

UNITED WAY OF SUMNER COUNTY
Financial Statements
June 30, 2009 and 2008

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Independent Auditors' Report

To the Board of Directors
United Way of Sumner County
Hendersonville, Tennessee

We have audited the accompanying statements of financial position of United Way of Sumner County (a nonprofit organization) as of June 30, 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 the Organization'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 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 above present fairly, in all material respects, the financial position of United Way of Sumner 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 accounting principles generally accepted in the United States of America.

Parker, Parker & Associates

September 14, 2009

UNITED WAY OF SUMNER COUNTY
Statements of Financial Position
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Current Assets		
Cash	\$ 359,314	\$ 344,572
Pledges Receivable, Net of Allowance of \$74,307 in 2009 and \$47,610 in 2008	271,133	358,282
Prepaid Expenses	<u>1,720</u>	<u>2,798</u>
Total Current Assets	<u>632,166</u>	<u>705,652</u>
Property and Equipment		
Equipment	18,570	17,357
Leasehold Improvements	1,705	10,705
Accumulated Depreciation	<u>(15,660)</u>	<u>(17,035)</u>
Total Property and Equipment	<u>4,616</u>	<u>11,027</u>
Total Assets	<u><u>\$ 636,782</u></u>	<u><u>\$ 716,679</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 701	\$ 1,066
Payroll Taxes Payable	1,933	1,782
Accrued Vacation	3,848	3,848
Allocations to Agencies	<u>491,227</u>	<u>491,737</u>
Total Current Liabilities	<u>497,708</u>	<u>498,433</u>
Net Assets		
Unrestricted Net Assets	(4,237)	82,858
Unrestricted Net Assets - Board Designated	<u>115,060</u>	<u>99,138</u>
Total Unrestricted Net Assets	<u>110,823</u>	<u>181,996</u>
Temporarily Restricted Net Assets	<u>28,250</u>	<u>36,250</u>
Total Net Assets	<u>139,073</u>	<u>218,246</u>
Total Liabilities and Net Assets	<u><u>\$ 636,782</u></u>	<u><u>\$ 716,679</u></u>

See notes to financial statements.

UNITED WAY OF SUMNER COUNTY
Statements of Activities
For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Unrestricted Net Assets		
Support		
Contributions	\$ 757,107	\$ 778,580
In-kind Donations	5,200	-
Other Revenue	2,812	1,410
Total Support	<u>765,119</u>	<u>779,990</u>
Revenue		
Interest Income	3,227	5,630
Total Revenue	<u>3,227</u>	<u>5,630</u>
Net Assets Released from Restrictions		
Restrictions Satisfied by Payments	<u>8,000</u>	<u>33</u>
Total Support and Revenue and Reclassifications	<u>776,346</u>	<u>785,653</u>
Program Expenses		
Allocations and Designations to Agencies	505,188	493,617
Other Program Expenses	205,703	59,695
Total Program Expenses	<u>710,890</u>	<u>553,312</u>
Supporting Services		
Management and General Expenses	42,871	38,030
Fundraising Expenses	93,757	81,430
Total Supporting Services	<u>136,628</u>	<u>119,460</u>
Total Expenses	<u>847,519</u>	<u>672,772</u>
(Decrease) Increase in Unrestricted Net Assets	<u>(71,173)</u>	<u>112,881</u>
Temporarily Restricted Net Assets		
Contributions	-	8,692
Net Assets Released from Restrictions	(8,000)	(33)
Increase in Temporarily Restricted Net Assets	<u>(8,000)</u>	<u>8,659</u>
(Decrease) Increase in Net Assets	(79,173)	121,540
Net Assets - Beginning of Year	<u>218,246</u>	<u>96,706</u>
Net Assets - End of Year	<u><u>\$ 139,073</u></u>	<u><u>\$ 218,246</u></u>

See notes to financial statements.

UNITED WAY OF SUMNER COUNTY
Statements of Functional Expenses
For the Years Ended June 30, 2009 and 2008

