

**UNITED WAY
OF MATANUSKA-SUSITNA BOROUGH**

Audited Financial Statements

Years Ended June 30, 2009 and 2008

UNITED WAY OF MATANUSKA-SUSITNA BOROUGH

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Matanuska-Susitna Borough
Wasilla, Alaska

I have audited the accompanying statements of financial position of United Way of Matanuska-Susitna Borough as of June 30, 2009 and 2008, and the related statements of activity, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the management of United Way of Matanuska-Susitna Borough. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted the audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Matanuska-Susitna Borough 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.



Foster & Company
Karen M. Foster, CPA

August 20, 2009

UNITED WAY OF MATANUSKA-SUSITNA BOROUGH
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets:		
Unrestricted Cash	\$ 343,344	\$ 319,628
Temporarily Restricted Cash	34,458	65,079
Unconditional Promises to Give, Net of Allowance for Uncollectible Promises	418,816	319,960
Grants Receivable	135,500	65,000
Investment in Stocks	-	2,336
Prepaid Expenses & Other Assets	<u>11,745</u>	<u>6,973</u>
Total Current Assets	<u>943,863</u>	<u>778,976</u>
Property and Equipment		
Furniture & Equipment	25,839	24,640
Less Accumulated Depreciation	<u>(18,779)</u>	<u>(15,568)</u>
Property and Equipment - Net	<u>7,060</u>	<u>9,072</u>
TOTAL ASSETS	\$ <u>950,923</u>	\$ <u>788,048</u>
LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 1,685	\$ 918
Coalition Payable	68,360	-
Grants Payable	-	21,505
Allocations Payable	<u>333,268</u>	<u>445,412</u>
TOTAL LIABILITIES	<u>403,313</u>	<u>467,835</u>
NET ASSETS		
Temporarily Restricted Net Assets	192,933	105,079
Unrestricted Net Assets		
Designated for:		
Property and equipment	7,060	9,072
Emergency disaster fund	77,516	52,702
Undesignated	<u>270,101</u>	<u>153,360</u>
TOTAL NET ASSETS	<u>547,610</u>	<u>320,213</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>950,923</u>	\$ <u>788,048</u>

UNITED WAY OF MATANUSKA-SUSITNA BOROUGH

STATEMENTS OF ACTIVITIES - Page 1 of 2

Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CHANGES IN UNRESTRICTED NET ASSETS		
From Cash Operating Activities		
Support (including \$184,098 and \$90,025 in assets released from temporary restrictions. See Note H)		
Corporations and Individuals	\$ 716,417	\$ 645,583
Foundations	97,500	37,025
Government	<u>53,952</u>	<u>52,780</u>
SUBTOTAL - SUPPORT	867,869	735,388
Revenue		
Fees & Services	-	10,169
Fundraising	11,800	3,495
Other Income	<u>4,999</u>	<u>3,490</u>
SUBTOTAL - REVENUE	16,799	17,154
TOTAL REVENUE AND SUPPORT	<u>884,668</u>	<u>752,542</u>
Expenses		
Program Services	625,779	680,555
General and Administrative	73,903	69,742
Fundraising	<u>16,665</u>	<u>16,515</u>
TOTAL EXPENSE	<u>716,347</u>	<u>766,812</u>
Increase (Decrease) in Net Assets from Cash Operating activities (excluding depreciation expense)	\$ <u>168,321</u>	\$ <u>(14,270)</u>

UNITED WAY OF MATANUSKA-SUSITNA BOROUGH
STATEMENTS OF ACTIVITIES - Page 2 of 2
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CHANGES IN UNRESTRICTED NET ASSETS		
From Non-Cash Activities - Depreciation	\$ <u>(3,211)</u>	\$ <u>(2,450)</u>
SUBTOTAL NON-CASH ACTIVITIES	<u>(3,211)</u>	<u>(2,450)</u>
From Non - Operating Activities -		
Interest income	1,933	4,236
Loss on disposal of assets	<u>-</u>	<u>(6,178)</u>
SUBTOTAL NON- OPERATING ACTIVITIES	1,933	(1,942)
CHANGE IN UNRESTRICTED NET ASSETS FROM NON- OPERATING AND NON-CASH ACTIVITIES	<u>(1,278)</u>	<u>(4,392)</u>
Increase (decrease) in unrestricted net assets	<u>167,043</u>	<u>(18,662)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Grants -		
Government	53,952	52,780
Foundation	163,000	130,000
Net assets released from restrictions	<u>(156,598)</u>	<u>(90,025)</u>
Increase (Decrease) in temporarily restricted net assets	<u>60,354</u>	<u>92,755</u>
INCREASE (DECREASE) IN NET ASSETS	227,397	74,093
NET ASSETS, beginning of year	<u>320,213</u>	<u>246,120</u>
NET ASSETS, end of year	<u>\$ 547,610</u>	<u>\$ 320,213</u>

