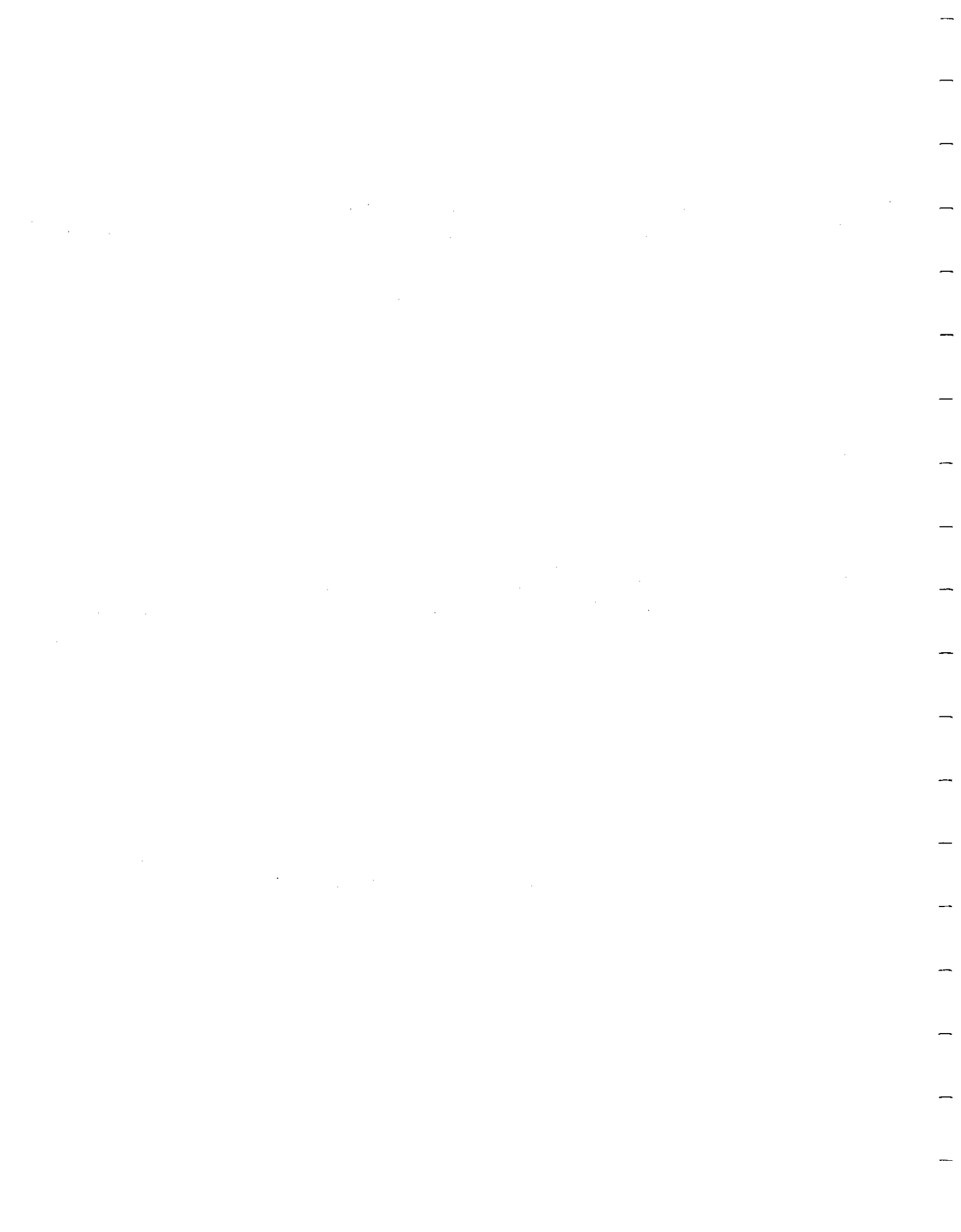


**UNITED WAY OF THE RIVER CITIES, INC.  
(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

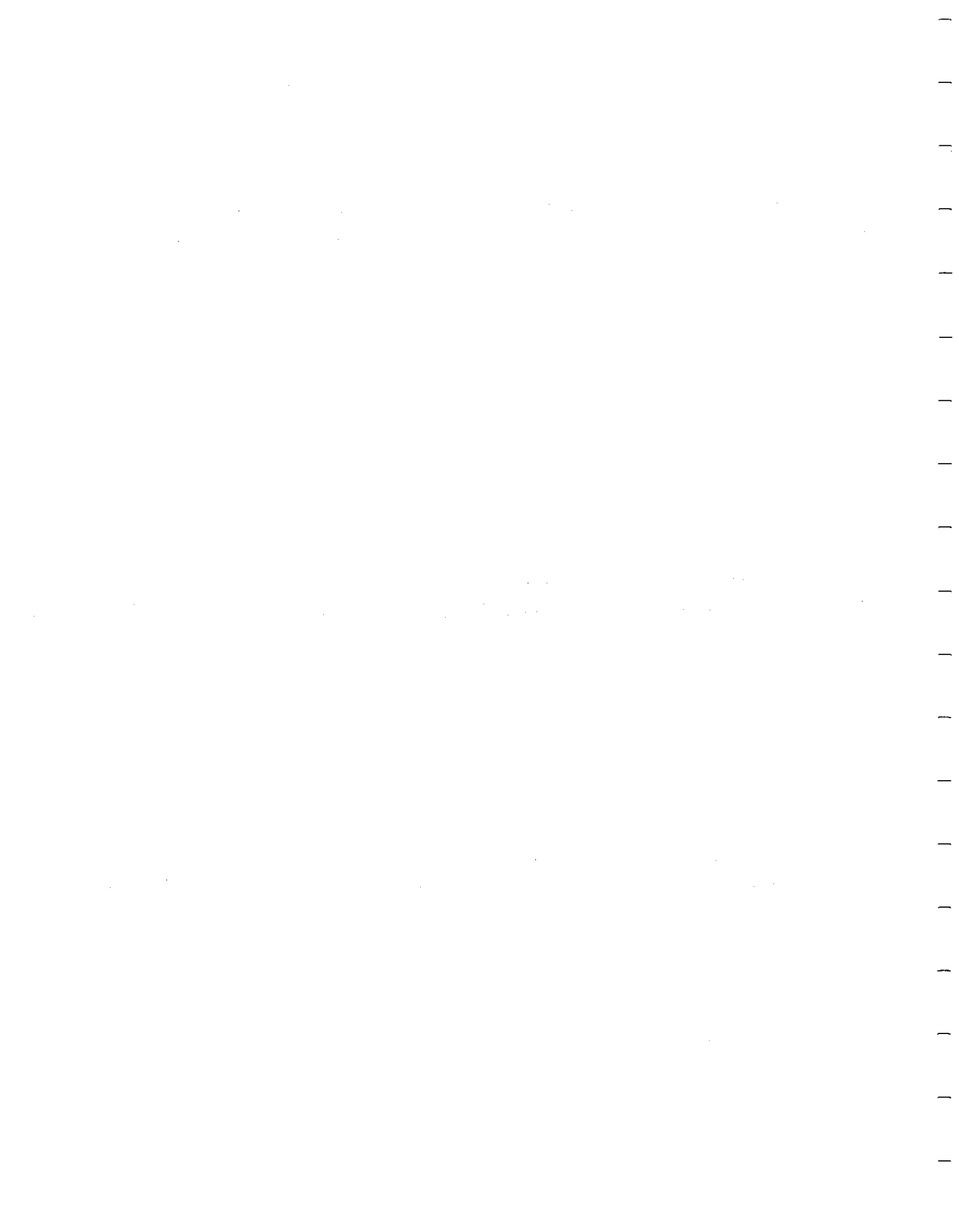
**FOR THE YEARS ENDED  
DECEMBER 31, 2009 AND 2008**



