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May 18, 2010

Communication with Those Charged with Governance

To the Members of the Board of Directors
Davie County United Way, Inc.

We have audited the financial statements of Davie County United Way, Inc. for the year ended December 31, 2009, and have issued our report thereon dated May 18, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 31, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Davie County United Way, Inc. are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

Management's estimate of the allocating certain expenses by function and reserve for uncollectible pledge receivables. These estimates are based on management's experience and knowledge regarding the expense functions benefiting for costs incurred, and collectability of pledges given recent historical experience and trends. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

The disclosure of other United Way campaigns in Note E to the financial statements due to the significance of pledge support received from these other organizations.

(Continued)

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(Continued)

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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 18, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Davie County United Way, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


GRAY, CALLISON & CO., P.A.

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May 18, 2010

MANAGEMENT LETTER

To the Board of Directors
Davie County United Way, Inc.

In planning and performing our audit of the financial statements of Davie County United Way, Inc. as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered Davie County United Way, Inc.'s internal control over financial reporting (internal control) 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we noted a few matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated May 18, 2010, on the financial statements of Davie County United Way, Inc.

* * * *

Contribution Reconciliation Procedures

In recent years, including the current year, we noted an improvement in the recording of pledge collections to the Organization's general ledger and pledge records. We understand attempts are being made to agree postings to the general ledger and the donor pledge records, but we noted this process is not as formalized as it should be. In order to obtain assurance pledge collections posted to the general ledger agree and reconcile to postings to the donor pledge records, both as to amount and by pledge year, we recommend formal overall reconciliation procedures be developed and implemented.

* * * *

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

DAVIE COUNTY UNITED WAY, INC.

Financial Statements

Years Ended December 31, 2009 and 2008

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May 18, 2010

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Directors
Davie County United Way, Inc.
Mocksville, North Carolina

We have audited the accompanying statements of financial position of Davie County United Way, Inc. (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements 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 audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Davie County United Way, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Gray, Callison & Co., P.A.

DAVIE COUNTY UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 246,710	\$ 249,242
Pledges receivable:		
Next year's campaign (less allowance for uncollectible pledges of \$14,811 and \$14,785 at 2009 and 2008, respectively)	89,336	83,838
Current year's campaign (less allowance for uncollectible pledges of \$36,830 and \$50,701 at 2009 and 2008, respectively)	42,156	53,578
Other receivables	<u>3,383</u>	<u>3,052</u>
TOTAL CURRENT ASSETS	381,585	389,710
 PROPERTY AND EQUIPMENT – net	 <u>5,215</u>	 <u>8,952</u>
 TOTAL ASSETS	 <u>\$ 386,800</u>	 <u>\$ 398,662</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Payroll liabilities payable	\$ 2,380	\$ 2,423
Allocations and designations payable	<u>163</u>	<u>1,873</u>
TOTAL LIABILITIES	<u>2,543</u>	<u>4,296</u>
 NET ASSETS		
Unrestricted:		
Unappropriated	196,720	215,388
Net investment in property and equipment	<u>5,215</u>	<u>8,952</u>
	201,935	224,340
Temporarily restricted	<u>182,322</u>	<u>170,026</u>
TOTAL NET ASSETS	<u>384,257</u>	<u>394,366</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 386,800</u>	 <u>\$ 398,662</u>

The accompanying notes are an integral part of these statements.

DAVIE COUNTY UNITED WAY, INC.
STATEMENTS OF ACTIVITY
For the Years Ended December 31, 2009 and 2008