UNITED WAY OF MATANUSKA-SUSITNA BOROUGH
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2009 and 2008

	PROGRAM SERVICES	GENERAL & ADMINISTRATIVE	FUNDRAISING	2009 TOTAL
Allocations	\$ 374,808	\$ -	\$ -	\$ 374,808
Pass-Through Grants	48,020	-	-	48,020
Substance Abuse Coalition	96,613	-	-	96,613
Personnel Expenses	90,499	22,625	-	113,124
Rent	-	11,525	-	11,525
Campaign Supplies	-	-	16,665	16,665
Accounting & Auditing	-	14,250	-	14,250
United Way of America	3,947	-	-	3,947
Telephone	-	3,611	-	3,611
Travel & Training	-	6,199	-	6,199
Office Expense	-	10,160	-	10,160
Community Awareness	5,949	-	-	5,949
Insurance	-	3,363	-	3,363
Other Expenses	5,943	2,170	-	8,113
TOTAL CASH EXPENSES	625,779	73,903	16,665	716,347
Depreciation and Amortization	-	3,211	-	3,211
TOTAL EXPENSES	\$ 625,779	\$ 77,114	\$ 16,665	\$ 719,558

	PROGRAM SERVICES	GENERAL & ADMINISTRATIVE	FUNDRAISING	2008 TOTAL
Allocations	\$ 502,498	\$ -	\$ -	\$ 502,498
Pass-Through Grants	52,780	-	-	52,780
Substance Abuse Coalition	37,675	-	-	37,675
Personnel Expenses	79,011	19,752	-	98,763
Rent	-	13,555	-	13,555
Campaign Supplies	-	-	14,626	14,626
Accounting & Auditing	-	13,600	-	13,600
Special Events	-	-	1,067	1,067
United Way of America	3,425	-	-	3,425
Telephone	-	4,066	-	4,066
Travel & Training	-	2,345	-	2,345
Office Expense	-	10,439	-	10,439
Community Awareness	1,670	-	822	2,492
Insurance	-	3,437	-	3,437
Other Expenses	3,496	2,548	-	6,044
TOTAL CASH EXPENSES	680,555	69,742	16,515	766,812
Loss on Disposal of Assets	-	6,178	-	6,178
Depreciation and Amortization	-	2,450	-	2,450
TOTAL EXPENSES	\$ 680,555	\$ 78,370	\$ 16,515	\$ 775,440

UNITED WAY OF MATANUSKA-SUSITNA BOROUGH
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 227,397	\$ 74,093
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and Amortization	3,210	2,450
Loss on disposal of assets	-	6,179
 (Increase) Decrease in operating assets		
Unconditional Promises to Give	(98,856)	(78,598)
Prepaid Expenses & Other Assets	(4,772)	(4,527)
Grants Receivable	(70,500)	(65,000)
 Increase (Decrease) in operating liabilities		
Accounts Payable	767	918
Allocation Payable	(112,144)	171,267
Grants Payable	(21,505)	21,505
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(5,707)	128,287
 CASH FLOWS USED BY INVESTING ACTIVITIES		
Payments for Property & Equipment	(1,198)	(5,627)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,905)	122,660
 BEGINNING CASH & CASH EQUIVALENTS	384,707	262,047
 ENDING CASH AND CASH EQUIVALENTS	\$ 377,802	\$ 384,707

UNITED WAY OF MATANUSKA-SUSITNA BOROUGH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 and 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – United Way of Matanuska-Susitna Borough (the Organization) is a non-profit organization incorporated December 28, 1987. The primary purpose of the Organization is to stimulate the interest and participation of the citizens of the Matanuska-Susitna Borough on behalf of worthy local educational, health, welfare and youth Organizations; to solicit and receive contributions for member agencies and to allocate and distribute funds raised to member agencies and needy persons. The financial statements of the Organization are presented on the accrual basis of accounting.

Management of the Organization uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that are used.

Revenue & Support – In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. In accordance with SFAS No. 136, contributions designated by donors for specific affiliate/member and unaffiliated organizations are recorded as a liability to the designated beneficiary, not as campaign revenue.