	2009				2008			
	Program Services	Supporting Services Management & General	Fundraising	Total	Program Services	Supporting Services Management & General	Fundraising	Total
Allocations & Designations	\$ 505,188	\$ -	\$ -	\$ 505,188	\$ 493,617	\$ -	\$ -	\$ 493,617
Audit	-	6,736	-	6,736	-	5,316	-	5,316
Awards and Banquet	349	349	349	1,046	415	414	414	1,243
Bad Debt	131,386	-	-	131,386	(63)	-	-	(63)
Bank Fees	-	36	-	36	-	237	-	237
Depreciation	442	442	442	1,326	937	937	937	2,811
Dues	4,233	2,116	2,116	8,466	4,544	2,273	2,273	9,090
Employee Benefits	2,105	819	2,923	5,846	3,187	1,240	4,428	8,855
Equipment Lease	1,206	469	1,676	3,351	1,153	448	1,602	3,203
Equipment Maintenance	527	205	731	1,463	410	159	570	1,139
Insurance	-	3,465	-	3,465	-	3,541	-	3,541
Loss on Disposal	2,100	2,100	2,100	6,300	115	114	114	343
Meeting Expenses	1,031	516	516	2,062	917	459	459	1,835
Miscellaneous	2,356	2,355	2,355	7,066	1,872	1,872	1,872	5,616
Moving Expenses	-	-	-	-	453	453	453	1,359
Rent	7,020	4,140	6,840	18,000	5,655	3,335	5,510	14,500
Office Supplies	151	664	695	1,510	215	948	991	2,154
Payroll Taxes	2,882	1,121	4,002	8,005	2,629	1,022	3,652	7,303
Periodicals/Publications	22	5	213	239	12	2	110	124
Postage	921	98	941	1,960	794	84	811	1,689
Printing	95	21	942	1,058	101	22	994	1,117
Publicity & Campaign Supplies	986	219	9,748	10,953	441	98	4,361	4,900
Salaries and Wages	37,775	14,690	52,466	104,932	34,386	13,373	47,759	95,518
Special Events	421	421	434	1,275	-	-	-	-
Tornado Relief	8,000	-	-	8,000	33	-	-	33
Training	370	370	381	1,121	72	73	75	220
Travel	125	313	2,688	3,125	128	321	2,759	3,208
Utilities	1,201	1,201	1,201	3,604	1,288	1,288	1,288	3,864
Subtotal	205,703	42,871	93,757	342,332	59,695	38,030	81,430	179,155
Total	\$ 710,890	\$ 42,871	\$ 93,757	\$ 847,519	\$ 553,312	\$ 38,030	\$ 81,430	\$ 672,772

See notes to financial statements.

United Way of Sumner County
Statements of Cash Flows
For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Increase in Net Assets	\$ (79,173)	\$ 121,540
Adjustments to Reconcile Increase in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	1,326	2,812
Loss on Disposal of Property	6,300	343
Donated Property and Equipment	(700)	-
(Increase) Decrease in Pledges Receivable	87,149	(87,800)
(Increase) Decrease in Prepaid Expenses	1,078	(921)
Increase (Decrease) in Accounts Payable	(365)	1,066
Increase in Payroll Taxes Payable	151	45
Decrease in Accrued Vacation	(0)	(350)
Increase (Decrease) in Allocations to Agencies	(510)	85,302
Total Adjustments	<u>94,428</u>	<u>497</u>
Net Cash Provided by Operating Activities	<u>15,256</u>	<u>122,037</u>
 Cash Flows from Investing Activities		
Cash Payments for the Purchase of Property	<u>(513)</u>	<u>(400)</u>
Net Cash Used by Investing Activities	<u>(513)</u>	<u>(400)</u>
 Net Increase in Cash	 14,743	 121,637
 Cash - Beginning of Year	 <u>344,572</u>	 <u>222,936</u>
 Cash - End of Year	 <u><u>\$ 359,314</u></u>	 <u><u>\$ 344,572</u></u>

See notes to financial statements.

UNITED WAY OF SUMNER COUNTY
Notes to Financial Statements
June 30, 2009 and 2008

Note 1. Summary of Significant Accounting Policies

A. Nature of Activities

United Way of Sumner County (the "United Way") adopted by-laws in April 1985. Its purpose is to bring together in one united appeal all possible contribution campaigns of the community's health, welfare and educational agencies. Additionally, United Way is committed to deploy financial support to agencies, to maximize the resources available for services aimed at the most urgent needs of the community, to muster community support and commitment and to manage its operation effectively. A campaign is held annually for contributions from donors in Sumner County which are then allocated as support to member agencies and other charities in Sumner County based on the recommendation of an allocation committee appointed by the board of directors.

B. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of United Way and/or the passage of time.

Permanently Restricted – Net assets subject to donor-imposed restrictions that do not expire with the passage of time and cannot be removed or fulfilled by United Way's actions. Permanently restricted net assets must be maintained by United Way in perpetuity.

There are no Permanently Restricted Net Assets for the years ended June 30, 2009 and 2008.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes demand deposits and savings accounts. United Way had no cash equivalents at June 30, 2009 and 2008.

