

UNITED WAY OF THE EASTERN PANHANDLE, WV
FINANCIAL STATEMENTS
(WITH SUPPLEMENTAL INFORMATION)
FOR THE YEAR ENDED JUNE 30, 2008

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS	3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activity	5
Statement of Cash Flows	6
Statement of Functional Expenses	7
Notes to Financial Statements	8-10
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	11
SUPPLEMENTARY INFORMATION	
Schedule of Combined Federal Campaign (CFC) Support and Revenue	13
Schedule of Agency Allocations	14



J.C. Kunkle & Associates, A.C.
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Board of Directors
United Way of the Eastern Panhandle, WV
Martinsburg, West Virginia

We have audited the accompanying statement of financial position of United Way of the Eastern Panhandle, WV as of June 30, 2008, and the related statements of activity, cash flows and functional expenses for the year 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 audit.

We conducted our audit 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 audit provides 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 the United Way of the Eastern Panhandle, WV as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

J.C. KUNKLE & ASSOCIATES, A.C.

Martinsburg, West Virginia
December 8, 2008

United Way of the Eastern Panhandle, Inc.
 STATEMENT OF FINANCIAL POSITION
 June 30, 2008

ASSETS

Cash and cash equivalents	\$ 651,563
Pledges receivable (net of allowance of \$ 53,147)	831,632
Prepaid insurance and other assets	3,222
Property and equipment, net	1,558
Investment in community foundation	2,000
Restricted assets - Combined Federal Campaign	
Cash	46,440
Pledges receivable	<u>87,946</u>
Total assets	<u><u>\$ 1,624,361</u></u>

LIABILITIES

Accounts payable and accrued expenses	\$ 3,558
Compensation liabilities	16,052
Agency liabilities	
Combined Federal Campaign	134,386
Other	<u>7,401</u>
Total liabilities	<u>161,397</u>

NET ASSETS

Temporarily restricted	1,353,867
Unrestricted	<u>109,097</u>
Total net assets	<u>1,462,964</u>
Total liabilities and net assets	<u><u>\$ 1,624,361</u></u>

The accompanying notes are an integral part of these statements.

United Way of the Eastern Panhandle, Inc.
STATEMENT OF ACTIVITY
For the year ended June 30, 2008

	Unrestricted	Temporarily Restricted	Total
SUPPORT, REVENUES AND RECLASSIFICATIONS			
Campaign contributions	\$ -	\$ 1,687,486	\$ 1,687,486
Combined Federal Campaign contributions	83,096	-	83,096
Less designations	(83,096)	-	(83,096)
In-kind contributions	19,463	-	19,463
Special events - net	23,646	-	23,646
Management fee	19,929	-	19,929
Interest and other	17,775	-	17,775
Program income	19,758	-	19,758
Reclassifications			
Satisfaction of purpose restrictions	1,419,315	(1,419,315)	-
Total support, revenue and reclassifications	1,519,886	268,171	1,788,057
EXPENSES			
Allocations:			
Agency	1,096,696	-	1,096,696
Other	35,189	-	35,189
Program services:			
Community support	122,734	-	122,734
Combined Federal Campaign	23,417	-	23,417
Supporting services			
Management and general	108,310	-	108,310
Fundraising	91,313	-	91,313
Payments to affiliated organizations	10,780	-	10,780
Total expenses	1,488,439	-	1,488,439
Change in net assets	31,447	268,171	299,618
Net assets at beginning of year	77,650	1,085,696	1,163,346
Net assets at end of year	\$ 109,097	\$ 1,353,867	\$ 1,462,964

The accompanying notes are an integral part of these statements.

United Way of the Eastern Panhandle, Inc.
STATEMENT OF CASH FLOW
For the year ended June 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 299,618
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,485
Changes in operating assets and liabilities	
Increase in pledges receivable	(363,694)
Decrease in prepaid expenses	8,721
Increase in accounts payable	1,379
Increase in compensation liabilities	910
Decrease in pass-through donations held	<u>(64,950)</u>
Net cash used in operating activities	<u>(116,531)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment in community foundation	<u>(2,000)</u>
Net decrease in cash and cash equivalents	<u>(118,531)</u>
CASH AND CASH EQUIVALENTS - beginning of year	<u>770,094</u>
CASH AND CASH EQUIVALENTS - end of year	<u><u>\$ 651,563</u></u>

**SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING
AND FINANCING ACTIVITIES**

None

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents per above	\$ 651,563
Cash and cash equivalents per statement of financial position	<u><u>\$ 651,563</u></u>

The accompanying notes are integral part of these statements.

