

UNITED WAY OF METROPOLITAN TARRANT COUNTY

FINANCIAL STATEMENTS

JUNE 30, 2009

**UNITED WAY OF METROPOLITAN
TARRANT COUNTY
FINANCIAL STATEMENTS**

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**WEAVER
AND
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L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and the Audit and Finance Committee
United Way of Metropolitan Tarrant County

We have audited the accompanying statement of financial position of United Way of Metropolitan Tarrant County (the Organization) as of June 30, 2009, the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2008 financial statements and, in our report dated January 30, 2009, we expressed an unqualified opinion on those financial statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Metropolitan Tarrant County as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2009, on our consideration of United Way of Metropolitan Tarrant County'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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 13, 2009

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**UNITED WAY OF METROPOLITAN TARRANT COUNTY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009 WITH COMPARATIVE TOTALS AT JUNE 30, 2008**

	<u>Unrestricted</u>			<u>Total Unrestricted</u>
	<u>Unrestricted</u>	<u>Service Centers</u>	<u>Legacy Fund</u>	
<u>Assets</u>				
Cash	\$ 2,233,505	\$ 56,827	\$ -	\$ 2,290,332
Investments:				
Certificates of deposit	-	-	-	-
Commercial paper	-	-	-	-
Corporate bonds	-	-	-	-
U.S. Government securities	-	-	-	-
Total investments, stated at fair value	-	-	-	-
Beneficial interest in assets held by others	-	-	7,391,558	7,391,558
Pledges receivable less allowance for uncollectible pledges of \$2,316,179 at June 30, 2009 and \$1,808,397 in June 30, 2008	-	-	-	-
Other receivables	1,013,807	44,034	-	1,057,841
Prepaid expenses	37,507	-	-	37,507
Land, buildings and equipment, net	466,202	-	-	466,202
Other assets	149,996	-	-	149,996
Total assets	<u>\$ 3,901,017</u>	<u>\$ 100,861</u>	<u>\$ 7,391,558</u>	<u>\$ 11,393,436</u>
<u>Liabilities and net assets</u>				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,175,936	\$ 58,121	\$ -	\$ 1,234,057
Due to designated organizations	-	-	-	-
Accrued post-retirement benefits	348,068	-	-	348,068
Deferred revenue	-	11,821	-	11,821
Total liabilities	1,524,004	69,942	-	1,593,946
Net assets	<u>2,377,013</u>	<u>30,919</u>	<u>7,391,558</u>	<u>9,799,490</u>
Total liabilities and net assets	<u>\$ 3,901,017</u>	<u>\$ 100,861</u>	<u>\$ 7,391,558</u>	<u>\$ 11,393,436</u>

See accompanying notes to financial statements.

Temporarily Restricted

<u>Barnett Shale Fund</u>	<u>Women's Fund</u>	<u>Legacy Fund</u>	<u>Other Temporarily Restricted</u>	<u>Total Restricted</u>	<u>Total June 30, 2009</u>	<u>Total June 30, 2008</u>
\$ -	\$ -	\$ -	\$ 3,473,304	\$ 3,473,304	\$ 5,763,636	\$ 436,176
-	-	-	1,051,743	1,051,743	1,051,743	200,000
-	-	-	-	-	-	3,177,419
-	-	-	982,564	982,564	982,564	-
-	-	-	2,161,910	2,161,910	2,161,910	6,817,643
-	-	-	4,196,217	4,196,217	4,196,217	10,195,062
357,332	189,404	248,725	-	795,461	8,187,019	9,784,721
543,701	-	-	11,566,130	12,109,831	12,109,831	12,519,140
-	-	-	9,071	9,071	1,066,912	936,877
-	-	-	-	-	37,507	39,181
-	-	-	-	-	466,202	466,860
-	-	-	-	-	149,996	151,531
<u>\$ 901,033</u>	<u>\$ 189,404</u>	<u>\$ 248,725</u>	<u>\$ 19,244,722</u>	<u>\$ 20,583,884</u>	<u>\$ 31,977,320</u>	<u>\$ 34,529,548</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,234,057	\$ 738,597
-	-	-	4,432,333	4,432,333	4,432,333	5,052,755
-	-	-	-	-	348,068	312,518
-	-	-	-	-	11,821	-
-	-	-	4,432,333	4,432,333	6,026,279	6,103,870
901,033	189,404	248,725	14,812,389	16,151,551	25,951,041	28,425,678
<u>\$ 901,033</u>	<u>\$ 189,404</u>	<u>\$ 248,725</u>	<u>\$ 19,244,722</u>	<u>\$ 20,583,884</u>	<u>\$ 31,977,320</u>	<u>\$ 34,529,548</u>

