

**GREATER GALLATIN UNITED WAY, INC.**

**AUDITED FINANCIAL STATEMENTS  
(With Comparative Totals as of June 30, 2009)**

**June 30, 2010**



**Junkermier • Clark**

**Campanella • Stevens • P.C.**

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Certified Public Accountants and Business Advisors

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**AUDITED FINANCIAL STATEMENTS**

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**Junkermier • Clark  
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Certified Public Accountants and Business Advisors

**To the Board of Directors  
Greater Gallatin United Way, Inc.  
Bozeman, Montana**

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying statement of financial position of Greater Gallatin United Way, Inc. (a nonprofit organization), as of June 30, 2010, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of Greater Gallatin United Way, Inc.'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 June 30, 2009 financial statements and, in our report dated October 1, 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. 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 Greater Gallatin United Way, Inc., as of June 30, 2010, 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.

***Junkermier, Clark, Campanella, Stevens, P.C.***

Bozeman, Montana  
October 29, 2010

**GREATER GALLATIN UNITED WAY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2010**  
**(With Comparative Totals as of June 30, 2009)**

**ASSETS**

	<b>2010</b>	<b>2009</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 193,356	\$ 141,578
Investments	399,250	381,169
Grants receivable	-	7,406
Pledges receivable, net uncollectible allowance of \$30,000	116,619	163,280
	709,225	693,433
<b>FIXED ASSETS</b>		
Machinery, furniture and equipment	18,442	18,442
Less: accumulated depreciation	(18,442)	(18,442)
	-	-
<b>ENDOWMENT INVESTMENTS</b>	242,998	213,611
<b>OTHER ASSETS</b>		
Rent deposit	1,354	1,354
Totals	\$ 953,577	\$ 908,398

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accrued liabilities	\$ 1,397	\$ 731
Accrued compensated absences	7,818	7,730
Accrued allocations	425,000	455,000
Accrued designations	5,315	9,993
	439,530	473,454
<b>NET ASSETS</b>		
Unrestricted	246,253	172,064
Temporarily restricted	19,896	14,982
Permanently restricted	247,898	247,898
	514,047	434,944
Totals	\$ 953,577	\$ 908,398

See notes to financial statements.

**GREATER GALLATIN UNITED WAY, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2010**  
**(With Comparative Totals for the Year Ended June 30, 2009)**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>2010 Totals</b>	<b>2009 Totals</b>
<b>SUPPORT REVENUE</b>					
Contributions	\$ 632,504	\$ -	\$ -	\$ 632,504	\$ 681,410
Grants	86,000	65,777	-	151,777	145,820
Less: Uncollected pledges	(17,887)	-	-	(17,887)	(24,971)
Less: Designations	(5,315)	-	-	(5,315)	(9,993)
	<u>695,302</u>	<u>65,777</u>	<u>-</u>	<u>761,079</u>	<u>792,266</u>
<b>REVENUE</b>					
Interest and dividend income	17,855	-	-	17,855	21,926
Other income	3,639	-	-	3,639	13,097
Proceeds from Montana Community Foundation	12,198	-	-	12,198	13,187
Proceeds from training collaborative	-	-	-	-	6,748
Service fees	1,462	-	-	1,462	666
In-kind donations	52,151	-	-	52,151	53,803
Net investment income (loss)	58,435	-	-	58,435	(117,549)
	<u>145,740</u>	<u>-</u>	<u>-</u>	<u>145,740</u>	<u>(8,122)</u>
<b>SATISFACTION OF PROGRAM RESTRICTIONS</b>	<u>60,863</u>	<u>(60,863)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support, revenues, and satisfaction of program restrictions	<u>901,905</u>	<u>4,914</u>	<u>-</u>	<u>906,819</u>	<u>784,144</u>
<b>EXPENSES</b>					
Allocations	497,535	-	-	497,535	544,388
Functional expenses					
Program	208,991	-	-	208,991	228,337
Fundraising	34,111	-	-	34,111	55,383
Management	87,079	-	-	87,079	77,034
	<u>827,716</u>	<u>-</u>	<u>-</u>	<u>827,716</u>	<u>905,142</u>
<b>CHANGE IN NET ASSETS</b>	74,189	4,914	-	79,103	(120,998)
Net assets, beginning of year	<u>172,064</u>	<u>14,982</u>	<u>247,898</u>	<u>434,944</u>	<u>555,942</u>
<b>NET ASSETS, end of year</b>	<u>\$ 246,253</u>	<u>\$ 19,896</u>	<u>\$ 247,898</u>	<u>\$ 514,047</u>	<u>\$ 434,944</u>

See notes to financial statements.