**UNITED WAY OF THE RIVER CITIES, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>MANAGEMENT'S REPORT</b>	1
<b>INDEPENDENT AUDITOR'S REPORT</b>	2
<b>FINANCIAL STATEMENTS:</b>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 17
<b>REPORT ON INTERNAL CONTROL AND COMPLIANCE</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18 - 19



# Management's Report

## United Way of the River Cities, Inc.

### 2009 Financial Statements

The United Way of the River Cities, Inc. (UWRC) is responsible for the preparation, integrity and fair presentation of its published financial statements. UWRC management is responsible for the reliability and objectivity of the financial statements. The statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, as such, include amounts based on informed estimates and judgments of management.

The Board of Directors, operating through its Finance Committee, provides oversight of the financial reporting process and safeguarding of assets against unauthorized acquisition, use, or disposition.

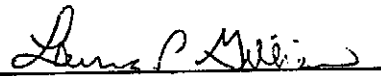
UWRC maintains a system of internal control over financial reporting and over safeguarding of assets which is designed to provide reasonable assurance to management, the Finance Committee, and the Board of Directors regarding the preparation of reliable published financial statements.

I, Laura P. Gilliam, Executive Director, and I, David L. Carter, Director of Finance, certify that:

1. We have reviewed these financial statements;
2. Based on our knowledge, the statements do not contain any untrue statement of a material fact, nor do they omit a material fact;
3. Based on our knowledge, the financial statements fairly present in all material respects the financial position, results of operations, changes in net assets, and cash flows of the United Way of the River Cities, Inc.; in accordance with accounting principles generally accepted in the United States of America.
4. We are responsible for establishing and maintaining a system of internal controls and procedures;
5. We are responsible for disclosing any significant deficiencies and material weaknesses in the internal controls over financial reporting, and any known fraud or allegations of fraud that involves management or other employees, of which we are not aware of any such conditions existing for the year ended December 31, 2009

As of December 31, 2009, the United Way of the River Cities, Inc. believes its system of internal controls over financial reporting was effective for providing reliable financial statements.

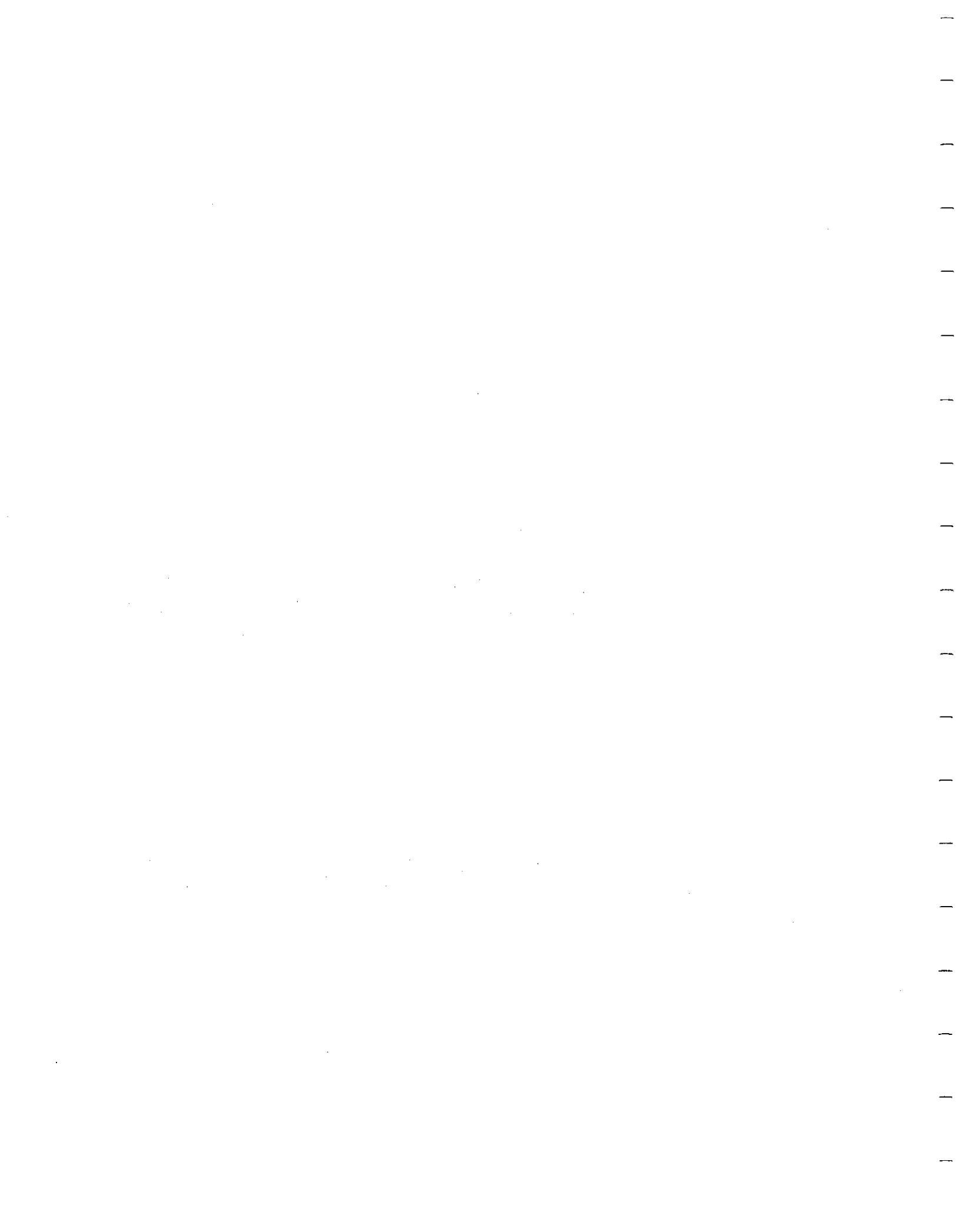
Signed:



Laura P. Gilliam  
Executive Director



David L. Carter  
Director of Finance



# SULLIVANWEBB, PLLC

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MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
WV SOCIETY OF CERTIFIED PUBLIC  
ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way of the River Cities, Inc.  
Huntington, West Virginia