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Unrestricted</u>			<u>Total Unrestricted</u>
	<u>Unrestricted</u>	<u>Service Centers</u>	<u>Legacy Fund</u>	
<u>Revenues, gains and other support</u>				
Campaign contributions received in current year	\$ -	\$ -	\$ -	\$ -
Designations from other United Ways				
Less donor designations	-	-	-	-
Less allowance for uncollectible pledges	-	-	-	-
Net contributions received in current year to be released from restriction in subsequent year	-	-	-	-
Campaign contributions received in prior year	22,052,849	-	-	22,052,849
Designations from other United Ways received in prior year	1,455,353	-	-	1,455,353
Less donor designations	(6,800,459)	-	-	(6,800,459)
Less allowance for uncollectible pledges	(1,254,000)	-	-	(1,254,000)
Net contributions received in prior year, released from restriction in current year	15,453,743	-	-	15,453,743
Net campaign revenues	15,453,743	-	-	15,453,743
Additional campaign contributions from prior years	677,186	-	-	677,186
Other contributions	391,179	-	-	391,179
Donated equipment	18,972	-	-	18,972
Legacies and bequests	433	-	-	433
Grants and bequests	5,851,383	-	-	5,851,383
Interest and dividend income	154,669	-	-	154,669
Changes in market value of assets held by others	-	-	(1,481,884)	(1,481,884)
Rental income	-	552,291	-	552,291
Other	39,803	-	-	39,803
Total revenues, gains and other support	22,587,368	552,291	(1,481,884)	21,657,775
<u>Allocations and Functional Expenses</u>				
Allocations to agencies	11,508,086	-	-	11,508,086
Designations to partner agencies	3,725,150	-	-	3,725,150
Allocations to grant benefit providers	3,202,412	-	-	3,202,412
Designations to other organizations	3,075,310	-	-	3,075,310
Less designations funded through donor choice	(6,800,459)	-	-	(6,800,459)
Allocations net of designations	14,710,499	-	-	14,710,499
Program services	4,802,545	564,947	-	5,367,492
Support services	3,232,404	-	-	3,232,404
Total functional expenses	22,745,448	564,947	-	23,310,395
Payments to affiliated organizations	216,500	-	-	216,500
Total expenses	22,961,948	564,947	-	23,526,895
Increase (decrease) in net assets	(374,580)	(12,656)	(1,481,884)	(1,869,120)
Net assets at beginning of year, as restated	2,304,216	44,150	9,344,735	11,693,101
Pension adjustment	(24,491)	-	-	(24,491)
Transfers	471,868	(575)	(471,293)	-
Net assets at end of period	<u>\$ 2,377,013</u>	<u>\$ 30,919</u>	<u>\$ 7,391,558</u>	<u>\$ 9,799,490</u>

See accompanying notes to financial statements.

