,217	1,992	5,209	5,056	5,056	2,060	12,172	17,381	
	23,563	14,588	38,151	37,029	37,029	15,089	89,147	127,298	
United Way of America Dues	8,073	-	8,073	-	-	-	-	8,073	
Dues and Subscriptions	330	204	534	518	518	-	1,036	1,570	
Computer Expense	104	64	168	163	163	-	326	494	
Insurance	304	189	493	479	479	-	958	1,451	
Interest	132	81	213	206	206	-	412	625	
Local Transportation	815	505	1,320	1,281	1,281	-	2,562	3,882	
Miscellaneous	379	235	614	596	596	-	1,192	1,806	
Meeting Expense	351	217	568	551	551	-	1,102	1,670	
Occupancy	2,413	1,494	3,907	3,791	3,791	3,690	11,272	15,179	
Office Supplies	427	264	691	671	671	-	1,342	2,033	
Postage	798	494	1,292	1,255	1,255	-	2,510	3,802	
Professional Fees	4,053	2,509	6,562	6,369	6,369	-	12,738	19,300	
Campaign Printing and Advertising	11,582	7,170	18,752	18,200	18,200	-	36,400	55,152	
Equipment Repair and Maintenance	740	458	1,198	1,163	1,163	-	2,326	3,524	
Telephone	938	581	1,519	1,474	1,474	-	2,948	4,467	
Training	942	583	1,525	1,479	1,479	-	2,958	4,483	
Depreciation	684	424	1,108	1,076	1,076	-	2,152	3,260	
Total	\$ 56,628	\$ 30,060	\$ 86,688	\$ 76,301	\$ 76,301	\$ 18,779	\$ 171,381	\$ 258,069	

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- A. Nature of Activities** - United Way of Cascade County is a non-profit corporation whose purpose is to raise funds, through a unified campaign, in Great Falls and Cascade County, Montana, for the financing of local, state and national organizations conducted for charitable, health, welfare and allied purposes. A majority of the revenue is contributions from individuals and businesses within Cascade County.
- B. Method of Accounting** - The financial statements of United Way have been prepared utilizing the accrual basis of accounting.
- C. Financial Statement Presentation** - United Way adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, United Way is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, United Way is required to present a statement of cash flows.
- D. Contributions** - United Way also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.
- E. Donor-Imposed Restrictions** - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

- F. Promises to Give/Pledges** - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. All unconditional promises to give are expected to be collected within one year. Conditional promises to give are not included as support until such time as the conditions are substantially met.

- G. Furniture and Equipment** - All expenditures for furniture and equipment and the fair value of donated items in excess of \$1,000 are capitalized. Purchased equipment is recorded at cost. Depreciation is computed by the straight-line method over the following estimated useful lives:

Furniture and Fixtures	5 - 10 Years
Equipment	3 - 5 Years

- H. Donated Materials and Services** - Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt. Donated services relate to media services received.
- I. Fund Raising** - United Way conducts its annual campaign in September through December of each fiscal year. Non-designated support raised is allocated to participating service providers in that same year; however, payments of these allocations do not begin until July 1 of the next fiscal year. Pledges receivable are recorded in the balance sheet, and allowances are provided for amounts estimated to be uncollectible. Allocations are recorded as payables at the time United Way informs the service providers of the amount they will receive. Designated support raised during the same campaign period is paid to service providers quarterly beginning April 1 of that year.
- J. Use of 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.
- K. Income Tax Status** - United Way of Cascade County qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore has no provision for federal and state income taxes.
- L. Cash and Cash Equivalents** - For the statement of financial position and statement of cash flows, cash and cash equivalents are defined as all monies in petty cash, checking, savings and money market accounts and certificates of deposit.
- M. Pledges Receivable** - Pledges receivable are due from donors who have promised to give money to United Way. The allowance for doubtful accounts is carried at an amount which uncollectible accounts are reasonably expected not to exceed. The allowance is based on experience and other circumstances, which may affect the ability of donors to meet their pledge obligations. Receivables are considered uncollectible after they have been outstanding for one year.

NOTE 2: OPERATING LEASE:

United Way is leasing office space on a month-to-month lease.

Rent expense was \$9,175 and \$12,300 for the years ended June 30, 2008 and 2007, respectively.