We have audited the accompanying statements of financial position of United Way of the River Cities, Inc. (a non-profit organization), as of December 31, 2009 and 2008, and the related statement 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the comptroller general of the United States. 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 the River Cities, Inc. as of December 31, 2009 and 2008, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated September 30, 2010, on our consideration of United Way of the River Cities, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



September 30, 2010

**UNITED WAY OF THE RIVER CITIES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2009 AND 2008**

	<b>ASSETS</b>	
	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 840,166	\$ 836,573
Certificates of deposit	351,024	516,008
Investment held by UWRC Foundation, Inc.	251,971	218,897
Receivable - UWRCF, Inc.	650	-0-
Grants receivable	17,862	16,265
Pledges receivable, net of allowance for uncollectible pledges of \$146,182 and \$153,848 in 2009 and 2008, respectively	954,194	1,226,482
Contribution receivable, net of discount - charitable lead trust	20,612	20,342
Prepaid expenses	6,343	4,518
<b>TOTAL CURRENT ASSETS</b>	<u>2,442,822</u>	<u>2,839,085</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	260,000	260,000
Building and fixtures	529,295	529,295
Furniture and fixtures	44,282	43,337
Computers, equipment, software	131,708	122,758
Less: accumulated depreciation	<u>(261,759)</u>	<u>(243,061)</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>703,526</u>	<u>712,329</u>
<b>LONG-TERM ASSETS</b>		
Contribution receivable, net of discount - charitable lead trust	93,288	118,858
Beneficial interest - perpetual trust	<u>405,738</u>	<u>364,200</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>3,645,374</u></b>	<b>\$ <u>4,034,472</u></b>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 9,126	\$ 7,111
Agency allocations	778,933	1,053,751
National health agencies and international service agencies	-0-	112,080
Agency audits payable	14,676	16,000
Other allocations and designated agencies	164,479	101,450
Accrued expenses	1,147	1,087
Due to other entities	-0-	875
Deferred revenue	3,561	27,236
Deposits	9,012	-0-
Capital lease obligation	1,745	1,609
<b>TOTAL CURRENT LIABILITIES</b>	<u>982,679</u>	<u>1,321,199</u>
<b>LONG-TERM LIABILITIES</b>		
Capital lease obligation	\$ 5,412	7,157
<b>TOTAL LIABILITIES</b>	<u>988,091</u>	<u>1,328,356</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED:</b>		
Investment in property and equipment	696,369	703,563
Board designated	501,971	468,897
Undesignated	885,277	1,016,842
Total Unrestricted	<u>2,083,617</u>	<u>2,189,302</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	167,928	152,614
<b>PERMANENTLY RESTRICTED</b>	<u>405,738</u>	<u>364,200</u>
<b>TOTAL NET ASSETS</b>	<u>2,657,283</u>	<u>2,706,116</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>3,645,374</u></b>	<b>\$ <u>4,034,472</u></b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**UNITED WAY OF THE RIVER CITIES, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>		
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>		
Gifts and Bequests	\$ 13,230	\$ 35,000
Annual campaign pledges	1,147,497	1,455,900
Additional funds from prior campaigns	53,403	81,405
Less: Pass-through designations to non-partner agencies	<u>(111,753)</u>	<u>(179,304)</u>
	1,102,377	1,393,001
Interest	15,442	32,443
Grants	60,908	91,048
Program	24,514	60,562
Other	<u>12,300</u>	<u>7,241</u>
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b><u>1,215,541</u></b>	<b><u>1,584,295</u></b>
Temporarily restricted net assets released from restriction:		
Payments on charitable trust	26,250	21,000
Satisfaction of specific grant programs	<u>13,414</u>	<u>-0-</u>
<b>EXPENSES:</b>		
Program expense	1,105,518	1,279,897
Supporting services:		
Administrative expense	141,059	161,894
Fundraising expense	<u>147,387</u>	<u>136,199</u>
<b>TOTAL EXPENSES</b>	<b><u>1,393,964</u></b>	<b><u>1,577,990</u></b>
<b>UNREALIZED (LOSS) GAIN ON INVESTMENT (NOTE 12)</b>	<b><u>33,074</u></b>	<b><u>(91,511)</u></b>
<b>(DECREASE) INCREASE IN UNRESTRICTED NET ASSETS</b>	<b><u>(105,685)</u></b>	<b><u>(64,206)</u></b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Change in value of charitable lead trust	950	24,780
Temporarily restricted grants	54,028	13,414
Net assets release from restrictions	<u>(39,664)</u>	<u>(21,000)</u>
<b>(DECREASE) INCREASE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<b><u>15,314</u></b>	<b><u>17,194</u></b>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>		
Net gains (loss) beneficial interest perpetual trust	<u>41,538</u>	<u>(204,708)</u>
<b>NET ASSETS AT BEGINNING OF YEAR, RESTATED</b>	<b><u>2,706,116</u></b>	<b><u>2,957,836</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ <u>2,657,283</u></b>	<b>\$ <u>2,706,116</u></b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**UNITED WAY OF THE RIVER CITIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2009**

Expense	Program				
	<u>General Campaign</u>	<u>Combined Federal Campaign</u>	<u>WVSECC</u>	<u>Volunteer WV</u>	<u>Wellness</u>
Accounting Services	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Administrative Fees	128	-0-	-0-	-0-	-0-
Advertising	-0-	256	-0-	-0-	-0-
Alcohol Sales Compliance Test	-0-	-0-	-0-	-0-	-0-
Bank Service Charges	643	-0-	-0-	-0-	-0-
Campaign Materials	4,203	-0-	-0-	-0-	-0-
Community Leaders Luncheon	1,736	-0-	-0-	-0-	-0-
Contract Services	-0-	-0-	-0-	-0-	-0-
Depreciation	-0-	-0-	-0-	-0-	-0-
Dues and Subscriptions	1,341	288	-0-	-0-	-0-
Employee Benefits	-0-	-0-	-0-	-0-	-0-
Equipment Purchases	-0-	-0-	-0-	-0-	-0-
Geospatial Mapping	-0-	-0-	-0-	-0-	-0-
Grants-Partner Agency	737,482	-0-	-0-	-0-	-0-
Health Insurance	-0-	-0-	-0-	-0-	-0-
Insurance and Liability Bond	-0-	-0-	-0-	-0-	-0-
Interest Expense	-0-	-0-	-0-	-0-	-0-
Maintenance Expense	400	-0-	-0-	-0-	-0-
Marketing Materials	8,250	-0-	-0-	-0-	-0-
Miscellaneous	6,186	-0-	-0-	-0-	-0-
Office Supplies	1,079	-0-	-0-	20	-0-
Outside Services	300	-0-	-0-	-0-	-0-
Payroll Taxes	5,396	523	326	48	-0-
Postage	2,912	215	50	-0-	-0-
Printing	-0-	-0-	621	-0-	-0-
Program Supplies	-0-	-0-	-0-	-0-	-0-
Property Taxes	-0-	-0-	-0-	-0-	-0-
Provisions for Uncollectible Pledge	82,445	2,549	9,516	-0-	-0-
Refreshments for Meetings	1,317	16	-0-	-0-	-0-
Retirement Plan Contribution	-0-	-0-	-0-	-0-	-0-
Social Marketing Expense	-0-	-0-	-0-	-0-	-0-
Salaries & Wages	68,044	6,592	4,112	608	-0-
Supplies - Other	-0-	-0-	-0-	-0-	-0-
Telephone	-0-	-0-	-0-	-0-	-0-
Tokens Appreciation	-0-	72	-0-	-0-	-0-
Travel and Meetings	507	30	128	21	38
Utilities	-0-	-0-	-0-	-0-	-0-
UWW Membership	-0-	-0-	-0-	-0-	-0-
Website Maintenance	<u>95</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL</b>	<b>\$ <u>922,464</u></b>	<b>\$ <u>10,541</u></b>	<b>\$ <u>14,753</u></b>	<b>\$ <u>697</u></b>	<b>\$ <u>38</u></b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