E. Income Taxes

The Chapter is a nonprofit corporation that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

F. Property and Equipment

Fixed assets with a cost of \$500 or more and an estimated useful life of greater than one year are carried at cost if purchased or fair market value if donated. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which vary from three to fifteen years.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

UNITED WAY OF SUMNER COUNTY
Notes to Financial Statements - Continued
June 30, 2009 and 2008

Note 1. Summary of Significant Accounting Policies – Continued

H. Sick Pay and Vacation Accrual

Unused sick time can be accrued and carried forward from year-to-year up to a maximum of 90 days. Sick time is not paid upon termination and is not recorded on the financial statements. Vacation time is earned after 90 days of service. Five days can be carried forward from year-to-year. Vacation time is paid upon termination and has been accrued in the financial statements.

I. Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows unless the value not discounted is immaterial to the financial statements as a whole. Conditional promises to give are not included as support until the conditions are substantially met. The allowance for pledges receivable is an amount established by management, based on historical trends and current information, for expected uncollectible pledges at June 30, 2009 and 2008.

K. Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. If a restriction is fulfilled in the same time period in which the contribution is received, United Way reports the support as unrestricted. Otherwise, when a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

L. Contributed Assets and Services

United Way receives contributions for office rent, publicity and advertising and special events. These contributions meet the requirements for recognition in the financial statements and have been recorded at fair market value on the date of contribution.

Citizens of Sumner County donate many hours of their time to the United Way. These volunteer services neither create nor enhance non-financial assets nor do they require specialized skills, and thus are not recognized as support in the accompanying statement of activities.

M. Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited.

N. Reclassifications

Certain reclassifications have been made to the 2008 financial statements to conform to 2009 presentation.

Note 2. Concentration of Credit Risk

United Way holds cash with various financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2009 and 2008, United Way's accounts with financial institutions exceed FDIC insurance coverage by \$7,803 and \$185,259, respectively.

UNITED WAY OF SUMNER COUNTY
Notes to Financial Statements - Continued
June 30, 2009 and 2008

Note 3. Pledges Receivable

The amounts of pledges receivable and future collections as of June 30 are as follows. Pledges receivable have not been discounted as the amount is immaterial:

	<u>2009</u>	<u>2008</u>
Receivable in Less than One Year	\$ 345,440	\$ 405,892
Receivable in One to Five Years	-	-
More than Five Years	-	-
Total Pledges Receivable-Unrestricted	<u>\$ 345,440</u>	<u>\$ 405,892</u>
	<u>2009</u>	<u>2008</u>
Pledges Receivable - Unrestricted	\$ 345,440	\$ 405,892
Less:		
Allowance for Doubtful Accounts	(74,307)	(47,610)
Pledges Receivable, Net	<u>\$ 271,133</u>	<u>\$ 358,282</u>

Note 4. Contributed Assets and Services

The value of donated assets and services for the year ended June 30 are as follows:

	<u>2009</u>	<u>2008</u>
Contributions		
Donated Property and Equipment	\$ 700	\$ -
Donated Services	4,500	-
	<u>\$ 5,200</u>	<u>\$ -</u>
Expenses and Assets		
Property and Equipment	\$ 700	\$ -
Professional Services	4,500	-
	<u>\$ 5,200</u>	<u>\$ -</u>

Note 5. Operating Lease

United Way leases office space for \$1,500 per month under a lease expiring January 31, 2011. For the year ended June 30, 2008, United Way leased office space for \$1,000 per month for the period July 2007 to January 2008. United Way also leases a copier for \$218 per month under a lease which expires in June 2011.

Total rent paid during 2009 and 2008 was \$21,351 and \$17,703, respectively. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Annual Lease Payments</u>
2010	\$ 20,616
2011	13,116
	<u>\$ 33,732</u>

Note 6. Retirement Plan

Employees of United Way are eligible to participate in the 401(k) retirement plan through salary deferral after one year of service. United Way will match 100% up to 3% of the employee's salary. The employer contribution to the plan begins on the first day of the new calendar quarter after the employee has been employed one full year. Total employer matching contributions for the year ended June 30, 2009 and 2008 were \$0 and \$593, respectively.

UNITED WAY OF SUMNER COUNTY
Notes to Financial Statements - Continued
June 30, 2009 and 2008

Note 7. Restricted Net Assets

Board Designated

Board designated net assets consist of funds set aside to assist partner agencies with the financial needs associated with emergencies that arise within the Organizations.

Temporarily Restricted

Temporarily restricted net assets consist of funds raised to assist victims of natural disasters in Sumner, Macon, and Trousdale Counties.

Note 8. Subsequent Events

United Way has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2009 through September 14, 2009, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.