**GREATER GALLATIN UNITED WAY, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2010**  
**(With Comparative Totals for the Year Ended June 30, 2009)**

	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 79,103	\$ (120,998)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	1,252
Realized and unrealized loss/(gain) and investments income	(58,435)	112,593
(Increase) decrease in:		
Grants receivable	7,406	35,331
Pledges receivable	46,661	13,083
Rent deposit	-	(629)
Increase (decrease) in:		
Accrued liabilities	666	(3,740)
Accrued compensated absences	88	(1,008)
Accrued allocations	(30,000)	(8,750)
Accrued designations	(4,678)	(881)
	<u>40,811</u>	<u>26,253</u>
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>		
Net investments purchased	<u>10,967</u>	<u>107,044</u>
<b>NET INCREASE IN CASH</b>	51,778	133,297
Cash at beginning of year	<u>141,578</u>	<u>8,281</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 193,356</u>	<u>\$ 141,578</u>

See notes to financial statements.

**GREATER GALLATIN UNITED WAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2010**  
**(With Comparative Totals for the Year Ended June 30, 2009)**

	<u>PROGRAM</u>	<u>FUND- RAISING</u>	<u>MANAGEMENT</u>	<u>2010 TOTALS</u>	<u>2009 TOTALS</u>
Accounting	\$ -	\$ -	\$ 2,834	\$ 2,834	\$ 14,320
Acknowledgements and awards	-	2,448	612	3,060	3,756
Advertising	40,993	-	4,555	45,548	46,135
Bank charges	-	-	2,156	2,156	4,881
Collaborative training expense	-	-	-	-	5,223
Contract labor	1,416	266	531	2,213	1,237
Curriculum	15,491	-	-	15,491	19,276
Dues and subscriptions	775	145	291	1,211	1,121
Employee benefits	14,614	913	2,740	18,267	26,521
Insurance	1,165	218	2,422	3,805	3,794
Investment fees	-	-	12,674	12,674	1,672
Maintenance and repairs	1,044	279	5,638	6,961	5,592
Meetings	165	-	869	1,034	4,517
Office rent	14,994	2,811	5,623	23,428	14,151
Nutrition	754	-	-	754	3,400
Payroll taxes	9,073	1,375	3,299	13,747	13,194
Postage	662	736	74	1,472	2,556
Printing and copying	1,552	3,055	242	4,849	7,814
Professional fees	-	-	3,500	3,500	3,000
Salaries	95,985	18,076	36,374	150,435	155,612
Change in compensated absences	59	13	16	88	(1,008)
Supplies	1,302	2,563	203	4,068	8,979
Technology	-	-	-	-	1,260
Telephone	2,536	475	951	3,962	3,395
Travel and training	2,478	-	-	2,478	2,729
United Way of America dues	3,933	738	1,475	6,146	6,375
	<u>208,991</u>	<u>34,111</u>	<u>87,079</u>	<u>330,181</u>	<u>359,502</u>
Total functional expenses before depreciation					
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,252</u>
	<u>\$ 208,991</u>	<u>\$ 34,111</u>	<u>\$ 87,079</u>	<u>\$ 330,181</u>	<u>\$ 360,754</u>

See notes to financial statements.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Operations:**

Greater Gallatin United Way, Inc. (the Organization) is a nonprofit agency organized to identify and prioritize human service issues; then garner and distribute resources to make an impact on those issues. The Organization serves people in Park, Madison, Meagher and Gallatin County, Montana. The Agency was incorporated with the State of Montana on December 19, 1978. The governing board consists of an elected president, and elected members of the board of directors. The Organization is supported primarily through contributions from an annual campaign.