NOTE 3: CERTIFICATES OF DEPOSIT:

As of June 30, 2008 and 2007, certificates of deposit reflected in cash and cash equivalents are as follows:

	<u>6/30/09</u>		<u>6/30/08</u>	
	<u>Interest Rate</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amount</u>
Certificate of Deposit	0%	\$ -	3.50%	25,000
Certificate of Deposit	2.50%	17,668	3.90%	15,585
Certificate of Deposit	2.45%	17,072	5.00%	16,265
Certificate of Deposit	2.00%	17,326	4.97%	16,146
Certificate of Deposit	2.00%	17,137	4.95%	16,319
Total		<u>\$ 69,203</u>		<u>\$ 89,315</u>

NOTE 4: SCHEDULE OF ALLOCATIONS TO SERVICE PROVIDERS:

	<u>6/30/09</u>	<u>6/30/08</u>
Service Provider Allocations:		
Alliance for Youth	\$ 20,000	\$ 39,670
American Red Cross	-	3,330
Big Brothers and Big Sisters	13,500	15,000
Boys and Girls Club	27,000	32,000
Campfire Inc.	4,650	5,192
CASA-CAN	24,000	26,000
Cascade County Law Clinic	24,460	26,870
Consumer Credit Counseling Service	10,500	11,000
Foster Grandparents	18,000	20,840
Gateway Recovery Center	-	4,265
Great Falls Children's Receiving Home	13,500	16,000
Great Falls Senior Center	6,000	12,500
Healthy Mothers Healthy Babies	9,300	11,000
Heisey Memorial Youth Center	10,000	12,000
Kairos Youth Services	35,000	42,600
Meals on Wheels	20,000	25,000
Opportunities Inc. Emergency Shelter	31,645	32,000
St. Vincent DePaul	8,400	9,000
RSVP	11,400	12,000
Voices of Hope	36,000	49,114
YWCA	33,000	38,374
Young Parents' Education Center	25,000	38,000
Total	<u>\$ 381,355</u>	<u>\$ 481,755</u>

NOTE 5: EMPLOYEE BENEFIT PLANS:

Employee benefit plans consist of contributions to a SEP. All employees age 21 or older earning \$450 or more per year with one year or more of service are eligible to participate. Contributions are based on nine percent of the employees' salaries. Contributions were \$8,507 and \$5,450 for the years ended June 30, 2008 and 2007, respectively.

NOTE 6: PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets are restricted to investments in perpetuity. Earnings from the related investments held in perpetuity will support unrestricted programs and operations.

NOTE 7: MONTANA COMMUNITY FOUNDATION:

United Way has an interest in endowed funds of the Montana Community Foundation. Donors can give directly to the Montana Community Foundation for the benefit of United Way, or donors give to United Way who transfers the assets to the Montana Community Foundation. The Montana Community Foundation owns these assets which are recorded on United Way's balance sheet as a "Beneficial Interest in Perpetual Trust." The value shown on United Way's balance sheet is the present value of estimated future cash flows to be received. United Way has used the fair market value of the funds for this measurement. The Montana Community Foundation periodically distributes funds to United Way based on earnings of the endowments. \$4,862 and \$5,960 were distributed to United Way for the years ended June 30, 2008 and 2007, respectively.

NOTE 8: DESIGNATED FOR OPERATING RESERVE:

United Way has designated \$30,647 and \$43,379 for 2008 and 2007, respectively, to be held in reserve when adverse economic conditions occur and contributions drop off to the point that the most essential needs of the community are in danger. An example would be a disaster occurring which is beyond the capability of the funded services to absorb within their regular budgets and local funds are not available for use to meet a pressing community need.

NOTE 9: CAPITAL LEASE:

The Organization acquired a copier under a long-term lease. For financial reporting purposes the value of the minimum lease payments has been capitalized. The lease expires August 2010. As of June 30, 2008 the copier under this capital lease had a total cost of \$7,200, accumulated depreciation of \$1,440 and a net book value of \$5,760. The future minimum lease payments under this capital lease at June 30, 2008 are as follows:

<u>June 30,</u>	<u>Amount</u>
2019	\$ 2,856
2010	2,856
2011	476
Total Minimum Lease Payments	6,188
Less: Amount Representing Interest	743
Present Value of Net Minimum Obligations	5,445
Less: Current Obligation Under Capital Lease	2,343
Long Term Obligation Under Capital Lease	<u>\$ 3,102</u>

NOTE 10: GROSS CAMPAIGN RECEIVABLE:

Under industry standards, the United Way is required to include in revenue funds raised from separate federal and state campaigns if the United Way administers those campaigns. Amounts from these campaigns included in revenue and donor designations for the years ended June 30, 2008 and 2007 were \$151,767 and \$134,341, respectively.