	2009		
	Unrestricted	Temporarily Restricted	Total 2009
PUBLIC SUPPORT & REVENUE			
Gross Campaign Results – Current Year	\$ 89,453	\$	\$ 89,453
Gross Campaign Results in Prior Year- released from restriction	<u>184,811</u>	<u>(184,811)</u>	<u> </u>
Total Campaign Results – Current Year (Less Donor Designations):	274,264	(184,811)	89,453
Agencies	(31,521)		(31,521)
Out of County UW's	<u>(804)</u>		<u>(804)</u>
Campaign Revenue	241,939	(184,811)	57,128
(Less Provision for Uncollectible)	<u>(19,572)</u>	<u>14,785</u>	<u>(4,787)</u>
Net Campaign Revenue – Current Year	<u>222,367</u>	<u>(170,026)</u>	<u>52,341</u>
Gross Campaign Results – Next Year		185,138	185,138
(Less Provision for Uncollectible)		<u>(14,811)</u>	<u>(14,811)</u>
Net Campaign Revenue – Next Year		<u>170,327</u>	<u>170,327</u>
Designations from Other United Ways:			
Current Year Designations	226,635		226,635
(Less Donor designations)	(51,392)		(51,392)
(Less Provision for uncollectible)	<u>(15,018)</u>		<u>(15,018)</u>
Net Designations from Other United Ways	160,225		160,225
Donations - Day of Caring		3,250	3,250
Donations – Davie Place Disaster Fund			
Special Events		11,995	11,995
Service Fees	2,811		2,811
Interest Income	7,721		7,721
Other net assets released from restrictions – Day of Caring	<u>3,250</u>	<u>(3,250)</u>	<u> </u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>396,374</u>	<u>12,296</u>	<u>408,670</u>
EXPENSES			
Program Services:			
Gross Funds Awarded/Distributed	305,870		305,870
(Less Donor Designations)	<u>(83,717)</u>		<u>(83,717)</u>
Net Funds Awarded/Distributed	222,153		222,153
Allocation Services	6,768		6,768
All Other Program Services	<u>82,297</u>		<u>82,297</u>
TOTAL PROGRAM SERVICES	<u>311,218</u>		<u>311,218</u>
Supporting Services:			
Organizational Administration	41,572		41,572
Fundraising	63,712		63,712
United Way Worldwide Dues	<u>2,277</u>		<u>2,277</u>
TOTAL SUPPORTING SERVICES	<u>107,561</u>		<u>107,561</u>
TOTAL EXPENSES	<u>418,779</u>		<u>418,779</u>
INCREASE (DECREASE) IN NET ASSETS	(22,405)	12,296	(10,109)
NET ASSETS AT BEGINNING OF YEAR	<u>224,340</u>	<u>170,026</u>	<u>394,366</u>
NET ASSETS AT END OF YEAR	<u>\$ 201,935</u>	<u>\$ 182,322</u>	<u>\$ 384,257</u>

The accompanying notes are an integral part of these statements.

2008		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2008</u>
\$ 35,136	\$	\$ 35,136
<u>281,757</u>	<u>(281,757)</u>	<u> </u>
316,893	(281,757)	35,136
(41,264)		(41,264)
<u>(6,580)</u>		<u>(6,580)</u>
269,049	(281,757)	(12,708)
<u>(30,455)</u>	<u>22,461</u>	<u>(7,994)</u>
<u>238,594</u>	<u>(259,296)</u>	<u>(20,702)</u>
	184,811	184,811
	<u>(14,785)</u>	<u>(14,785)</u>
	<u>170,026</u>	<u>170,026</u>
237,642		237,642
(56,520)		(56,520)
<u>(27,771)</u>		<u>(27,771)</u>
153,351		153,351
	4,034	4,034
	95	95
5,905		5,905
3,594		3,594
8,177		8,177
<u>5,778</u>	<u>(5,778)</u>	<u> </u>
<u>415,399</u>	<u>(90,919)</u>	<u>324,480</u>
339,445		339,445
<u>(104,364)</u>		<u>(104,364)</u>
235,081		235,081
9,959		9,959
57,197		57,197
<u>302,237</u>		<u>302,237</u>
28,632		28,632
72,047		72,047
<u>3,236</u>		<u>3,236</u>
<u>103,915</u>		<u>103,915</u>
<u>406,152</u>		<u>406,152</u>
9,247	(90,919)	(81,672)
<u>215,093</u>	<u>260,945</u>	<u>476,038</u>
<u>\$ 224,340</u>	<u>\$ 170,026</u>	<u>\$ 394,366</u>

