

**UNITED WAY OF GREATER AUGUSTA, INC.**

**AUDITED FINANCIAL STATEMENTS**

**FISCAL YEARS ENDED  
MARCH 31, 2010 AND 2009**



**UNITED WAY OF GREATER AUGUSTA, INC.**

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**EXECUTIVE DIRECTOR**

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UNITED WAY OF GREATER AUGUSTA, INC.

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
<b>Basic Financial Statements</b>	
Statements of Assets, Liabilities, and Net Assets-Modified Cash Basis	2
Statements of Revenues, Expenses, and Other Changes in Net Assets- Modified Cash Basis	3-4
Statements of Functional Expenses-Modified Cash Basis	5
Statements of Cash Flows-Modified Cash Basis	6
Notes to Financial Statements	7-10



1

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## INDEPENDENT AUDITORS' REPORT

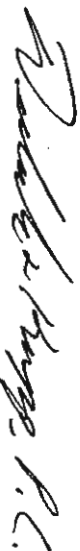
The Board of Directors  
United Way of Greater Augusta, Inc.  
Fishersville, Virginia

We have audited the accompanying statements of assets, liabilities, and net assets-modified cash basis of United Way of Greater Augusta, Inc. as of March 31, 2010 and 2009, and the related statements of revenues, expenses, and other changes in net assets-modified cash basis, functional expenses-modified cash basis, and cash flows-modified cash basis for the years then ended. These financial statements are the responsibility of United Way of Greater Augusta'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.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of United Way of Greater Augusta, Inc. as of March 31, 2010 and 2009, and the revenues, expenses, and other changes in net assets for the years then ended on the basis of accounting described in Note 1.



November 3, 2010

**BASIC FINANCIAL STATEMENTS**



**UNITED WAY OF GREATER AUGUSTA, INC.**  
**Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis**  
**At March 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 245,074	\$ 235,019
Investments	536	399
Total Current Assets	<u>245,610</u>	<u>235,418</u>
Property and Equipment: (Note 1)		
Office equipment	20,160	16,800
Less accumulated depreciation	(14,572)	(12,018)
Net Property and Equipment	<u>5,588</u>	<u>4,782</u>
Other Assets:		
Yoder art	600	600
Total Other Assets	<u>600</u>	<u>600</u>
Total Assets	<u>\$ 251,798</u>	<u>\$ 240,800</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Credit card payable	2,646	885
Payroll taxes payable	1,479	955
Designations payable	24,464	6,529
Total Liabilities	<u>28,589</u>	<u>8,369</u>
Net Assets:		
Unrestricted	223,209	232,431
Total Net Assets	<u>223,209</u>	<u>232,431</u>
Total Liabilities and Net Assets	<u>\$ 251,798</u>	<u>\$ 240,800</u>

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



**UNITED WAY OF GREATER AUGUSTA, INC.**  
**Statements of Revenues, Expenses, and Other Changes in Net Assets -**  
**Modified Cash Basis**  
**For the Years Ended March 31, 2010 and 2009**

	2010	2009
	Unrestricted	Unrestricted
<b>REVENUES AND OTHER SUPPORT:</b>		
Gross campaign revenue - 2006/2007	\$ 463	\$ 744
Less donor designations	-	-
Net campaign revenue - 2006/2007	463	744
Gross campaign revenue - 2007/2008	\$ 7,913	\$ 423,628
Less donor designations	(2,957)	(29,313)
Net campaign revenue - 2007/2008	4,956	394,315
Gross campaign revenue - 2008/2009	415,325	278,830
Less donor designations	(20,462)	(6,603)
Net campaign revenue - 2008/2009	394,863	272,227
Gross campaign revenue - 2009/2010	210,024	-
Less donor designations	(7,202)	-
Net campaign revenue - 2009/2010	202,822	-
Children's literacy grants	6,513	4,794
Investment income	2,773	3,297
Noncash donation	8,657	581
Realized gain (loss) on investments	54	-
Unrealized gain (loss) on investments	(12)	(182)
Miscellaneous income	2,519	3,349
Total Revenues and Other Support	<u>623,608</u>	<u>679,125</u>
<b>EXPENSES:</b>		
Program services:		
Partner agency allocations and designations	382,649	514,594
Partner agency grants	50,001	-
Less: donor designations	(30,621)	(35,916)
Net agency grants and allocations	402,029	478,678
Other program services	82,761	72,209
Total program services	<u>484,790</u>	<u>550,887</u>
Supporting services:		
Management and general	51,649	31,684
Fundraising	89,573	68,549
United Way of America dues	6,818	7,303
Total supporting services	<u>148,040</u>	<u>107,536</u>
Total Expenses	<u>632,830</u>	<u>658,423</u>