**Basis of Accounting:**

The accompanying financial statements have been prepared on the accrual basis of accounting. Contributions are recorded when received, unless susceptible to accrual, and expenses are recognized when incurred. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Unrestricted net assets - Net assets that are not subject to donor imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor imposed stipulations that may or will be met, either by actions of the Organization or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as satisfaction of program restrictions. Restricted revenue is reported as unrestricted if the restrictions are met in the reporting period.

Permanently restricted net assets - Net assets subject to donor imposed stipulations require that they be maintained permanently by the Organization. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes.

**Use of 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.

**Income taxes:**

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and therefore, has made no provision for income taxes.

**Donated services, materials, and facilities:**

The financial statements of the Organization reflect in-kind donations as revenues in the period received and as assets, expenses, or decreases of liabilities depending on the type of benefit received. Donations are measured at estimated fair market values. Donations received with donor restrictions for future periods are reported as an increase in net assets.

Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and cash equivalents:**

For purposes of the cash flow statement, cash includes amounts held in checking and savings accounts as well as certificates of deposit with an original maturity of three months or less.

**Property and Equipment:**

Property and equipment are recorded at their historical cost, or if donated, at the estimated fair market values at the date of donation based on independent appraisals. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. The Organization capitalizes assets purchased with a useful life of more than one year and purchase price greater than \$2,500. The property and equipment is depreciated using the straight-line method over their estimated useful lives.

**Endowment Investments:**

Investments with D.A. Davidson in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Pledges Receivable:**

Pledges receivable are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization uses an allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Compensated Absences:**

The Organization accrues annual leave based upon the employees anniversary date. An employee which separates from the organization is paid for all granted and unused annual leave.

**Comparative Totals:**

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2009 from which the summarized information was derived.

**2. INVESTMENTS**

Effective July 1, 2008, the Organization adopted the professional standards for *Fair Value Measurements*. Professional standards define fair value, establish a framework for measuring fair value in generally accepted accounting principles, and enhance disclosures about fair value measurements. Fair value is defined under professional standards as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under professional standards must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable, and the last unobservable, that may be used to measure fair value, which are the following:

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**2. INVESTMENTS (Continued)**

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2- Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The adoption of the professional standards for *Fair Value Measurements* did not have a material impact on the Organization's financial position or changes in net assets and its cash flows.

	<u>Cost</u>	<u>Gross Unrealized Gains (Losses)</u>	<u>Fair Value (Level 1)</u>
June 30, 2010:			
Marketable securities:			
Bank insured deposit	\$ 45,500	\$ -	\$ 45,500
Mutual bond funds	168,212	9,051	177,263
Mutual large cap equity fund	7,353	2,426	9,779
Mutual growth funds	24,680	(5,178)	19,502
I shares - Treasury inflation protected securities	73,490	(470)	73,020
I shares index funds	56,629	(6,264)	50,365
Mutual equity income fund	18,515	5,306	23,821
	<u>394,379</u>	<u>4,871</u>	<u>399,250</u>
Marketable securities - endowment:			
Bank insured deposit	3,902	-	3,902
Mutual bond funds	61,414	2,160	63,574
Mutual large cap equity fund	5,840	3,159	8,999
Mutual growth funds	40,311	(1,578)	38,733
I shares - Treasury inflation protected securities	24,840	605	25,445
I shares index funds	58,242	2,249	60,491
Mutual mid cap equity fund	4,190	1,594	5,784
Mutual equity income fund	19,618	10,127	29,745
Mutual small cap value fund	7,204	(879)	6,325
	<u>225,561</u>	<u>17,437</u>	<u>242,998</u>
Total Level 1 marketable equity securities	<u>\$ 619,940</u>	<u>\$ 22,308</u>	<u>\$ 642,248</u>

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**2. INVESTMENTS (Continued)**