Temporarily Restricted

Barnett Shale Fund	Women's Fund	Legacy Fund	Other Temporarily Restricted	Total Restricted	Total June 30, 2009	Total June 30, 2008
\$ -	\$ -	\$ -	\$ 21,926,252	\$ 21,926,252	\$ 21,926,252	\$ 23,003,299
			1,189,907	1,189,907	1,189,907	1,455,353
			(6,703,418)	(6,703,418)	(6,703,418)	(6,800,459)
			(1,730,000)	(1,730,000)	(1,730,000)	(1,254,000)
-	-	-	14,682,741	14,682,741	14,682,741	16,404,193
-	-	-	(22,052,849)	(22,052,849)	-	-
-	-	-	(1,455,353)	(1,455,353)	-	-
-	-	-	6,800,459	6,800,459	-	-
-	-	-	1,254,000	1,254,000	-	-
-	-	-	(15,453,743)	(15,453,743)	-	-
-	-	-	(771,002)	(771,002)	14,682,741	16,404,193
-	-	-	-	-	677,186	478,479
34,500	183,171	-	-	217,671	608,850	315,671
-	-	-	-	-	18,972	1,642
-	-	-	-	-	433	25,000
-	-	-	-	-	5,851,383	4,862,723
-	-	-	-	-	154,669	433,507
(33,928)	6,233	-	-	(27,695)	(1,509,579)	(590,781)
-	-	-	-	-	552,291	584,170
-	-	-	-	-	39,803	33,760
572	189,404	-	(771,002)	(581,026)	21,076,749	22,548,364
-	-	-	-	-	11,508,086	11,703,511
-	-	-	-	-	3,725,150	3,629,772
-	-	-	-	-	3,202,412	2,436,275
-	-	-	-	-	3,075,310	2,497,853
-	-	-	-	-	(6,800,459)	(6,566,913)
-	-	-	-	-	14,710,499	13,700,498
-	-	-	-	-	5,367,492	5,723,883
-	-	-	-	-	3,232,404	4,331,950
-	-	-	-	-	23,310,395	23,756,331
-	-	-	-	-	216,500	215,385
-	-	-	-	-	23,526,895	23,971,716
572	189,404	-	(771,002)	(581,026)	(2,450,146)	(1,423,352)
900,461	-	248,725	15,583,391	16,732,577	28,425,678	28,876,814
-	-	-	-	-	(24,491)	972,216
-	-	-	-	-	-	-
<u>\$ 901,033</u>	<u>\$ 189,404</u>	<u>\$ 248,725</u>	<u>\$ 14,812,389</u>	<u>\$ 16,151,551</u>	<u>\$ 25,951,041</u>	<u>\$ 28,425,678</u>

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2008**

	Allocations & Community Impact	Homelessness	Community Initiatives	211 Information & Referral	Area Agency on Aging Grants and Services Program	Labor Relations/ Community Service
Allocations/grants net of designations	\$ 11,508,086	\$ 560,058	\$ 14,050	\$ -	\$ 2,628,305	\$ -
Salaries and wages	540,716	-	245,619	573,501	690,511	76,541
Employee benefits	78,032	-	39,811	113,532	114,397	13,065
Payroll taxes	36,771	-	18,639	44,535	54,348	5,831
Professional fees	246,948	-	30,882	66,502	32,676	278
Supplies	22,732	-	4,852	18,493	31,185	576
Telephone	7,683	-	12,027	27,374	33,608	800
Postage and shipping	2,775	-	1,957	795	2,485	29
Occupancy	53,022	-	21,317	32,646	94,079	3,260
Outside printing	19,068	-	20,065	65,396	13,359	373
Local transportation	7,841	-	4,656	6,952	15,167	1,236
Conferences and training	27,318	-	2,190	4,569	26,686	735
Meetings-community/agency	55,123	-	13,733	3,208	8,938	265
Community promotion	-	-	-	-	-	-
Subscriptions	298	-	71	664	626	12
Membership dues	15,082	-	4,014	8,290	2,061	1,067
Awards	203	-	325	-	430	-
Equipment/buildings-maintenance/rental	29,430	-	3,248	33,060	79,883	635
Insurance and miscellaneous	295	-	256	-	7,145	-
Specific assistance	-	-	-	6,867	872,648	-
Settlement loss on pension termination	-	-	-	-	-	-
Depreciation	2,290	-	903	8,066	3,610	205
Total functional expenses	\$ 12,653,713	\$ 560,058	\$ 438,615	\$ 1,014,450	\$ 4,712,147	\$ 104,908

See accompanying notes to financial statements.