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



**UNITED WAY OF GREATER AUGUSTA, INC.**  
**Statements of Revenues, Expenses, and Other Changes in Net Assets -**  
**Modified Cash Basis**  
**For the Years Ended March 31, 2010 and 2009**

	2010 Unrestricted	2009 Unrestricted
Change in Net Assets	(9,222)	20,702
Net Assets, Beginning of year	<u>232,431</u>	<u>211,729</u>
Net Assets, End of year	<u>\$ 223,209</u>	<u>\$ 232,431</u>

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



UNITED WAY OF GREATER AUGUSTA, INC.  
 Statements of Functional Expenses - Modified Cash Basis  
 For the Years Ended March 31, 2010 and 2009

	2010					2009				
	Program Services	Supporting Services			Total	Program Services	Supporting Services			Total
		Management and General	Fundraising	United Way of America Dues			Management and General	Fundraising	United Way of America Dues	
Salaries	\$ 45,719	\$ 33,945	\$ 45,594	\$ -	\$ 125,258	\$ 42,764	\$ 18,745	\$ 32,686	\$ -	\$ 94,195
Payroll taxes	4,933	3,662	4,919	-	13,514	4,102	1,798	3,135	-	9,035
Total Personnel Costs	<u>50,652</u>	<u>37,607</u>	<u>50,513</u>	<u>-</u>	<u>138,772</u>	<u>46,866</u>	<u>20,543</u>	<u>35,821</u>	<u>-</u>	<u>103,230</u>
Advertising	475	351	472	-	1,298	150	66	115	-	331
Agency relations	1,142	-	-	-	1,142	131	-	-	-	131
Automobile expense	1,009	749	1,006	-	2,764	1,449	636	1,107	-	3,192
Bank service fees	341	253	340	-	934	419	184	321	-	924
Board expense	-	304	-	-	304	-	911	-	-	911
Campaign expense	-	-	20,281	-	20,281	-	-	14,893	-	14,893
Children's literacy program	8,761	-	-	-	8,761	-	-	-	-	-
Community relations	203	-	-	-	203	-	-	-	-	-
Contract labor	183	136	182	-	501	-	-	-	-	-
Dues and subscriptions	305	226	304	6,818	7,653	506	222	388	7,303	8,419
Insurance	1,103	820	1,101	-	3,024	1,239	543	947	-	2,729
Miscellaneous	-	-	-	-	-	378	165	288	-	831
Postage	274	203	273	-	750	420	185	321	-	926
Printing	983	730	981	-	2,694	1,496	656	1,144	-	3,296
Professional fees	2,445	1,816	2,439	-	6,700	3,042	1,333	2,325	-	6,700
Rent	3,778	2,805	3,767	-	10,350	5,504	2,413	4,207	-	12,124
Repairs and maintenance	1,157	859	1,154	-	3,170	763	334	582	-	1,679
Scholarships	3,500	-	-	-	3,500	1,000	-	-	-	1,000
Software, support, and website	868	646	867	-	2,381	991	435	758	-	2,184
Special events	-	-	326	-	326	-	-	-	-	-
Supplies	1,110	825	1,109	-	3,044	2,813	847	1,478	-	5,138
Telephone	1,754	1,302	1,749	-	4,805	1,544	677	1,180	-	3,401
Travel and training	1,121	832	1,118	-	3,071	828	363	633	-	1,824
Utilities	664	493	662	-	1,819	1,597	701	1,221	-	3,519
Total Other Operating Expenses	<u>31,176</u>	<u>13,350</u>	<u>38,131</u>	<u>6,818</u>	<u>89,475</u>	<u>24,270</u>	<u>10,671</u>	<u>31,908</u>	<u>7,303</u>	<u>74,152</u>
Depreciation	933	692	929	-	2,554	1,073	470	820	-	2,363
Total Operating Expenses	82,761	\$ 51,649	\$ 89,573	\$ 6,818	230,801	72,209	\$ 31,684	\$ 68,549	\$ 7,303	179,745
Net agency grants and allocations (shown separately on Page 3)	402,029				402,029	478,678				478,678
	<u>\$ 484,790</u>				<u>\$ 632,830</u>	<u>\$ 550,887</u>				<u>\$ 658,423</u>