Program				Supporting Services		
Success By Six	CCSAPP/ SPF-SIG	FSP	Total Program	Management & General	Fund Raising	Total
\$ -0-	\$ 1,516	\$ -0-	\$ 1,516	\$ -0-	\$ -0-	\$ 1,516
-0-	-0-	-0-	128	-0-	-0-	128
-0-	-0-	-0-	256	-0-	99	355
-0-	3,378	-0-	3,378	-0-	-0-	3,378
-0-	-0-	-0-	643	-0-	73	715
-0-	-0-	-0-	4,203	-0-	-0-	4,203
-0-	-0-	-0-	1,736	-0-	-0-	1,736
236	-0-	1,750	1,986	523	517	3,026
-0-	-0-	-0-	-0-	9,399	9,299	18,698
-0-	100	19	1,747	7,212	7,135	16,094
-0-	534	10	544	2,780	2,750	6,074
-0-	-0-	-0-	-0-	817	808	1,625
-0-	3,038	-0-	3,038	-0-	-0-	3,038
-0-	-0-	-0-	737,482	-0-	-0-	737,482
-0-	-0-	-0-	-0-	7,923	7,838	15,761
-0-	-0-	-0-	-0-	2,295	2,270	4,565
-0-	-0-	-0-	-0-	330	326	656
-0-	-0-	-0-	400	6,739	6,666	13,805
-0-	-0-	-0-	8,250	1,377	1,362	10,989
-0-	643	-0-	6,829	137	1,496	8,462
326	108	331	1,864	5,533	5,485	12,882
-0-	-0-	-0-	300	-0-	-0-	300
1,337	4,305	-0-	11,935	5,342	5,325	22,602
116	503	57	3,854	865	1,788	6,507
5,518	-0-	1,592	7,731	-0-	-0-	7,731
8,683	758	374	9,816	-0-	-0-	9,816
-0-	-0-	1,580	1,580	1,013	1,003	3,596
-0-	-0-	-0-	94,510	-0-	-0-	94,510
165	2,106	1,026	4,630	633	1,004	6,267
-0-	3,228	87	3,314	9,066	8,968	21,348
-0-	10,367	-0-	10,367	-0-	-0-	10,367
16,865	50,002	22,619	168,840	61,412	61,253	291,506
25	28	-0-	53	735	859	1,647
-0-	-0-	(212)	(212)	3,974	3,932	7,694
-0-	60	847	980	13	13	1,006
4,022	6,485	2,494	13,725	3,324	7,606	24,655
-0-	-0-	-0-	-0-	3,092	3,058	6,150
-0-	-0-	-0-	-0-	6,525	6,454	12,979
-0-	-0-	-0-	95	-0-	-0-	95
\$ <u>37,293</u>	\$ <u>87,159</u>	\$ <u>32,573</u>	\$ <u>\$1,105,518</u>	\$ <u>141,059</u>	\$ <u>147,387</u>	\$ <u>\$1,393,964</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**UNITED WAY OF THE RIVER CITIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2008**

Expense	Program				
	General Campaign	Combined Federal Campaign	WVSECC	Volunteer WV	Wellness
Accounting Services	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Allocations - Partner Agency	883,814	-0-	-0-	-0-	-0-
Campaign Materials	3,268	662	-0-	-0-	-0-
Childhood Obesity Grants	34,000	-0-	-0-	-0-	-0-
Conferences	-0-	1,487	-0-	-0-	-0-
Depreciation	-0-	-0-	-0-	-0-	-0-
Dues and Subscriptions	480	594	501	-0-	-0-
Employee Benefits	4,706	543	222	109	14
Equipment Purchases	-0-	-0-	-0-	-0-	-0-
Interest Expense	-0-	-0-	-0-	-0-	-0-
Health Insurance	-0-	-0-	-0-	-0-	-0-
Insurance and Liability Bond	-0-	-0-	-0-	-0-	-0-
Maintenance Expense	-0-	30	-0-	-0-	-0-
Marketing Materials	2,151	-0-	-0-	-0-	-0-
Miscellaneous	17,399	1,254	-0-	-0-	-0-
Office Supplies	108	156	-0-	-0-	-0-
Outside Services	-0-	-0-	-0-	-0-	-0-
Provisions for Uncollectible Pledge	82,681	2,128	484	-0-	-0-
Postage	1,081	405	94	4	-0-
Printing	-0-	-0-	-0-	-0-	-0-
Professional Expense	-0-	-0-	-0-	-0-	-0-
Program Supplies	-0-	-0-	-0-	5	61
Promotional/Incentive Items	-0-	-0-	-0-	-0-	-0-
Property Taxes	-0-	-0-	-0-	-0-	-0-
Refreshments for Meetings	617	-0-	105	-0-	-0-
Retirement Plan Contribution	-0-	-0-	-0-	-0-	-0-
Social Marketing Expense	-0-	-0-	-0-	-0-	-0-
Staff Salaries	61,513	7,095	2,904	1,423	188
Supplies - Other	153	736	-0-	-0-	-0-
Telephone	-0-	148	-0-	-0-	-0-
Tokens Appreciation	75	42	-0-	-0-	-0-
Travel	326	239	60	26	56
Utilities	-0-	1,605	-0-	-0-	-0-
UWW Membership	-0-	-0-	-0-	-0-	-0-
Venture Grants	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b><u>\$1,092,372</u></b>	<b><u>\$ 17,124</u></b>	<b><u>\$ 4,370</u></b>	<b><u>\$ 1,567</u></b>	<b><u>\$ 319</u></b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