	<b>Cost</b>	<b>Gross Unrealized Gains (Losses)</b>	<b>Fair Value (Level 1)</b>
June 30, 2009:			
Marketable securities:			
Bank insured deposit	\$ 23,787	\$ -	\$ 23,787
Mutual bond funds	127,944	(3,673)	124,271
Mutual large cap equity fund	10,588	1,803	12,391
Mutual growth funds	34,166	(9,583)	24,583
I shares - Treasury inflation protected securities	71,620	(4,029)	67,591
I shares index funds	117,402	(15,236)	102,166
Mutual equity income fund	23,403	2,977	26,380
	408,910	(27,741)	381,169
Marketable securities - endowment:			
Bank insured deposit	9,398	-	9,398
Mutual bond funds	29,446	(1,758)	27,688
Mutual large cap equity fund	6,592	2,347	8,939
Mutual growth funds	29,039	(3,547)	25,492
I shares - Treasury inflation protected securities	17,842	(564)	17,278
I shares index funds	78,725	(4,984)	73,741
Mutual mid cap equity fund	3,262	850	4,112
Mutual equity income fund	26,374	8,662	35,036
Mutual small cap value fund	9,251	(2,531)	6,720
Mutual emerging market fund	5,015	192	5,207
	214,944	(1,333)	213,611
Total Level 1 marketable equity securities	\$ 623,854	\$ (29,074)	\$ 594,780

Components of investment and interest income for the year ended June 30, 2010 and 2009 consist of the following:

	<b>2010</b>	<b>2009</b>
Interest and dividends	\$ 17,855	\$ 21,926
Unrealized gains and (losses)	49,122	(32,715)
Realized gains and (losses)	9,313	(84,834)
	\$ 76,290	\$ (95,623)

**3. PROPERTY AND EQUIPMENT**

A summary of property and equipment follows:

Machinery and equipment	\$ 8,197
Furniture and fixtures	10,245
	\$ 18,442

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**4. ENDOWMENT**

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. During the year ended June 30, 2010, fees paid for management of endowment funds were \$4,874.

*Interpretation of Relevant Law*

The Board of Directors has interpreted the Montana Uniform Prudent Management of Institutional Funds Act ("MUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by MUPMIFA. In accordance with MUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Organization; and
- (7) The investment policies of the Organization.

*Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor of MUPMIFA requires the Organization to retain as a fund of perpetual direction. As of the June 30, 2010, the endowment fund had such a deficiency of \$4,900.

*Return Objectives and Risk Parameters*

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to operations while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). The Organization expects its endowment funds, over time, to provide a reasonable level of current income to support the spending policy authorized by the Board of Directors and to grow equity assets. Actual returns in any given year may vary from this amount.

*Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation including cash equivalents, fixed income, and equity securities to achieve its long-term return objectives within prudent risk constraints.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**4. ENDOWMENT (Continued)**

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Endowment and Investment Committee shall review the fiscal yearend account statements and returns of the endowment account and may transfer, to the general operating account, so much of the net income, but not more than five percent (5%) of the total portfolio balance of the account as valued on the last business day of the fiscal year, as they deem necessary and appropriate. Income shall be defined as dividends from stocks and interest from bond funds. In addition, the Board may set aside and transfer to the general operating account or can designate for a project so much of the net appreciation, realized and unrealized, in fair market value of the assets of the endowment funds over historic value. The historic value is the value of all gifts and transfer to the fund as of the date of such transfer. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective to preserve the fair value of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of June 30, 2010 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2010 Totals</u>	<u>2009 Totals</u>
Donor-restricted endowment funds	\$ (4,900)	\$ -	\$ 247,898	\$ 242,998	\$ 213,611
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2010 Totals</u>	<u>2009 Totals</u>
Endowment net assets, beginning of year	\$ (34,287)	\$ -	\$ 247,898	\$ 213,611	\$ 265,685
Investment return:					
Investment income, net	-	5,190	-	5,190	6,628
Net appreciation (depreciation)	<u>29,387</u>	<u>(5,190)</u>	<u>-</u>	<u>24,197</u>	<u>(58,702)</u>
	<u>\$ (4,900)</u>	<u>\$ -</u>	<u>\$ 247,898</u>	<u>\$ 242,998</u>	<u>\$ 213,611</u>

There are also restricted investments held in an endowment fund managed by the Montana Community Foundation (Foundation). The endowment principal may not be accessed by the Organization. However, the Organization receives interest from the endowment investment, which can be used at their discretion or can be reinvested.