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

**UNITED WAY OF GREATER AUGUSTA, INC.**  
**Statements of Cash Flows - Modified Cash Basis**  
**For the Years Ended March 31, 2010 and 2009**

	2010	2009
<b>Cash Flows from Operating Activities:</b>		
Cash received from contributions	\$ 627,552	\$ 671,554
Other receipts	2,519	3,349
Interest received	2,773	3,297
Cash paid to employees and suppliers	<u>(623,242)</u>	<u>(656,031)</u>
Net Cash Provided by Operating Activities	9,602	22,169
<b>Cash Flows from Investing Activities:</b>		
Sale of investments	453	-
Purchase of equipment	<u>-</u>	<u>(578)</u>
Net Cash Used by Investing Activities	453	(578)
<b>Cash Flows from Financing Activities:</b>		
Installment payment on software	<u>-</u>	<u>(1,873)</u>
Net Cash Used by Financing Activities	-	(1,873)
Net Increase in Cash	10,055	19,718
Cash and Cash Equivalents, Beginning of Year	<u>235,019</u>	<u>215,301</u>
Cash and Cash Equivalents, End of Year	<u>\$ 245,074</u>	<u>\$ 235,019</u>
<b>Supplemental disclosure of cash flow information:</b>		
Noncash investing activity:		
Noncash donation of equipment	<u>\$ 3,908</u>	<u>\$ 581</u>
<b>Reconciliation of change in net assets to net cash provided by operating activities:</b>		
Change in net assets	\$ (9,222)	\$ 20,702
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,554	2,363
Unrealized/realized (gains) losses	(42)	182
Noncash donation of equipment and stock (Note 4)	(3,908)	(581)
(Increase) decrease in security deposit	-	898
Increase (decrease) in credit card payable	1,761	(696)
Increase (decrease) in payroll taxes payable	524	(173)
Increase (decrease) in designations payable	<u>17,935</u>	<u>(526)</u>
Net Cash Provided by Operating Activities	<u>\$ 9,602</u>	<u>\$ 22,169</u>

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



UNITED WAY OF GREATER AUGUSTA, INC.

Notes to Financial Statements

March 31, 2010 and 2009

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

United Way of Greater Augusta, Inc. ("the Organization" or "United Way") is a not-for-profit corporation dedicated to serving as a catalyst to improve the lives of citizens in the community by assessing and prioritizing needs, mobilizing and focusing resources, and supporting and facilitating solutions. In accomplishing its mission, United Way raises funds that are used to support health and public welfare organizations that meet standards determined by the United Way. In addition, United Way provides financial support to individuals needing emergency assistance, and also distributes informational and referral directories. Contributions are primarily received from individuals and businesses located in the Staunton, Waynesboro, and Augusta County, Virginia areas.

**B. Financial Statement Presentation** – For the years ended March 31, 2010 and 2009, the Organization has prepared its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, 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.

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization has no permanently restricted net assets.

**C. Basis of Accounting**

The financial statements of the Organization have been prepared on the cash basis of accounting with modifications made for certain payroll liabilities and depreciation. Consequently, revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when incurred.

**--Contributions and campaign expenses**

The Organization conducts its annual campaign in the last quarter of each calendar year to raise support for allocations to participating agencies in the subsequent fiscal year. All contributions are considered to be available for unrestricted use unless specifically restricted by the contributor. Revenue is recognized as cash is received. Campaign expenses for annual campaigns are recognized when paid.

Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as an increase in temporarily restricted or permanently restricted net assets, depending on the nature of the restriction, in the reporting period in which the support is recognized. Temporarily restricted net assets are reclassified to unrestricted net assets in the period for which the use restriction has been met or the time restriction lapses.



**UNITED WAY OF GREATER AUGUSTA, INC.**  
**Notes to Financial Statements**  
**March 31, 2010 and 2009**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Property and Equipment**

Property and equipment is recorded at cost or fair value at the date of gift, if contributed. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Software	3 years
Computer Equipment	5 years
Furniture	7 years

Costs of maintenance and repairs are charged to expense when paid. The Organization capitalizes all fixed assets with a cost greater than or equal to \$300 and a useful life greater than one year.