Program				Supporting Services			
Success By Six	CCSAPP/ SPF-SIG	EITC	Community Impact	Total Program	Management & General	Fund Raising	Total
\$ -0-	\$ 1,475	\$ -0-	\$ -0-	\$ 1,475	\$ -0-	\$ -0-	\$ 1,475
-0-	-0-	-0-	-0-	883,814	-0-	-0-	883,814
-0-	-0-	-0-	-0-	3,930	342	320	4,592
-0-	-0-	-0-	-0-	34,000	-0-	-0-	34,000
1,572	4,090	695	-0-	7,844	4,912	4,598	17,354
-0-	-0-	-0-	-0-	-0-	12,107	11,636	23,743
1,550	364	-0-	-0-	3,489	10,710	10,025	24,224
1,492	5,542	1,086	-0-	13,714	7,557	7,074	28,345
-0-	78	5,240	-0-	5,318	1,269	1,188	7,775
-0-	-0-	-0-	-0-	-0-	128	120	248
-0-	-0-	-0-	-0-	-0-	10,142	9,494	19,636
-0-	-0-	-0-	-0-	-0-	2,224	2,082	4,306
-0-	-0-	-0-	-0-	30	6,981	6,535	13,546
-0-	-0-	-0-	-0-	2,151	5,258	4,922	12,331
-0-	6,283	2,700	-0-	27,636	1,972	-0-	29,608
414	1,277	5	-0-	1,960	3,188	2,984	8,132
720	-0-	32	-0-	752	-0-	-0-	752
-0-	-0-	-0-	-0-	85,293	-0-	-0-	85,293
228	691	10	51	2,564	1,081	1,012	4,657
3,122	214	1,200	-0-	4,536	90	85	4,711
-0-	-0-	-0-	-0-	-0-	20	19	39
4,541	-0-	967	-0-	5,574	-0-	-0-	5,574
-0-	4,277	-0-	-0-	4,277	42	39	4,358
-0-	-0-	-0-	-0-	-0-	240	225	465
237	1,478	742	-0-	3,179	1,073	1,005	5,257
-0-	-0-	-0-	-0-	-0-	15,262	-0-	15,262
-0-	7,382	-0-	-0-	7,382	-0-	-0-	7,382
19,505	33,801	17,401	-0-	143,830	60,757	56,875	261,462
44	66	220	-0-	1,219	3,197	2,993	7,409
-0-	-0-	302	-0-	450	2,976	2,785	6,211
-0-	585	1,177	-0-	1,879	136	127	2,142
1,259	6,376	1,675	-0-	10,017	525	492	11,034
-0-	-0-	-0-	-0-	1,605	2,204	2,063	5,872
-0-	-0-	-0-	-0-	-0-	7,501	7,501	15,002
-0-	-0-	-0-	21,979	21,979	-0-	-0-	21,979
\$ <u>34,684</u>	\$ <u>73,979</u>	\$ <u>33,452</u>	\$ <u>22,030</u>	\$ <u>1,279,897</u>	\$ <u>161,894</u>	\$ <u>136,199</u>	\$ <u>1,577,990</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**UNITED WAY OF THE RIVER CITIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (48,833)	\$ (251,720)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	18,698	23,743
Decrease (Increase) in value of investment held by UWRC Foundation, Inc.	(33,074)	91,511
(Gain) loss on beneficial interest - perpetual trust	(41,538)	204,708
Decrease (Increase) in pledges receivable	272,288	(58,190)
(Increase) in accounts receivable	(650)	-0-
(Increase) decrease in grants receivable	(1,597)	348
Decrease (Increase) in beneficial interest - charitable trust	25,300	(3,780)
(Increase) in prepaid expenses	(1,825)	(1,248)
(Decrease) Increase in allocations payable	(314,857)	80,759
Increase (Decrease) in accounts payable and accrued expenses	(124)	(925)
(Decrease) increase in deferred revenue	<u>(23,675)</u>	<u>3,402</u>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <u>(149,887)</u>	 <u>88,608</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from capital lease	-0-	9,273
Principle payments on capital lease	(1,609)	(507)
Purchases of certificates of deposit	-0-	(14,223)
Withdrawals from certificates of deposit	164,984	-0-
Purchase of fixed assets	<u>(9,895)</u>	<u>(236,811)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	 <u>153,480</u>	 <u>(242,268)</u>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	 3,593	 (153,660)
 <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	 <u>836,573</u>	 <u>990,233</u>
 <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	 \$ <u>840,166</u>	 \$ <u>836,573</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**UNITED WAY OF THE RIVER CITIES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

United Way of the River Cities, Inc. (the Organization) is a local non-profit organization with a mission to lead the community in resolving human needs and the vision to be the catalyst for improving the community. Working together, the Board of Directors, staff and volunteers employ multiple strategies to achieve the Organization's mission and vision. The Board oversees all aspects of the Organization, including funding decisions. The Organization works with partner agencies and other organizations to address issues within four main Focus Areas - Learning and Earning, Families and Children, Health and Wellness, and Basic Needs/Unforseen Hardships. In addition to providing funding to partner agencies, the Organization supports three initiatives:

- Success by Six® - The goal is that children are prepared physically, emotionally, intellectually and socially to begin kindergarten. Success by Six® is a collaborative effort which conducts two community events throughout the year, and supports the Brain Under Construction Zone<sup>SM</sup> (BUCZ). The BUCZ is a system that provides a variety of resources for parents and care givers beginning with a visit in the hospital to new parents. The visit provides information on 12 tips to raise a healthy child. This information is reiterated throughout the community at child care centers, the health department, physician offices, pre-K and Head Start centers.
- Cabell County Substance Abuse Prevention Partnership (CCSAPP) – The goal of this collaborative effort is to reduce local substance abuse with strong collaborative partnerships and community ownership, using awareness, education and community- wide solutions. CSAPP works to raise community awareness; provide substance abuse education; increase community access to substance abuse prevention information and promote efforts to decrease risk factors and increase protective factors for Cabell County youth.
- Financial Stability Partnership– The goal of this collaborative project is to increase outreach regarding the earned income tax credit; educate and inform individuals and families regarding eligibility for the tax credit; facilitate and provide free tax preparation at VITA (Volunteer Income Tax Assistance) sites; and work with local organizations to coordinate and provide asset building activities. The coalition consists of for-profit and non-profit organizations throughout the five-county service area.

**Financial Statement Presentation**

Under generally accepted accounting principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) based upon the existence or absence of donor-imposed restrictions. At December 31, 2009 and 2008, the Organization had unrestricted, temporarily restricted and permanently restricted net assets.

**UNITED WAY OF THE RIVER CITIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Campaign Funds**

Annual campaigns are conducted to raise support for Partner Agencies in the subsequent calendar year. Grants/awards to Partner Agencies approved prior to the funding year are deducted from the designated annual campaign support and are reported as liabilities until paid. All contributions are considered available for unrestricted use unless specially restricted by the donor. Pledges are recorded on the statement of financial position as receivables, and allowances are provided for amounts estimated to be uncollectable.

**Joint Costs**

In 2009 and 2008, the Organization incurred joint costs for salaries and benefits and other costs for the fund raising campaign and the administration of said campaign. These costs were allocated to program, fund raising, and management and general expenses.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include cash, money market accounts, time deposits and certificates of deposit and highly liquid investment instruments with original maturities of three months or less.

**Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Depreciation for financial reporting purposes is computed on the straight-line method over the estimated useful lives of the various assets between five and forty years.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 THE RIVER CITIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

The costs of providing United Way of the River Cities, Inc.'s various programs and supportive services have been summarized on a function basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

**Income Taxes**

United Way of the River Cities, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is classified by the Internal Revenue Service as other than a private foundation.