The Foundation holds an endowment in the amount of \$290,701 as of June 30, 2010 in which the Organization is the beneficiary of the interest and dividends less administration fees earned on the Foundation's endowment. The net earnings on the Foundation's endowment is credited to the Organization's endowment with the Foundation every December 31st and June 30th. During the year, payments from the Foundation endowment fund totaled \$12,198.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**5. LEASES**

The Organization entered into a five-year and one-month lease agreement to rent office space. The lease began on June 1, 2009 and will terminate on June 30, 2014. The monthly lease obligation for fiscal years ending 2011, 2012, 2013, 2014 is \$1,354, \$1,504, \$1,655, \$1,805, respectively. The following is a schedule of future lease payments due:

2011	\$	16,245	
2012		18,050	
2013		19,855	
2014		<u>21,660</u>	
Total			<u>\$ 75,810</u>

**6. RESTRICTIONS ON NET ASSETS**

The Organization's board of directors has also chosen to place limitations on a portion of the unrestricted net assets. The following is a listing of the unrestricted, temporarily restricted, and permanently restricted net assets:

Unrestricted			
Board designated	\$	172,064	
Undesignated		<u>74,189</u>	
Total unrestricted			\$ 246,253
Temporarily restricted			19,896
Permanently restricted			<u>247,898</u>
Total net assets			<u>\$ 514,047</u>

Temporarily restricted net assets is comprised of the following:

4H Curriculum	\$	431	
Early childhood projects		866	
kidsLINK		12,376	
School readiness		<u>6,223</u>	
Totals			<u>\$ 19,896</u>

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**7. DONATED SERVICES, MATERIALS, AND FACILITIES**

The following in-kind donations were recognized as expenses for the year ended June 30, 2010:

Advertising	\$	33,336
Investment fees		7,800
Rent		5,415
Repairs and Maintenance		1,368
Acknowledgment and awards		2,932
Accounting and professional fees		<u>1,300</u>
		<u>\$ 52,151</u>

**8. CONCENTRATION OF CREDIT RISK**

The Organization receives a significant portion of its annual revenue from several local entities. If the funds from those groups were not provided it would adversely affect the operations of the Organization. However, the Organization does not feel the support will be withheld based on the positive ongoing relationships.

**9. RETIREMENT PLAN**

In January 2004, the Organization adopted a Savings Incentive Match Plan for Employees (SIMPLE). All employees who are 21 years old and have been employed with the Organization two out of the five previous years and earned at least \$5,000 are eligible to participate in the plan. According to the plan, the Organization will match each participant's elective salary deferrals, dollar for dollar, up to 3% of each participant's compensation. Participants may direct their investments among the funds offered by the plan. During the year, the Organization made a matching contribution of \$3,068 to the SIMPLE plan.

**10. OVERHEAD RATIO**

The following overhead (fundraising) ratio is equal to fundraising, management, and general expenses divided by total campaign support and all other revenue sources. The ratio is calculated below using the net method recommended in functional expenses and overhead reporting guidelines for United Ways, United Way of America, 2003.

Numerator:	Fundraising and management expense, and payments to affiliates	\$ <u>121,190</u>
Denominator:	Total support and revenue, excluding in-kind donations and unrealized gains (losses) on investments	\$ 805,545
	Add: Designations	<u>5,315</u>
		<u>\$ 810,860</u>
	Numerator/denominator expressed as a percent	<u>14.9 %</u>

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**11. GRANTS**

GARDNER C. WAITE FOUNDATION

The Organization received a grant of \$3,175 from the Gardner C. Waite Foundation for kidsLINK after school program, which had been expended by June 30, 2010.

GALLATIN COUNTY 4-H FOUNDATION

The Organization received a grant of \$30,000 from the Gallatin County 4-H Foundation (Gilhousen Family Foundation) for kidsLINK after school program, which all had been expended in accordance with the grant during the year.

21ST CENTURY COMMUNITY LEARNING CENTER GRANT

The Organization received a grant of \$86,000 from the Montana Office of Public Instruction to fund a program director and add curriculum to primarily serve the Bozeman kidsLINK sites. The grant is an expense reimbursement grant.

**12. SUBSEQUENT EVENTS**

Date of Management Evaluation

Management has evaluated subsequent events through October 29, 2010, the date on which the financial statements were available to be issued.