DAVIE COUNTY UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2009

EXPENSES	PROGRAM SERVICES			SUPPORT SERVICES			Total Expenses 2009
	Allocation Services	All Other Programs	TOTAL	G&A	Fundraising	United Way Worldwide Dues TOTAL	
Allocation / Awards (Less Donor Designations)	\$ 305,870 (83,717)	\$	\$ 305,870 (83,717)	\$	\$	\$	\$ 305,870 (83,717)
Program Expense - Direct		44,138	44,138				44,138
Sub-Total	222,153	44,138	266,291				266,291
Salaries	4,098	25,407	29,505	21,720	19,292		41,012 70,517
Payroll Taxes	314	1,944	2,258	1,662	1,476		3,138 5,396
Fringe Benefits	694	4,301	4,995	3,677	3,266		6,943 11,938
Sub-Total	5,106	31,652	36,758	27,059	24,034		51,093 87,851
Program Expense - Indirect	612		612				612
Contract services					21,170		21,170
Professional Fees				4,750			4,750
Insurance				2,382			2,382
License Fees					200		200
Direct campaign expense					7,002		7,002
Office supplies	178	1,104	1,282	944	839		1,783 3,065
Repairs and maintenance	133	825	958	705	626		1,331 2,289
Postage	101	623	724	533	473		1,006 1,730
Telephone/Internet	127	789	916	674	599		1,273 2,189
Travel & meetings	175	1,083	1,258	926	823		1,749 3,007
Dues & subscriptions	57	352	409	301	267		568 977
Depreciation	279	1,731	2,010	1,479	1,314		2,793 4,803
Board expense				199			199
Special events					6,365		6,365
Bank charges/penalties/interest				303			303
Miscellaneous				1,317			1,317
Sub-Total	1,662	6,507	8,169	14,513	39,678		54,191 62,360
United Way of America Dues						2,277	2,277
	\$ 228,921	\$ 82,297	\$ 311,218	\$ 41,572	\$ 63,712	\$ 2,277	\$ 107,561 \$ 418,779

The accompanying notes are an integral part of this statement.

DAVIE COUNTY UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2008

EXPENSES	PROGRAM SERVICES			SUPPORT SERVICES			Total Expenses 2008
	Allocation Services	All Other Programs	TOTAL	G&A	Fundraising	United Way Worldwide Dues	
Allocation / Awards (Less Donor Designations)	\$ 339,445 (104,364)	\$	\$ 339,445 (104,364)	\$	\$	\$	\$ 339,445 (104,364)
Program Expense - Direct		28,378	28,378				28,378
Sub-Total	<u>235,081</u>	<u>28,378</u>	<u>263,459</u>				<u>263,459</u>
Salaries	6,018	17,413	23,431	12,716	25,879		38,595
Payroll Taxes	460	1,332	1,792	973	1,980		2,953
Fringe Benefits	1,276	3,692	4,968	2,696	5,487		8,183
Sub-Total	<u>7,754</u>	<u>22,437</u>	<u>30,191</u>	<u>16,385</u>	<u>33,346</u>		<u>49,731</u>
Program Expense - Indirect	289	835	1,124	610	1,242		1,852
Contract services					15,567		15,567
Professional Fees				4,750			4,750
Insurance				2,001			2,001
License Fees					225		225
Direct campaign expense					9,188		9,188
Office supplies	335	968	1,303	707	1,439		2,146
Repairs and maintenance	58	170	228	124	252		376
Postage	292	847	1,139	618	1,259		1,877
Telephone/Internet	193	559	752	408	830		1,238
Travel & meetings	295	853	1,148	623	1,268		1,891
Dues & subscriptions	248	718	966	524	1,066		1,590
Depreciation	495	1,432	1,927	1,045	2,128		3,173
Board expense				504			504
Special events					4,237		4,237
Bank charges/penalties/interest				85			85
Miscellaneous				248			248
Sub-Total	<u>2,205</u>	<u>6,382</u>	<u>8,587</u>	<u>12,247</u>	<u>38,701</u>		<u>50,948</u>
United Way of America Dues						3,236	3,236
	<u>\$ 245,040</u>	<u>\$ 57,197</u>	<u>\$ 302,237</u>	<u>\$ 28,632</u>	<u>\$ 72,047</u>	<u>\$ 3,236</u>	<u>\$ 103,915</u>
							<u>\$ 406,152</u>

The accompanying notes are an integral part of this statement.