**Contributed Services**

During the years ended December 31, 2009 and 2008, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 1,500 volunteer hours per year.

**Contributed Assets**

Donations of miscellaneous items are recorded as contributions at their estimated fair value at the date of donation. It is the Organization's policy to imply a time restriction, based on the assets useful lives, on donations of property and equipment that are not restricted as to their use by the donor. Accordingly, those donations are recorded as increases in temporarily restricted net assets. The Organization reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of expense relating to the donation of the miscellaneous assets.

**Campaign Materials**

The Organization uses campaign materials to promote its campaign and its programs among the audiences it serves. The costs of marketing and printing these campaign materials are expensed as incurred. During 2009 and 2008, campaign materials cost \$15,192 and \$16,923, respectively.

**NOTE 2 - PLEDGES RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE PLEDGES**

The allowance for uncollectible pledges is based on historical statistical information and management's judgment of uncollectible pledges for the current campaign year. The allowance is calculated by using a sliding three year historical analysis. Within this analysis consideration is given to the previous allowance booked plus subsequent write-offs to provide an actual write-off to pledges made. Management believes that the allowance will be adequate to absorb all withdrawn pledges.

**UNITED WAY OF THE RIVER CITIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

**NOTE 2 - PLEDGES RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE PLEDGES  
(CONTINUED)**

As of December 31, 2009, pledges receivable and related allowances were as follows:

	2009	2009	2009	2008	Total
	<u>Campaign</u>	Combined Federal <u>Campaign</u>	WV State 2009 <u>Campaign</u>	<u>Campaign</u>	
Pledges receivable	\$ 921,948	\$ 3,195	\$ 31,587	\$ 143,687	\$1,100,417
Allowance for uncollectible pledges	<u>(85,000)</u>	<u>-0-</u>	<u>(2,327)</u>	<u>(58,896)</u>	<u>(146,223)</u>
<b>NET PLEDGES RECEIVABLE</b>	<b>\$ <u>836,948</u></b>	<b>\$ <u>3,195</u></b>	<b>\$ <u>29,260</u></b>	<b>\$ <u>84,791</u></b>	<b>\$ <u>954,194</u></b>

As of December 31, 2008, pledges receivable and related allowances were as follows:

	2008	2008	2008	2007	2007	Total	
	<u>Campaign</u>	Combined Federal <u>Campaign</u>	WV State 2008 <u>Campaign</u>	2007 <u>Campaign</u>	Combined Federal <u>Campaign</u>	WV State 2007 <u>Campaign</u>	
Pledges receivable	\$1,079,072	\$ 107,807	\$ 33,226	\$ 153,899	\$ 3,432	\$ 2,894	\$ 1,380,330
Allowance for uncollectible pledges	<u>(85,679)</u>	<u>(2,128)</u>	<u>(324)</u>	<u>(65,717)</u>	<u>-0-</u>	<u>-0-</u>	<u>(153,848)</u>
<b>NET PLEDGES RECEIVABLE</b>	<b>\$ <u>993,393</u></b>	<b>\$ <u>105,679</u></b>	<b>\$ <u>32,902</u></b>	<b>\$ <u>88,182</u></b>	<b>\$ <u>3,432</u></b>	<b>\$ <u>2,894</u></b>	<b>\$ <u>1,226,482</u></b>

**NOTE 3 - CONTRIBUTION RECEIVABLE - CHARITABLE LEAD TRUST**

During 2000, a donor established a trust with a local bank naming the Organization as a beneficiary of a charitable lead annuity trust. Under terms of the split-interest agreement, the Organization is to receive \$305,000 from the trust over a fifteen year period expiring in 2015 with annual payments varying based on the trust agreement. At the time of the expiration of the trust, the trust is to terminate and the remaining trust assets are to be distributed to others. The present value of future benefits expected to be received by the Organization is estimated to be \$192,899, based on utilizing the federal funds rate of 6% at the time the trust was established. This was originally recorded in 2000 as a temporarily restricted contribution and as a contribution receivable - lead trust. The Organization received \$26,250 and \$21,000 from the trust in 2009 and 2008, respectively. These receipts are recorded as reductions in the receivable with a corresponding reclassification from temporarily restricted to unrestricted net assets. Additionally, the trust is revalued at the end of each period and a corresponding entry using the revised discount rate for the respective years. The revaluing of the assets amounted to a change in beneficial interest in the trust of \$950 and \$24,780 at the respective year ends and is recorded in the statement of activities.

**UNITED WAY OF THE RIVERS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

**NOTE 3 - CHARITABLE LEAD TRUST (CONTINUED)**

Related activity for the year ended December 31, 2009 was as follows:

Contributions receivable (net of unamortized discount of 2,449) at December 31, 2008	\$ 139,200
Less: Payments received	(26,250)
Add: Amortization of discount	<u>950</u>
Contributions receivable (net of unamortized discount of \$1,499 at December 31, 2009)	\$ <u>113,900</u>

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment is accounted for in the administrative and general funds. Property and equipment as of December 31, 2009 and 2008 is summarized by major classification as follows:

<u>2009</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	\$ 260,000	\$ -0-
Buildings	529,295	113,318
Furniture and fixtures	44,282	37,886
Computers, equipment and software	<u>131,708</u>	<u>110,555</u>
TOTALS	\$ <u>965,285</u>	\$ <u>261,759</u>

<u>2008</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	\$ 260,000	\$ -0-
Buildings	529,295	100,117
Furniture and fixtures	43,337	36,985
Computers, equipment and software	<u>122,758</u>	<u>105,959</u>
TOTALS	\$ <u>955,390</u>	\$ <u>243,061</u>

Depreciation expense for the years ended December 31, 2009 and 2008 totaled \$18,698 and \$23,743, respectively.

**UNITED WAY OF THE RIVERS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

**NOTE 5 - CAPITAL LEASE OBLIGATION**

In 2009, the organization leased telephone equipment under a capital lease expiring in 2013. Depreciation of assets under capital leases is included in Depreciation Expenses for 2009.

Minimum future lease payments under capital leases as of December 31, 2009, are as follows:

Year Ended December 31,	Amount
2010	2,265
2011	2,265
2012	2,265
2013	<u>1,511</u>
Total minimum lease payments	8,306
Less: Amount representing interest	<u>(1,149)</u>
Present value of net minimum lease payment	\$ <u>7,157</u>

**NOTE 6 - TRANSFER OF ASSETS TO RECIPIENT ORGANIZATIONS**

The Organization raises monies which help support approximately 32 Partner Agencies throughout the Tri-State area. Through their fundraising efforts, the donors to these campaigns have the ability to designate their pledge to any eligible 501(c)(3) organization, including Partner Agencies. Based upon these restrictions, the Organization reports in the statement of activities designations as an offset to the pledges for the respective year's campaign. The amount of declassifications for the years ended December 31, 2009 and 2008 totaled \$111,753 and \$179,304, respectively.