<u>Service Centers</u>	<u>Total Program Services</u>	<u>Communications</u>	<u>Fund Raising</u>	<u>Management & General</u>	<u>Total Supporting Services</u>	<u>June 30, 2009 TOTAL FUNCTIONAL EXPENSES</u>	<u>June 30, 2008 TOTAL FUNCTIONAL EXPENSES</u>
\$ -	\$ 14,710,499	\$ -	\$ -	\$ -	\$ -	\$ 14,710,499	\$ 13,700,498
56,869	2,183,757	305,217	875,683	663,024	1,843,924	4,027,681	3,814,590
11,379	370,216	50,563	114,348	112,283	277,194	647,410	929,064
3,619	163,743	23,429	62,466	46,466	132,361	296,104	292,959
33,013	410,299	38,896	53,923	128,351	221,170	631,469	548,085
612	78,450	3,751	13,751	17,011	34,513	112,963	101,009
2,565	84,057	7,849	16,963	8,947	33,759	117,816	83,820
-	8,041	715	15,364	8,644	24,723	32,764	31,315
314,686	519,010	41,584	108,762	122,362	272,708	791,718	809,037
77	118,338	5,324	65,179	6,552	77,055	195,393	165,061
188	36,040	442	18,335	7,401	26,178	62,218	51,709
4	61,502	668	14,682	4,718	20,068	81,570	113,637
-	81,267	6,814	55,752	39,025	101,591	182,858	162,923
-	-	-	53,972	-	53,972	53,972	144,502
5	1,676	435	286	1,124	1,845	3,521	28,129
-	30,514	4,913	15,140	4,077	24,130	54,644	57,933
-	958	8	2,907	11,051	13,966	14,924	2,985
161,856	308,112	3,550	16,735	19,610	39,895	348,007	278,352
-	7,696	-	1,875	2,810	4,685	12,381	58,390
-	879,515	-	-	-	-	879,515	745,388
-	-	-	-	-	-	-	1,594,799
9,227	24,301	1,308	4,400	22,959	28,667	52,968	42,146
<u>\$ 594,100</u>	<u>\$ 20,077,991</u>	<u>\$ 495,466</u>	<u>\$ 1,510,523</u>	<u>\$ 1,226,415</u>	<u>\$ 3,232,404</u>	<u>\$ 23,310,395</u>	<u>\$ 23,756,331</u>

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (2,450,146)	\$ (1,423,352)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Pension adjustment	(24,491)	972,216
Loss on retirement of fixed assets	335	-
Changes in market value of assets held by others	1,509,579	590,781
Depreciation	52,968	42,146
Donated equipment capitalization	(18,972)	(1,642)
Changes in operating assets and liabilities:		
Pledges receivable	409,309	(901,018)
Other receivables	(130,035)	(318,481)
Prepaid expenses	1,674	5,237
Pension assets for benefit obligations	-	627,924
Other assets	1,535	(31,520)
Accounts payable and accrued expenses	495,460	(367,165)
Due to designated organizations	(620,422)	461,982
Accrued post-retirement benefits	35,550	(13,865)
Deferred revenue	11,821	(92,268)
	<u> </u>	<u> </u>
Net cash used in operating activities	(725,835)	(449,025)
Investing activities:		
Capital expenditures	(33,673)	(213,246)
Payments received under note receivable	-	1,735,000
Net changes to beneficial interest in assets held by others	88,123	(2,146,340)
Sale of investments	45,928,769	59,846,170
Purchase of investments	(39,929,924)	(58,808,644)
	<u> </u>	<u> </u>
Net cash provided by investing activities	6,053,295	412,940
Net change in cash	5,327,460	(36,085)
Cash at beginning of year	436,176	472,261
	<u> </u>	<u> </u>
Cash at end of year	<u>\$ 5,763,636</u>	<u>\$ 436,176</u>

See accompanying notes to financial statements.

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

A. Nature of Business

The United Way of Metropolitan Tarrant County (the “Organization” or “United Way”) is a not-for-profit organization that raises and distributes resources to address human service needs in metropolitan Tarrant County. Through a workplace fund drive conducted primarily by volunteers, the Organization raises money from individuals and organizations to make possible services provided both by the Organization and by other area not-for-profit health and human service organizations. Virtually all of the Organization’s funds are derived from contributions of residents and businesses in the Tarrant County area.

In April 2004, the Organization established a fund with the Community Foundation of North Texas (the “Community Foundation”). Assets previously held by the United Way of Metropolitan Tarrant County Endowment, Inc. were transferred to the Community Foundation and are reflected as “Legacy Fund” in the accompanying statement of financial position. Restrictions placed on these funds are discussed in Note K.

In April 2008, the Organization established a second fund with the Community Foundation. Assets received from the sale of the Organization’s office building were transferred to the Community Foundation and are reflected as board designated net assets under the caption “Legacy Fund” in the accompanying statement of financial position.

