

**UNITED WAY OF THE EASTERN PANHANDLE, INC.**

**FINANCIAL STATEMENTS  
(WITH SUPPLEMENTAL INFORMATION)**

**FOR THE YEAR ENDED JUNE 30, 2007**

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J.C. Kunkle & Associates, A.C.  
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

Board of Directors  
United Way of the Eastern Panhandle, Inc.  
Martinsburg, West Virginia

We have audited the accompanying statement of financial position of United Way of the Eastern Panhandle, Inc. as of June 30, 2007, and the related statements of activity, cash flows and functional expenses 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.

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 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 the United Way of the Eastern Panhandle, Inc. as of June 30, 2007, 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.

*J.C. KUNKLE & ASSOCIATES, A.C.*

Martinsburg, West Virginia  
December 12, 2007

United Way of the Eastern Panhandle, Inc.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2007

**ASSETS**

Cash and cash equivalents	\$ 770,094
Restricted cash - Combined Federal Campaign	52,902
Pledges receivable (net of allowance of \$70,000)	465,356
Pledges receivable - Combined Federal Campaign	50,643
Prepaid insurance and other assets	11,943
Property and equipment, net	<u>3,042</u>

**Total assets** \$ 1,353,980

**LIABILITIES**

Accounts payable and accrued expenses	\$ 2,179
Compensation liabilities	15,142
Accrued allocations - Combined Federal Campaign	100,962
Pass-through donations held	<u>72,351</u>

**Total liabilities** 190,634

**NET ASSETS**

Temporarily restricted	1,085,696
Unrestricted	<u>77,650</u>

**Total net assets** 1,163,346

**Total liabilities and net assets** \$ 1,353,980

The accompanying notes are an integral part of these statements.

United Way of the Eastern Panhandle, Inc.  
**STATEMENT OF ACTIVITY**  
For the year ended June 30, 2007

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT, REVENUES AND RECLASSIFICATIONS</b>			
Campaign contributions	\$ -	\$ 1,304,523	\$ 1,304,523
Combined Federal Campaign contributions	76,775	-	76,775
In-kind contributions	28,911	-	28,911
Special events - net	(46,474)	-	(46,474)
Management fee	24,188	-	24,188
Interest and other	21,118	-	21,118
Program income	8,474	-	8,474
Reclassifications			
Satisfaction of purpose restrictions	1,205,141	(1,205,141)	-
<b>Total support, revenue and reclassifications</b>	<b>1,318,133</b>	<b>99,382</b>	<b>1,417,515</b>
<b>EXPENSES</b>			
Program services	1,186,419	-	1,186,419
Supporting services			
Management and general	109,034	-	109,034
Fundraising	112,840	-	112,840
<b>Total expenses</b>	<b>1,408,293</b>	<b>-</b>	<b>1,408,293</b>
<b>Change in net assets</b>	<b>(90,160)</b>	<b>99,382</b>	<b>9,222</b>
<b>Equity transfer from United Way of Jefferson County, West Virginia, Inc.</b>	<b>-</b>	<b>378,716</b>	<b>378,716</b>
<b>Net assets at beginning of year</b>	<b>167,810</b>	<b>607,598</b>	<b>775,408</b>
<b>Net assets at end of year</b>	<b>\$ 77,650</b>	<b>\$ 1,085,696</b>	<b>\$ 1,163,346</b>

The accompanying notes are an integral part of these statements.

United Way of the Eastern Panhandle, Inc.  
**STATEMENT OF CASH FLOW**  
For the year ended June 30, 2007

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 9,222
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,352
Changes in operating assets and liabilities	
Increase in pledges receivable	(212,163)
Increase in prepaid expenses	(8,093)
Decrease in accounts payable	(7,491)
Increase in compensation liabilities	3,433
Increase in pass-through donations held	<u>72,351</u>
<b>Net cash used in operating activities</b>	<u>(141,389)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of equipment	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Equity transfer from United Way of Jefferson County, West Virginia, Inc.	<u>371,955</u>
<b>Net increase in cash and cash equivalents</b>	230,566
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<u>539,528</u>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<u><u>\$ 770,094</u></u>

**SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING  
AND FINANCING ACTIVITIES**

None

**RECONCILIATION OF CASH AND CASH EQUIVALENTS**

Cash and cash equivalents per above	<u>\$ 770,094</u>
Cash and cash equivalents per statement of financial position	<u><u>\$ 770,094</u></u>

The accompanying notes are integral part of these statements.

United Way of the Eastern Panhandle, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended June 30, 2007

	Program Services			Supporting Services		Total
	Community Support	Combined Federal Campaign	Total	Management and General	Fund Raising	
Payments to affiliates	\$ 11,363	\$ -	\$ 11,363	\$ -	\$ -	\$ 11,363
Agency allocations	973,013	-	973,013	-	-	973,013
CFC allocations (net of the allocation to United Way of the Eastern Panhandle)	-	76,775	76,775	-	-	76,775
Special allocations	1,500	-	1,500	-	-	1,500
Non-agency designations	25,740	-	25,740	-	-	25,740
Printing	-	852	852	-	-	852
Campaign supplies and awards	-	1,804	1,804	-	11,043	12,847
Salaries and wages	46,054	14,737	60,791	61,712	61,712	184,215
Payroll taxes and employee benefits	3,523	1,128	4,651	4,721	4,721	14,093
Employee benefits	2,405	1,346	3,751	7,225	7,225	18,201
Postage	-	136	136	2,693	2,693	5,522
Occupancy and maintenance	3,053	760	3,813	11,394	-	15,207
Telephone	770	140	910	1,442	1,442	3,794
Supplies and expenses	723	159	882	2,463	2,464	5,809
Dues and subscriptions	-	-	-	157	-	157
Training and meetings	417	400	817	-	-	817
Insurance	-	-	-	3,502	-	3,502
Professional fees	-	500	500	5,500	-	6,000
In-kind expenses	3,943	-	3,943	4,350	20,618	28,911
Travel	1,258	100	1,358	922	922	3,202
Equipment maintenance and contracts	-	-	-	1,601	-	1,601
Other program costs	13,820	-	13,820	-	-	13,820
Depreciation	-	-	-	1,352	-	1,352
	<u>\$ 1,087,582</u>	<u>\$ 98,837</u>	<u>\$ 1,186,419</u>	<u>\$ 109,034</u>	<u>\$ 112,840</u>	<u>\$ 1,408,293</u>

The accompanying notes are an integral part of these statements.