**NOTE 7 - FUNDS DESIGNATED FOR CURRENT ALLOCATIONS AND ADMINISTRATIVE COSTS**

Historically, it has been a policy of United Way of the River Cities, Inc. to designate a balance of net assets (funds) on hand to handle current allocations and administrative costs. As of December 31, 2009 and 2008, the designated net asset balances were within these specifications.

**NOTE 8 - EMPLOYEE BENEFIT PLANS**

**Defined Contribution Plan (Flexible Annuity Plan)**

United Way of the River Cities, Inc. approved a defined contribution plan on March 23, 1994 to be effective January 1, 1994. The plan covers all employees who are 21 years of age or older with one year of service eligibility measured from the first day of the year in which the employee has completed 1,000 hours of employment. The employer contributes 8% of the employee's salary. The employees become vested after three years of service. Total contributions to the plan including administrative costs were \$21,348 and \$15,262 for 2009 and 2008, respectively.

**UNITED WAY OF THE RIVER CITIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

**NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Medical Insurance (Premium Only Plan)**

United Way of the River Cities, Inc. established in May 1991 a pre-tax medical insurance plan whereby health insurance premiums are deducted from employee's earnings before payroll taxes thus, saving the employee federal and state income taxes as well as FICA taxes on the amount of the insurance premium withheld. All full-time employees electing health insurance coverage are eligible to participate. The Plan qualifies under Section 125 of the Internal Revenue Code.

**Tax Deferred Annuity Plan**

United Way of the River Cities, Inc. sponsors a TDA plan (Section 403(b)) that covers all employees at least 21 years of age. Employees can contribute any whole percentage of salary up to the maximum permitted by law.

**NOTE 9 - RELATED ORGANIZATION**

In an effort to offset campaign and administrative expenses with funds from other than campaign pledges, a separate entity was established through the contribution of securities by certain individuals, thus creating United Way of the River Cities Foundation, Inc.

During 2009 and 2008, no transfers from United Way of the River Cities, Inc. to the Foundation occurred. However, in 2009 and 2008, \$8,000 and \$35,000 was transferred from the Foundation to the administrative fund. The transfers were to help offset the administrative costs of the Organization.

**NOTE 10 - FINANCIAL INSTRUMENTS**

**Concentration of Credit Risk**

The Organization maintains cash balances in checking, savings and money market accounts as well as certificate of deposits at various banking institutions throughout the Tri-State area in which it conducts its campaigns. Accounts at each institution are insured by the Federal Deposit Insurance Corporation. At December 31, 2009 and 2008, the Organization had no deposits that exceeded the insured limits. The Organization utilizes multiple financial institutions throughout the Tri-state and has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk as to the cash accounts.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of the aforementioned temporary cash investments and pledges receivable. Concentrations of credit risk with respect to pledges receivable are due to the contributors dispersion across an economically analogous geographic area. A change in the economic climate could alter the collections of the current receivables and could affect the ability to raise funds for future campaigns.

**Fair Value of Financial Instruments**

The Organization has a number of financial instruments, consisting of cash, pledges receivable and contributions receivable, money market funds, and marketable securities. The Organization estimates that the fair value of these financial instruments at December 31, 2009 and 2008 does not materially differ from the aggregated carrying values of its financial instruments recorded in the accompanying statement of financial position.

**UNITED WAY OF THE RIVERS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

**NOTE 11 - RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors and omissions, injuries to employees; employees' health and life and natural disasters. The Organization manages these risks of loss through the purchase of various insurance policies. Additionally, numerous internal controls and policies and procedures are put in place to hedge against such risks from occurring.

**NOTE 12 - INVESTMENT IN UNITED WAY OF THE RIVER CITIES FOUNDATION, INC.**

In 1998, the Organization transferred \$200,000 to the United Way of the River Cities Foundation, Inc. to invest for the Organization for the following restrictive purposes: 1) \$100,000 in the event that the Organization respective year's campaign does not reach its goal due to an economic down-turn or if the Agency has a local emergency, and 2) \$100,000 to be used for a local natural disaster such as floods, fires, and tornadoes. These funds are only to be distributed to the Organization's agencies and not directly to individuals. Earnings from the Foundation are added to the corpus of these funds each year based on the Foundations rate of return. These earnings amounted to \$33,074 and \$(91,511) for the years ended December 31, 2009 and 2008, respectively. The total value of United Way of the River Cities, Inc.'s investment with the Foundation was \$251,971 and \$218,897 at December 31, 2009 and 2008, respectively.

**NOTE 13 - BENEFICIAL INTEREST OF PERPETUAL TRUST**

In 1986, a donor established a trust with a local bank naming the Organization as a beneficiary of the charitable trust upon the benefactors' death; subsequently, payments from this trust started in 1996. Under terms of the split-interest agreement, the Organization is to receive 12.5% of the trust's income annually for its unrestricted use. The Organization is required to report the present value of the future cash flows. The organization reports the investment in the trust using the fair value of the trust's assets as determined by quoted market price, with the fair value change reported as a change in beneficial interest - permanently restricted net assets in the *statement of activities* which approximated to \$41,538 and (\$204,708) for 2009 and 2008, respectively. The fair value of the trust is reported in the statement of financial position beneficial interest in perpetual trust and as a permanently restricted net asset.

**NOTE 14 - RESTATEMENT**

The accompanying financial statements for 2008 have been restated to report the beneficial interest of a perpetual trust (see Note 13) which was previously reported as an asset of the United Way of the River Cities Foundation, Inc., but has been determined to be an asset of the United Way of the River Cities, Inc. The effect of the restatement was to increase the net losses in permanently restricted net assets for 2008 by \$204,708. Permanently restricted net assets at the beginning of 2008 have been adjusted for the effects of the restatement on prior years.