Additionally, in April 2008, the Organization established a third fund with the Community Foundation. Assets received from a donor establishing United Way’s Barnett Shale Fund were transferred to the Community Foundation and are reflected as temporarily restricted net assets under the caption “Barnett Shale Fund” in the accompanying statement of financial position. Distributions of principal and interest shall be for specific programs to benefit the community.

In October 2008, the Organization established a fourth fund with the Community Foundation with assets transferred from the Women’s Fund which were at the Community Foundation. The assets of the Women’s Fund are reflected as temporarily restricted net assets under the caption “Women’s Fund” in the accompanying statement of financial position. Distributions of principal and interest shall be for specific programs to benefit the community.

B. Summary of Significant Accounting Policies

A summary of the Organization’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America and accordingly reflect all significant receivables, payables, and other liabilities.

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

B. Summary of Significant Accounting Policies – Continued

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 differ from those estimates. The Organization's most significant estimate is the allowance for uncollectible pledges.

Cash

The Organization considers all certificates of deposit, commercial paper and U.S. government securities with original maturities of three months or less to be cash and cash equivalents.

Investments

The Organization follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. This statement requires investments with readily determinable fair values to be stated at fair value with realized and unrealized gains and losses included in the statement of activities.

Investments are comprised of money market funds, certificates of deposit, commercial paper, commercial bonds and U.S. Government securities. The carrying value of money market funds and certificates of deposit approximates fair value. The fair value of commercial paper, commercial bonds and U.S. Government securities is determined primarily by reference to quoted market prices.

Beneficial Interest in Assets Held by Others

Beneficial interests in assets held by others represents investments held by the Community Foundation which are comprised of mutual funds, pooled accounts, and bonds. The carrying value of the investments approximates fair value. The fair value of the mutual funds is determined primarily by reference to quoted market prices. Realized and unrealized gains and losses are included in the statement of activities.

Building and Equipment

The Organization capitalizes expenditures for building and equipment in excess of \$500 with useful lives of one year or more at cost. Depreciation is computed on the straight-line method with a full year's depreciation taken in the year of acquisition and no depreciation taken in the year of disposal. Estimated useful lives for purposes of calculating depreciation vary from three to 30 years.

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

B. Summary of Significant Accounting Policies – Continued

Contributions

The Organization accounts for contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under SFAS No. 116, time-restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Financial Statement Presentation

The Organization presents its financial statements in accordance with SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2008, from which the summarized information was derived.

The Organization has implemented Statement of Financial Accounting Standards No. 165, Subsequent Events, or SFAS 165. This standard establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued. The adoption of SFAS 165 did not impact the Organization's financial position or results of operations. The Organization evaluated all events and transactions that occurred June 30, 2009 up through November 13, 2009, the date these financial statements were able to be issued. During this period the Organization did not have any material recognizable subsequent events.

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

B. Summary of Significant Accounting Policies – Continued

Temporarily Restricted and Board Designated Net Assets

The Organization conducts an annual fund raising campaign for the following fiscal year's operations. Thus, campaign contributions and related cash and investments are treated as temporarily restricted in the year of the campaign and are transferred to unrestricted the year following the campaign when the funds will be used to fund agency allocations and the Organization's programs and supporting services.

The most recent fund raising campaign is restricted at June 30, 2009 and will become unrestricted at July 1, 2009 to support operations throughout the fiscal year ending June 30, 2010.

The Organization operates and maintains four outlying service centers, which are either leased or owned. The Board of Directors has designated the associated net assets for the purpose of operating and maintaining these facilities. Three of the centers are leased from the City of Arlington under operating leases involving nominal consideration, none of which expire before the year 2012. The facilities are subleased to various benefit and service providers. These board designated net assets are reflected in the unrestricted column in the accompanying statement of position under the caption "Service Centers".

The original contributions into the Legacy Fund are restricted for time by the donor. One of two restrictions expired in May 2009 and has been appropriately reflected in the unrestricted column in the accompanying statement of financial position under the caption "Legacy Fund". The remaining restriction will expire in December 2012 and has been appropriately reflected in the temporarily restricted column in the accompanying statement of financial position.