Financial Statement Presentation – In accordance with SFAS No. 117, information regarding the Organization's financial position and activities is reported according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash & Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all demand deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Promises to Give – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are recognized as revenue in the period that the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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

UNITED WAY OF MATANUSKA-SUSITNA BOROUGH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 and 2008

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment – Property and equipment with an original cost exceeding \$500 is recorded at cost or, in the case of donated property, at its estimated fair value as of the date of the contribution. This is an unwritten policy. Depreciation is provided using the straight-line method over the estimated useful lives of the property, which range from two to seven years. Expenditures for repairs and maintenance are charged against operations as incurred.

Income Taxes – The Organization is exempt from federal and state income taxes as a nonprofit corporation under Section 501 (c) (3) of the Internal Revenue Code and is classified as other than a private foundation.

NOTE B – ALLOWANCE FOR UNCOLLECTIBLE PROMISES TO GIVE

Management estimates that approximately 8% of the total promises to give are uncollectible and records a provision for uncollectible promises to give. At June 30, 2009 and 2008, the allowance for uncollectible promises to give totaled \$59,636 and \$51,436 respectively.

NOTE C – ALLOCATIONS

Allocations are commitments to pay qualifying member agencies that submit applications for funding and commitments to pay non-member agencies as designated by the donors. The Organization’s Board of Directors makes funding approval. The allocation expense recognized is based upon actual payments made for prior years’ campaign contributions as well as an accrual for current year unconditional promises to give. The allocation accrual is calculated providing for the Organization’s anticipated general and administrative and fundraising costs. A 15% administrative fee is withheld for partner agencies from amounts received that are designated by the donor for specific agencies. A 23% administrative fee is withheld for non-partner agencies from amounts received that are designated by the donor for specific agencies.

NOTE D – LEASE COMMITMENT

The Organization leases office space under a three-year non-cancelable operating lease agreement. In an effort to offset its rental costs, the Organization subleases some of its leased office space to other not-for-profit organizations with terms of one to three years. The Organization is obligated to pay the lessor \$950 per month. The future net minimum rental payments under the lease agreement as of June 30, 2009 are as follows:

Year Ending June 30, 2010	11,400
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UNITED WAY OF MATANUSKA-SUSITNA BOROUGH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 and 2008

NOTE E – DONATED SERVICES

The Organization receives donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the financial statements for these services because the criterion for recognition under SFAS No. 116 has not been satisfied.

NOTE F – CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at several local financial institutions. Amounts at each institution are insured up to \$250,000 and \$100,000 at June 30, 2009 and 2008, and the Organization’s uninsured cash balances totaled \$-0- and \$129,490 respectively.

NOTE G – CALCULATION OF OVERHEAD RATIO PERCENTAGE

	<u>2009</u>	<u>2008</u>
General, Administrative & Fundraising Expense	\$ 93,779	\$ 94,885
Total Campaign Support and Other Revenue	\$ 946,955	\$ 846,753
General, Administrative & Fundraising Expenses Expressed as a Percentage of Total Campaign Support and Other Revenue	9.90%	11.20%

UNITED WAY OF MATANUSKA-SUSITNA BOROUGH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 and 2008

NOTE H – UNRESTRICTED & TEMPORARILY RESTRICTED GRANTS AND SUPPORT

Type of Donor	Temporarily Restricted Grants & Support				Unrestricted Grants & Support		
	Balance at 06/30/08	Grants Received in FY09	Grants Released to Unrestricted in FY09	Balance at 06/30/09	Temporarily Restricted Grants Released in FY09	Unrestricted Grants & Support Received in FY09	Total Unrestricted Grants & Support for FY09
For Operating Foundations	\$ 92,975	163,000	97,500	158,475	97,500	-	\$ 97,500
Individuals & Corporations	5,146	-	5,146	-	5,146	711,271	716,417
Government	\$ 6,958	53,952	53,952	6,958	53,952	-	53,952
Total	\$105,079	216,952	156,598	165,433	156,598	711,271	\$ 867,869

Type of Donor	Temporarily Restricted Grants & Support				Unrestricted Grants & Support		
	Balance at 06/30/07	Grants Received in FY08	Grants Released to Unrestricted in FY08	Balance at 06/30/08	Temporarily Restricted Grants Released in FY08	Unrestricted Grants & Support Received in FY08	Total Unrestricted Grants & Support for FY08
For Operating Foundations	\$ -	130,000	37,025	92,975	37,025	-	\$ 37,025
Individuals & Corporations	5,366	-	220	5,146	220	645,583	645,583
Government	6,958	52,780	52,780	6,958	52,780	-	52,780
Total	\$ 12,324	182,780	90,025	105,079	90,025	645,583	\$ 735,388