

**Audited Financial Statements  
of  
United Way of South Central Missouri  
For the Period Ended September 30, 2010**

**Kean & Company, LLC  
Certified Public Accountants  
704 West 2<sup>nd</sup> Street, PO Box 876  
Rolla, Missouri 65402**

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**INDEPENDENT AUDITORS' REPORT**

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To the Board of Directors of  
**United Way of South Central Missouri**

We have audited the accompanying statement of financial position of **United Way of South Central Missouri** (a nonprofit organization) as of September 30, 2010 and 2009 and the related statements of activities and cash flows for the years 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 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 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 South Central Missouri** as of September 30, 2010 and 2009 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.

*Kean & Company*

Kean & Company, LLC  
December 17, 2010

**United Way of South Central Missouri**  
**Statement of Financial Position**  
as of September 30, 2010 and 2009

|   | <u>Sep 30, 2010</u> | <u>Sep 30, 2009</u> |
|---|---------------------|---------------------|
| <b>ASSETS</b>                             |                     |                     |
| <b>Current Assets</b>                     |                     |                     |
| Cash                                      | \$ 42,674           | \$ 30,536           |
| Contributions Receivable                  | 11,634              | 24,839              |
| Combined Federal Campaign Receivable      | 43,618              | 39,027              |
| <b>Total Current Assets</b>               | <u>97,926</u>       | <u>94,402</u>       |
| <b>TOTAL ASSETS</b>                       | <u>\$ 97,926</u>    | <u>\$ 94,402</u>    |
| <b>LIABILITIES &amp; NET ASSETS</b>       |                     |                     |
| <b>Current Liabilities</b>                |                     |                     |
| Payroll Liabilities                       | \$ 1,427            | \$ 1,351            |
| <b>Net Assets</b>                         |                     |                     |
| Unrestricted                              | <u>96,499</u>       | <u>93,051</u>       |
| <b>TOTAL LIABILITIES &amp; NET ASSETS</b> | <u>\$ 97,926</u>    | <u>\$ 94,402</u>    |

See accompanying notes to financial statements.

**United Way of South Central Missouri**  
**Statement of Activities**  
Years ended September 30, 2010 and 2009

|   | <b>Oct 09- Sep 10</b> | <b>Oct 08- Sep 09</b> |
|---|-----------------------|-----------------------|
| <b>Revenue</b>  |                       |                       |
| <b>Public Support and Revenue</b>                     |                       |                       |
| 2009 Contributions                                    | 163                   | 177,918               |
| 2010 Contributions                                    | 170,082               | 10,549                |
| 2011 Contributions                                    | 6,869                 | -                     |
| <b>Total Public Support and Revenue</b>               | 177,114               | 188,467               |
| Golf tournament Income                                | 9,556                 | 8,823                 |
| Luncheon - Kickoff Income                             | 1,200                 | 1,074                 |
| Interest Income                                       | 244                   | 236                   |
| Other Income  | 2,124                 | 692                   |
| <b>Total Revenue</b>                                  | 190,238               | 199,292               |
| <b>Expenses</b>                                       |                       |                       |
| <b>Program Services</b>                               |                       |                       |
| 2008 Fund Allocation                                  | -                     | 40,000                |
| 2009 Fund Allocation                                  | 29,902                | 133,410               |
| 2010 Fund Allocation                                  | 112,327               | -                     |
| <b>Total Program Services</b>                         | 142,229               | 173,410               |
| <b>Supporting Services</b>                            |                       |                       |
| Audit   | 2,550                 | 2,550                 |
| Membership Dues                                       | 1,934                 | 2,284                 |
| Postage   | 489                   | 216                   |
| Fundraising Expenses                                  | 6,178                 | 7,864                 |
| Supplies  | 1,124                 | 1,916                 |
| Kickoff Luncheon                                      | 1,291                 | 1,074                 |
| Payroll   | 14,503                | 14,532                |
| Uncollected Pledge Expense                            | 13,515                | 552                   |
| Miscellaneous   | 3,843                 | 2,196                 |
| <b>Total Supporting Services</b>                      | 45,427                | 33,184                |
| <b>Total Expense</b>                                  | 187,656               | 206,594               |
| <b>Increase (Decrease) in Unrestricted Net Assets</b> | 2,583                 | (7,302)               |
| <b>Other Income/Expense</b>                           |                       |                       |
| <b>Other Income</b>                                   |                       |                       |
| Combined Federal Campaign Reimbursements              | 79,627                | 86,075                |
| <b>Other Expense</b>                                  |                       |                       |
| Combined Federal Campaign expenses                    | (78,762)              | (85,289)              |
| <b>Net Other Income</b>                               | 865                   | 786                   |
| <b>Increase (Decrease) in Unrestricted Net Assets</b> | 3,448                 | (6,516)               |
| <b>Net assets, Beginning of Year</b>                  | 93,051                | 99,567                |
| <b>Net Assets, End of Year</b>                        | \$ 96,499             | \$ 93,051             |