The annual distribution to the Organization from the Legacy Fund shall not exceed 5% of the previous three year average of the ending net assets of the Legacy Fund calculated at December 31 of each year. The Legacy Fund's distributions to the Organization for the years ended June 30, 2009 and 2008 were \$471,293 and \$393,660 respectively. The distribution is recorded as a transfer of assets from the Legacy Fund to the Organization's unrestricted fund in the accompanying statement of activities and changes in net assets.

The net assets of the Barnett Shale Fund are restricted by the donor and have been appropriately reflected in the restricted column in the accompanying statement of financial position under the caption "Barnett Shale Fund". The annual distribution to the Organization will fund community programs and shall not exceed 5% of the previous three year average of the ending net assets calculated at December 31 of each year. No distributions were made from the Barnett Shale Fund during the year ended June 30, 2009.

The net assets of the Women's Fund are restricted by the donor and have been appropriately reflected in the restricted column in the accompanying statement of financial position under the caption "Women's Fund". The annual distribution to the Organization will fund community programs and shall not exceed 5% of the previous three year average of the ending net assets calculated at December 31 of each year. No distributions were made from the Women's Fund during the year ended June 30, 2009.

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

B. Summary of Significant Accounting Policies – Continued

Donated Assets and Services

The Organization recognizes donated property as a contribution at its estimated market value at the date of the gift. A substantial number of volunteers have donated significant amounts of their time and services to the activities of the Organization without compensation. The value of donated services is not recognized as a contribution since no objective basis is available to measure the value of such services and generally they do not require specialized skills.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Salaries and related payroll expenses are recorded based on actual segregation of personnel by program or supporting services benefited. Distribution of all other expenses is based on actual usage or management's estimates of usage applicable to the various programs and supporting services benefited. Campaign expenses are recognized when incurred.

Allocation of Management and General Expenses

Portions of management and general and technology expenses have been allocated to program expenses, within the statement of functional expenses, based upon the full-time equivalent employee method. The full-time equivalent employee method uses a premise that every employee has an associated overhead cost.

C. Pledges Receivable

The Organization in establishing the annual allowance for uncollectible pledges starts with the most recent three year average pledge write off (write offs as a percent of pledges) along with any estimated unused allowances from prior years and increases or decreases to the allowance based upon management's opinion of current economic conditions which would affect the adequacy of the allowance.

Pledges not collected within approximately twelve months after the Organization concludes its annual fundraising campaign become delinquent and are written off during the subsequent six to nine months.

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

C. Pledges Receivable – Continued

Pledges receivable as of June 30 are expected to be received as follows:

	<u>2009</u>	<u>2008</u>
Within one year	\$ 14,082,310	\$ 13,818,337
Between one and five years	<u>400,000</u>	<u>600,000</u>
	14,482,310	14,418,337
Less		
Discount to present value (6%)	(56,300)	(90,800)
Allowance for uncollectible pledges	<u>(2,316,179)</u>	<u>(1,808,397)</u>
Total pledges receivable	<u>\$ 12,109,831</u>	<u>\$ 12,519,140</u>

D. Investments

The fair values and related costs of investments at June 30 are summarized as follows:

	<u>2009</u>		<u>2008</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Short-term investments	\$ -	\$ -	\$ 200,000	\$ 200,000
Certificate of deposits	1,051,743	1,050,000	-	-
Commercial paper	-	-	3,177,419	3,175,602
Corporate bonds	982,564	978,105	-	-
U.S. Government securities	<u>2,161,910</u>	<u>2,175,173</u>	<u>6,817,643</u>	<u>6,773,732</u>
	<u>\$ 4,196,217</u>	<u>\$ 4,203,278</u>	<u>\$ 10,195,062</u>	<u>\$ 10,149,334</u>

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

E. Land, Buildings, and Equipment

The following is a summary of land, buildings, furniture and equipment as of June 30:

	<u>2009</u>	<u>2008</u>
Land	\$ 95,000	\$ 95,000
Buildings	247,227	247,227
Leasehold improvements	194,115	194,115
Equipment	<u>513,341</u>	<u>1,081,039</u>
Total land, buildings and equipment	1,049,683	1,617,381
Less accumulated depreciation	<u>(583,481)</u>	<u>(1,150,521)</u>
Land, buildings, and equipment, net	<u>\$ 466,202</u>	<u>\$ 466,860</u>

F. Benefit Plans

The Organization sponsored a defined benefit pension plan (“Pension Plan”) covering substantially all of its employees. The annual provision was funded entirely by the Organization and was not dependent upon employee contributions.