United Way of the Eastern Panhandle, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2008

	Program Services			Supporting Services		Total
	Community Support	Combined Federal Campaign	Total	Management and General	Fund Raising	
Campaign supplies and awards	\$ -	\$ 1,234	\$ 1,234	\$ -	\$ 5,714	\$ 6,948
Community expense	-	-	-	1,422	-	1,422
Community project costs	1,949	-	1,949	-	-	1,949
Depreciation	-	-	-	1,485	-	1,485
Dues and subscriptions	-	-	-	163	-	163
Employee benefits	2,156	1,150	3,306	5,066	5,067	13,439
Equipment maintenance and contracts	-	-	-	1,751	-	1,751
In-kind expenses	3,300	-	3,300	4,565	11,598	19,463
Insurance	-	-	-	3,772	-	3,772
Occupancy and maintenance	2,531	856	3,387	11,827	-	15,214
Other expenses	311	-	311	1,783	-	2,094
Payroll taxes	4,672	1,148	5,820	4,102	4,102	14,024
Postage	-	165	165	1,820	1,819	3,804
Printing	-	642	642	4,135	4,812	9,589
Professional fees	-	1,250	1,250	4,700	-	5,950
Program costs	38,782	-	38,782	-	-	38,782
Salaries and wages	65,715	16,080	81,795	51,338	51,338	184,471
Supplies and expenses	748	243	991	1,563	1,563	4,117
Telephone	770	146	916	1,374	1,374	3,664
Training and meetings	50	400	450	6,769	3,251	10,470
Travel	1,750	103	1,853	675	675	3,203
	<u>\$ 122,734</u>	<u>\$ 23,417</u>	<u>\$ 146,151</u>	<u>\$ 108,310</u>	<u>\$ 91,313</u>	<u>\$ 345,774</u>

The accompanying notes are an integral part of these statements.

United Way of the Eastern Panhandle, WV
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The United Way of the Eastern Panhandle, WV is an organization of contributors dedicated to providing a voluntary organization to supply the means by which a cross section of citizens and agencies, governmental and voluntary, may join in a community-wide effort to deliver efficient human service programs effectively related to current needs. The Organization serves the citizens of Berkeley, Morgan, and Jefferson Counties, West Virginia.

The Organization is a nonprofit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Participating Federation

The United Way of the Eastern Panhandle, WV is required to meet certain requirements as a member federation of the Combined Federal Campaign including honoring designations made to each (federation) member organization by distributing a proportionate share of receipts based on donor designations to each member. The Organization complied with this requirements in all aspects for the year ended June 30, 2008.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. 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.

The Organization recognizes donor direct designations as campaign revenue and agency allocations as allowed by Financial Accounting Standards Board (FASB) Statement No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others* as a result of campaign literature that grants the Organization variance power over donor direct designations, if applicable.

Contributed Services

The Organization receives a substantial amount of donated services from volunteers who assist in fund raising and special projects. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

United Way of the Eastern Panhandle, WV
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the year ended June 30, 2008, the Organization's cash in bank balances exceeded insured FDIC limits on certain occasions. Management deems collateral risk of excess deposits to be minimal.

For purposes of reporting, management considers certificates of deposit to be cash equivalents.

Management does not include Combined Federal Campaign restricted cash as cash equivalents because of the agency nature of these accounts.

Pledges Receivable

The Organization uses the allowance method for recognizing uncollectible pledges.

Depreciation

Furniture and equipment are stated at cost and are being depreciated over estimated useful lives of 5-10 years using the straight-line method. Accumulated depreciation amounted to \$42,466 at June 30, 2008.

The Organization's policy is to capitalize all furniture and equipment costs in excess of \$500.

Investment in Community Foundation

The investment in community foundation is stated at cost.

NOTE 2: PLEDGES RECEIVABLE

Pledges receivable consist of the following:

Pledges	- 2007 Campaign	\$ 880,704
	- 2006 Campaign	4,075
Less allowance for uncollectible pledges		(53,147)
Net pledges receivable at June 30, 2008		\$ <u>831,632</u>

All of the above pledges are due in less than one year.