See accompanying notes to financial statements.

**United Way of South Central Missouri**  
**Statement of Cash Flows**  
For the year ended September 30, 2010

|  |                         |
|--|-------------------------|
| <b>OPERATING ACTIVITIES</b>  |                         |
| Increase in Net Assets   | \$ 3,448                |
| Adjustments to reconcile Net Income<br>to net cash provided by operations: |                         |
| Decrease in Contributions Receivable                                       | 13,205                  |
| Increase in Combined Federal Campaign Receivable                           | (4,591)                 |
| Increase in Payroll Liabilities  | 76                      |
| Net cash provided by Operating Activities                                  | <u>12,138</u>           |
| Net cash provided by operating activities                                  | 12,138                  |
| Cash at beginning of period  | 30,536                  |
| Cash at end of period  | <u><u>\$ 42,674</u></u> |

See accompanying notes to financial statements.

**United Way of South Central Missouri**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Organization was incorporated in 1957 for the purpose of assisting the Phelps County area service organizations on the basis of need, cost effectiveness, the number of people an organization serves, and how much the organization serves Phelps County. In January 2009, the Organization expanded into Dent, Maries, and Pulaski Counties and changed its name from The United Way of Phelps County to The United Way of South Central Missouri.

***Pledges and Public Support***

The Organization follows SFAS No. 116, *Accounting for Contributions Received and Contributions Made* in that pledges are recorded as public support contributions in the year pledged, even if the pledge is paid in a later fiscal year.

***Program Services***

Fund allocations to approved agencies are paid at intervals when a substantial amount has been collected from pledges for that particular fund year.

***Income Taxes***

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

***Property and Equipment***

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

***Financial Statement Presentation***

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.

**United Way of South Central Missouri**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

***Contributions***

Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

***Cash and Cash Equivalents***

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**2. DONATED MATERIALS AND SERVICES**

No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fund-raising campaigns. The Rolla Area Chamber of Commerce donates their office facilities for administrative and clerical use.

**3. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

**4. COMBINED FEDERAL CAMPAIGN**

The United Way of South Central Missouri is currently providing administrative services for The Combined Federal Campaign, a local non-profit organization. All funds expended for the Combined Federal Campaign will be reimbursed by that organization. The Combined Federal Campaign will collect donations from military personnel for the United Way and remit those funds to United Way of South Central Missouri. The Combined Federal Campaign receivable balance as of September 30, 2010 was \$43,618.

United Way of South Central Missouri  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

**5. COMBINED FEDERAL CAMPAIGN DISBURSEMENTS**

The disbursement requests made by the Combined Federal Campaign for donor disbursements were reviewed and match the checks written by the United Way of South Central Missouri for those requests.



December 17, 2010

To the Board of Directors of:

United Way of South Central Missouri  
Rolla, Missouri

In planning and performing our audit of the financial statements of The United Way of South Central Missouri for the year ended September 30, 2010 and 2009, we considered the Organizations internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

#### Organizational Structure

The size of the Organization's accounting and administrative staff preclude certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remains involved in the financial affairs of the Organization to provide oversight and independent review.

Contributions and other forms of revenue could be automatically sent to a lockbox. In this case the Organization's mail would be forwarded to their bank. The bank would open all mail, and deposit any checks, and send a report of deposits to the secretary.

#### Receivable Collections

The Organization currently acts as an intermediary on behalf of the Combined Federal Campaign (CFC) in which the Organization pays all CFC bills and payroll out of its own funds, then awaits repayment. The Organization should require more prompt repayment of CFC receivables in order to minimize the balance due at any given time.

We wish to thank the Organization for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

  
Kean & Company, LLC

December 17, 2010