Effective October 31, 2003, the Organization suspended all benefit accruals related to the defined benefit plan, but did continue to make contributions to the plan until December of 2007. The Board of Directors of the Organization on June 20, 2006, passed a resolution to terminate the Pension Plan. Accordingly, approximately \$236,000 was funded in December 2007 to complete the plan termination.

The plan termination resulted in recognizing settlement losses of the plan in the amount of \$1,594,799 which was the result of pension liabilities which had not been reflected in net periodic benefit costs in prior years. No Pension Plan assets were returned to the Organization during the fiscal year ended June 30, 2008.

Effective November 1, 2003, the Organization established a new 403(b) plan available to all employees who worked at least 1,000 hours. The Organization has elected to make a base contribution of 4% of annual salary. In addition, the Organization elected to match employee contributions, dollar for dollar, up to a maximum of 4% of annual salary. The Organization made employer contributions of approximately \$239,000 and \$201,000 for the years ended June 30, 2009 and 2008, respectively.

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

G. Post-retirement Benefits Other than Pensions

The Organization sponsors an unfunded defined benefit post-retirement plan that provides life insurance benefits to retirees who meet specific eligibility requirements upon termination of active service. Effective January 1, 2005 the Organization suspended the post-retirement life insurance benefit for employees hired after December 31, 2004.

The plan's funded status and other pertinent information related to the plan at June 30 are set forth in the following table:

	<u>2009</u>	<u>2008</u>
Benefit obligation	\$ (348,000)	\$ (312,500)
Funded status	<u>(348,000)</u>	<u>(312,500)</u>
Accumulated benefit obligation	348,000	312,500
Accrued benefit cost recognized in the statements of financial position	<u>\$ 449,000</u>	<u>\$ 438,000</u>
Net periodic benefit costs	\$ 18,800	\$ 18,800
Employer contributions	7,700	6,700
Fair value of Plan assets	-	-
Weighted-average assumptions		
Discount rate	6.00%	5.75%
Rate of compensation increase	0%	0%
Expected return on plan assets	-	-
Actuarial (gain)/loss on benefit obligation	24,886	(18,748)
Benefit payments	-	-

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

G. Post-retirement Benefits Other than Pensions – Continued

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

<u>Fiscal Year</u>	<u>Amount</u>
2010	\$ 25,500
2011	26,700
2012	27,900
2013	28,900
2014	30,100
2015-2019	157,100

H. Federal Income Taxes

The Organization is exempt from federal income taxes under Section 501 (c) 3 of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

In June 2006, the FASB released FASB Interpretation (FIN) No. 48, *Accounting for Uncertainty in Income Taxes*. FIN 48 interprets the guidance in FASB Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*. When FIN 48 is implemented, reporting entities utilize different recognition thresholds and measurement requirements when compared to prior technical literature. On December 30, 2008, the FASB Staff issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. As deferred by the guidance in FSP FIN 48-3, the Organization is not required to implement the provisions of FIN 48 until fiscal years beginning after December 15, 2008. As such, the Organization has not implemented those provisions in the 2009 financial statements.

Since the provisions of FIN 48 have not been implemented in accounting for uncertain tax positions, the Organization continues to utilize its prior policy of accounting for these positions, following the guidance in SFAS No.5, *Accounting for Contingencies*. Disclosure is not required of a loss contingency involving an unasserted claim or assessment when there has been no manifestation by a potential claimant of an awareness of a possible claim or assessment unless it is considered probable that a claim will be asserted and there is a reasonable possibility that the outcome will be favorable. Using this guidance, as of June 30, 2009, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

I. Concentration of Credit Risk

The Organization maintains its operating bank accounts at one financial institution. The Federal Deposit Insurance Corporation ("FDIC") insures accounts at this financial institution up to \$250,000. Cash at this financial institution exceeded federally insured limits by approximately \$92,400 as of June 30, 2009 and approximately \$585,000 as of June 30, 2008. The Organization has not experienced any losses related to uninsured deposits.