**E. Designations Payable**

The Organization, as part of its annual campaign, raises and therefore collects amounts which contributors have designated to be distributed to various non-partner agencies and other United Ways. These designations do not represent income to the Organization but are recorded net of overhead fees as a liability at year-end.

**F. Contributed Services and Supplies**

Contributed services are recognized as contributions in accordance with generally accepted accounting principles for not-for-profit organizations, if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

A substantial number of volunteers contribute significant amounts of time to the Organization in the allocation process, campaign efforts, and community program efforts. The financial statements do not reflect the value of these services as contributions in the financial statements since such services do not meet the criteria under generally accepted accounting principles.

**G. Functional Allocation of Expenses**

The costs of providing the Organization's program and supporting services have been summarized on a functional basis in the statement of functional expenses-modified cash basis. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**H. Statement of Cash Flows**

For purposes of the statement of cash flows-modified cash basis, the Organization considers all deposits held at financial institutions, which are subject to withdrawal, and money market mutual funds to be cash and cash equivalents.

**I. Advertising**

The Organization expenses all advertising costs as they are incurred.

**J. Use of Estimates**

The preparation of financial statements 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 GREATER AUGUSTA, INC.  
Notes to Financial Statements  
March 31, 2010 and 2009

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**K. Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Accordingly, no provision is made for income tax in the financial statements.

**2. OPERATING LEASES**

The Organization leases office space in Fishersville, Virginia under a five-year lease, which began on January 1, 2009 and expires December 31, 2014. The facility is leased for \$750 per month for the first six months and \$900 thereafter. The lease will renew automatically for additional one year terms until either party gives the other at least sixty days written notice of termination, effective at the end of the term. Future minimum lease payments under the lease are as follows:

Year Ending March 31,	
2011	\$ 10,800
2012	10,800
2013	10,800
2014	8,100
Total	<u>\$ 40,500</u>

The Organization also leases a copier under a five-year operating lease, which began in March 2008 and expires February 2013. The copier is leased for \$179 per month. Future minimum lease payments under the lease are as follows:

Year Ending March 31,	
2011	\$ 2,148
2012	2,148
2013	1,969
Total	<u>\$ 6,265</u>

**3. CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization maintains cash balances in bank deposit accounts at a bank, which at times exceeded federally insured limits. The Organization's cash deposits in a bank that were not federally insured as of March 31, 2010 and 2009 totaled \$10,700 and \$-0, respectively.



**UNITED WAY OF GREATER AUGUSTA, INC.**  
**Notes to Financial Statements**  
**March 31, 2010 and 2009**

**4. NONCASH DONATIONS**

The value of non-cash (in-kind) contributions included as donations in the financial statements and the corresponding allocation for the years ended March 31, 2009 and 2008 is as follows:

	2010	2009
Donation of equipment	\$ 3,360	-
Donation of office supplies	299	-
Donation of fundraising supplies	4,450	-
Donation of stock	548	581
Total	<u>\$ 8,657</u>	<u>\$ 581</u>

**5. INVESTMENTS**

Investments at March 31, 2010 and 2009 are stated at fair value and are summarized as follows:

	2010		2009	
	Cost	Fair Value	Cost	Fair Value
Unrestricted:				
Corporate stock	\$ 548	\$ 536	\$ 581	\$ 399
Total	<u>\$ 548</u>	<u>\$ 536</u>	<u>\$ 581</u>	<u>\$ 399</u>

The following schedule summarizes investment returns for the year ended March 31, 2009:

Fair value when donated	\$ 581
Unrealized gain (loss) on investment, 3/31/09	(182)
Fair value, 3/31/09	<u>\$ 399</u>

The following schedule summarizes investment returns for the year ended March 31, 2010:

Fair value, 4/1/09	\$ 399	Unrestricted
Sale of stock	(453)	
Donation of stock	548	
Realized gain (loss) on investment, 3/31/10	54	
Unrealized gain (loss) on investment, 3/31/10	(12)	
Fair value, 3/31/10	<u>\$ 536</u>	

**6. SUBSEQUENT EVENTS**

The Organization did not have any subsequent events through November 3, 2010, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ended March 31, 2010