DAVIE COUNTY UNITED WAY, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (10,109)	\$ (81,672)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,803	5,100
Allowance for uncollectible pledges	(13,845)	3,642
Change in certain operating assets and liabilities:		
Pledges receivable	19,769	73,181
Other receivables	(331)	(1,090)
Accounts and payroll liabilities payable	(43)	(1,816)
Allocations and designations payable	<u>(1,710)</u>	<u>415</u>
CASH USED BY OPERATING ACTIVITIES	<u>(1,466)</u>	<u>(2,240)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	<u>(1,066)</u>	<u>(836)</u>
NET DECREASE IN CASH	(2,532)	(3,076)
Cash at beginning of year	<u>249,242</u>	<u>252,318</u>
CASH AT END OF YEAR	<u>\$ 246,710</u>	<u>\$ 249,242</u>

The accompanying notes are an integral part of these statements.

DAVIE COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A: ORGANIZATION

Organization and Nature of Activities

Davie County United Way, Inc. is a nonprofit corporation formed for the purpose of promoting the social welfare of Davie County. Incorporated on September 7, 1973 as Community Services of Davie County, Inc., the name was changed to Davie County United Way, Inc. on October 24, 1994. Davie County United Way, Inc. conducts an annual fundraising campaign where it solicits contributions from Davie County community residents and businesses. Proceeds from the campaign are allocated to participating agencies that provide the residents of Davie County a variety of civic, health, recreational and welfare related services.

Mission Statement

The mission of the Davie County United Way, Inc. is to advance the common good of Davie County by uniting the resources of the community to identify and address the most pressing human needs.

Income Tax Status

Davie County United Way, Inc. is a not-for-profit, voluntary health agency exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction from individual donors.

Governance

The management and administration of the affairs of Davie County United Way, Inc. are governed by a volunteer board of directors. The Board may consist of twenty-eight members serving a three year term of office. Board members are broadly representative of all areas of the County, and particularly of all areas of the County operating and affiliated with the Davie County United Way, Inc.

Program Services

Davie County United Way, Inc. uses the following program service categories for reporting purposes:

Allocation Services – Allocation and distribution of funds to organizations providing services to the Davie County community.

All Other Program Services – Includes direct individual assistance (primarily mortgage/rent assistance and partial payments for credit counseling), sponsorship of the annual Day of Caring/Housing Repair Assistance Coalition activities in the Davie County community, support for the 2-1-1 initiative, and participation in collaborative activities promoting the general welfare of Davie County residents.

DAVIE COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Davie County United Way, Inc. have been prepared on the accrual basis of accounting.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Accounting Standards Codification (ASC) No. 958, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Public Support and Revenue

Donor-Imposed Restrictions: All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily-restricted or permanently-restricted support that increases those net asset classes.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

Generally, if a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

The expenses associated with processing donor designated pledges are not recovered by an assessment for either fundraising or management and general fees. However, a deduction for collection loss (shrinkage) is taken. The deduction amount is determined by taking the estimated loss experience based on a three year average for the most recently closed campaigns of Davie County United Way, Inc., allowing for any change in current circumstances. This is in accordance with United Way Worldwide Membership Standards.

Promises to Give/Pledges: Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditionals are substantially met.

An allowance for uncollectible pledges receivable is computed based upon a three year historical average adjusted by management estimates of current economic factors, applied to gross campaign, including donor designations.

DAVIE COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS

Property and Equipment

Property and equipment acquisitions are recorded at cost. Donated property is valued at its estimated fair market value at date of gift.