J. Related Party Transactions

Combined Federal and State Employees Campaigns

The Organization acts as the Principal Combined Fund Organization for the State Employees Charitable Campaign. The campaign was charged approximately \$50,000 during the year ended June 30, 2009 and \$51,000 for the year ended June 30, 2008 for campaign and administrative support provided by the Organization. The Organization received approximately \$236,000 in pledges from the State Employees Charitable Campaign during the year ended June 30, 2009 and \$324,000 during the year ended June 30, 2008.

Purchase of Goods and Services

From time to time the Organization purchases goods or services from entities affiliated with various committee members or volunteers. Management believes these transactions have been conducted on an arms length basis and no preferential treatment has been afforded the Organization or the vendors.

K. Legacy Fund

In May 2003, the Organization entered into agreements with two entities whereby the Organization received a temporarily restricted contribution of \$1,900,000. As a condition of the contribution, the agreements state the \$1,900,000 received in May 2003 shall be held for a period of six years after the distribution to settle certain indemnity obligations should they arise. In April 2004, the Organization entered into an agreement with the Community Foundation establishing the United Way Legacy Fund. A special disbursement provision of that agreement will have Community Foundation disburse to the Organization an amount required to meet the indemnification requirement mentioned above, if necessary, except that the disbursement will not exceed the balance of the Fund at that time. The restriction on the \$1,900,000 expired in May 2009.

In December 2006, the Organization entered into agreements with two entities (same as above) whereby the Organization received a temporarily restricted contribution of \$248,725. As a condition of the contribution, the agreements state the \$248,725 shall be held available for a period of six years after the distribution to settle certain indemnity obligations should they arise.

As of the date of this report, neither management nor the Organization has been made aware of any such claims against the contributions, which would require an adjustment in the accompanying financial statements.

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

L. Leases

On August 30, 2007, the Organization entered into a ten year lease to lease its office space. The commencement date of the lease was January 14, 2008. The annual lease obligations for the next five fiscal years and thereafter for this space and other related equipment are:

<u>Fiscal Year</u>	
2010	\$ 409,000
2011	409,000
2012	396,000
2013	372,000
2014	331,000
2015-2019	<u>1,130,000</u>
Total	<u>\$ 3,047,000</u>

Rent expense was \$396,000 for the year ended June 30, 2009 and \$115,236 for the year ended June 30, 2008.

M. Rental Income

The Organization's rental revenues are received from not for profit organizations herein referred to as tenants under non-cancelable operating leases. During the years ended June 30, 2009 and 2008, \$552,291 and \$584,170 respectively, of rental revenue was generated from tenants. The tenant leases typically provide for minimum rent, charges for all operating costs of the buildings and are adjusted as building expenses increase from year to year. Minimum future rentals on non-cancelable tenant operating leases at June 30, 2009 are as follows for fiscal years ending June 30:

<u>Fiscal Year</u>	
2010	\$ 317,245
2011	280,180
2012	187,362
2013	93,738
2014	<u>52,150</u>
Total	<u>\$ 930,675</u>

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

N. Fair Value Measurements

Financial Accounting Standards Board Statement No. 157, Fair Value Measurements (FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active market that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2009 and 2008.

Corporate bonds, government securities, and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumption to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**UNITED WAY OF METROPOLITAN TARRANT COUNTY
NOTES TO FINANCIAL STATEMENTS**

N. Fair Value Measurements – Continued

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2009. FASB Statement No. 157 was not in effect for the year ended June 30, 2008.

	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance as of June 30, 2009
Corporate bonds	\$ -	\$ 982,564	\$ 982,564
U.S. Government securities	2,161,910	-	2,161,910
Beneficial interest in assets held by others	-	8,187,019	8,187,019
Total	<u>\$ 2,161,910</u>	<u>\$ 9,169,583</u>	<u>\$ 11,331,493</u>

O. Prior Period Adjustment

Subsequent to the issuance of the 2008 financial statements, an error in reporting the time restrictions placed upon the Legacy Fund was discovered. The effect of the correction of the error is a decrease in the 2008 unrestricted net assets and an increase in temporarily restricted net assets of \$248,725. The error did not have an impact on the 2008 change in net assets.