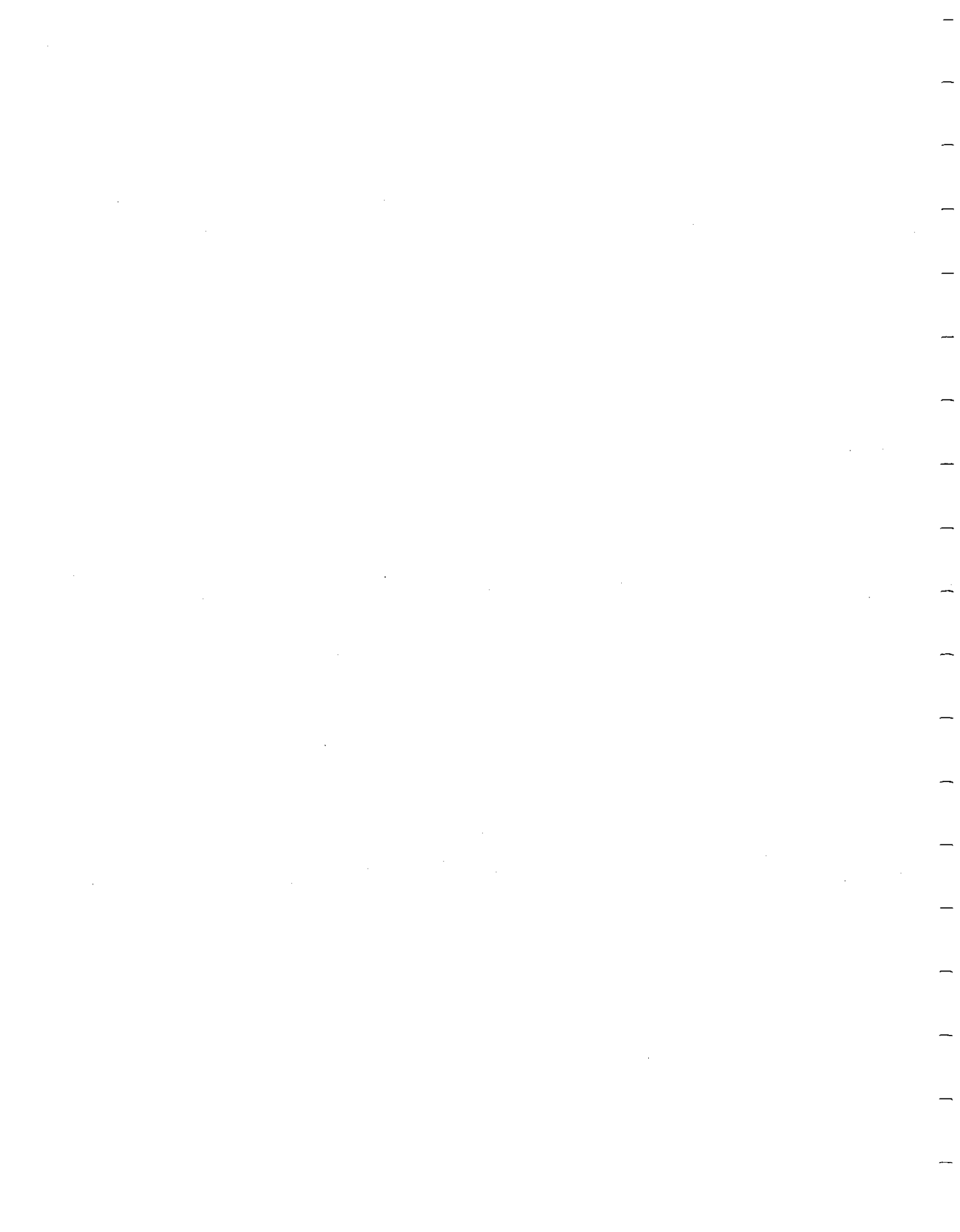
**NOTE 15 - RECLASSIFICATION**

Certain amounts originally reported in the 2008 financial statements have been reclassified for comparative purposes.

**NOTE 16 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 30, 2010, which is the date these financial statements were available to be issued.

**REPORT ON INTERNAL CONTROL**



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
United Way of the River Cities, Inc.  
Huntington, West Virginia

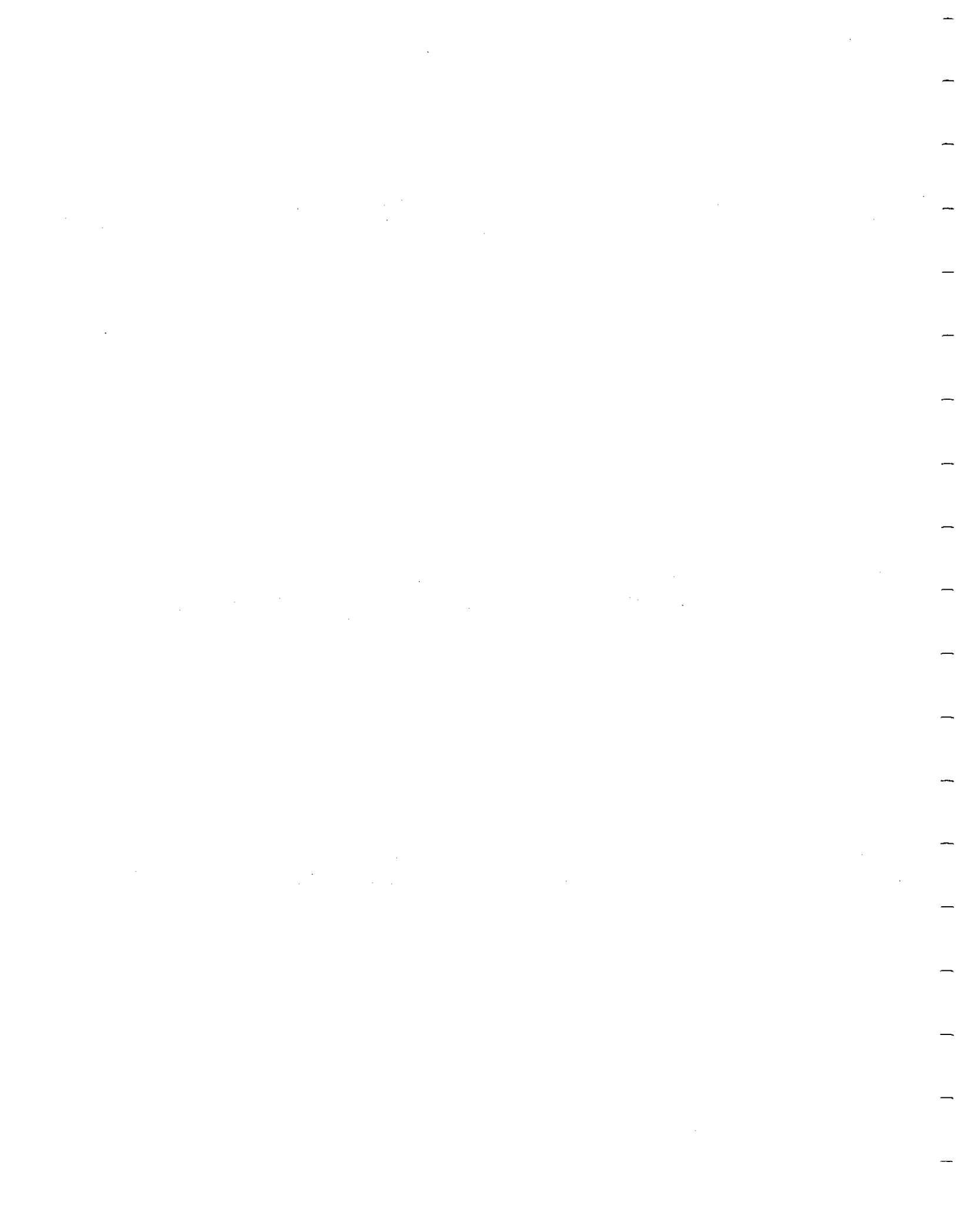
We have audited the financial statements of United Way of the River Cities, Inc. (a non-profit organization) as of and for the year ended December 31, 2009, and have issued our report thereon dated September 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered United Way of the River Cities, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of the River Cities, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether United Way of the River Cities, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of United Way of the River Cities, Inc. in a separate letter dated September 30, 2010.

This report is intended solely for the information of management and the Board of Directors of United Way of the River Cities, Inc. and the West Virginia Department of Health and Human Resources and is not intended to be and should not be used by anyone other than these specified parties.



September 30, 2010