Depreciation is provided on property and equipment over the estimated useful lives of the respective assets on a straight-line basis.

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Donated Services

Donated services have not been reflected in the accompanying financial statements since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers have donated significant amounts of their time to program services and fundraising campaigns.

Donated Facilities and Equipment

Davie County United Way, Inc. does not pay for the use of its office and various office furniture. No related contribution income or rental expense has been recorded in the financial statements relative to these donated facilities.

Allocated Expenses

Included in expenses by function are costs that have been allocated among program and supporting service classifications on the basis of estimates made by the management of the Organization.

Concentration of Credit Risk

At various times during the year, cash on deposit at the financial institution at which the Organization maintains its checking account exceeded the \$100,000 insured limit by the Federal Deposit Insurance Corporation (FDIC). In October, 2008, the FDIC temporarily increased the amount covered from \$100,000 to \$250,000 until December 31, 2013. At December 31, 2009, the excess of deposit liabilities reported by the financial institution over the amounts that would have been covered by FDIC insurance totaled \$4,629.

DAVIE COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE C: TEMPORARILY RESTRICTED NET ASSETS

As of December 31, 2009 and 2008, temporarily restricted net assets are available for the following purposes:

	<u>2009</u>	<u>2008</u>
Time restrictions:		
Campaign pledges received for 2010	\$ 170,327	\$ 170,026
Historic Mocksville Criterium Event proceeds for use in 2010	<u>11,995</u>	<u> </u>
	<u>\$ 182,322</u>	<u>\$ 170,026</u>

NOTE D: PROPERTY AND EQUIPMENT

Property and equipment are represented as follows:

	<u>2009</u>	<u>2008</u>
Furniture, fixtures and equipment	\$ 24,640	\$ 31,309
Less: accumulated depreciation and amortization	<u>(19,425)</u>	<u>(22,357)</u>
	<u>\$ 5,215</u>	<u>\$ 8,952</u>

Depreciation expense for December 31, 2009 and 2008 was \$4,803 and \$5,100, respectively.

NOTE E: OTHER UNITED WAY CAMPAIGNS

Davie County United Way, Inc. received current year campaign designated pledges from other United Way campaigns as noted below:

	<u>2009</u>	<u>2008</u>
Designated Pledges		
United Way of Forsyth County	\$ 202,976	\$ 212,801
Other United Way organizations	<u>23,659</u>	<u>24,841</u>
	226,635	237,642
Deductions		
Administrative Fees	(21,170)	(15,503)
Uncollectible Pledges	<u>(15,018)</u>	<u>(27,771)</u>
Net designations from other United Way campaigns	<u>\$ 190,447</u>	<u>\$ 194,368</u>
Net Designations Available for Use:		
Available for Allocations and Expense	\$ 139,055	\$ 137,848
Donor Designated to Agencies	<u>51,392</u>	<u>56,520</u>
	<u>\$ 190,447</u>	<u>\$ 194,368</u>

DAVIE COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE F: EMPLOYEE BENEFIT PLAN

Effective January 1, 2003, a simplified employee retirement plan covering all employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year was adopted. Davie County United Way, Inc. matches employee contributions up to a limit of 3% of each employee's annual salary. Plan expense incurred during 2009 and 2008 totaled \$724 and \$1,308, respectively.

NOTE G: ENDOWMENT FUND

In March 2006, the Board of Directors established an Endowment Fund with The Community Foundation of Davie County, Inc. This fund, known as the Davie County United Way Fund, was created to support United Way charitable activities. All gifts to the Fund are irrevocable, and distributions from this Fund are at the discretion of the Board of Directors of The Community Foundation of Davie County, Inc. in accordance with the Foundation's spending policy. Contributions made to the Endowment Fund, including contributions made to the Fund by Davie County United Way as a donor, contributions received by Davie County United Way designated for transfer to this fund by unrelated third parties, as well as any undistributed investment earnings accumulated in this Fund, including any changes in the fair value of the Fund assets, have not been included as assets of the Davie County United Way in these statements.

NOTE H: SUBSEQUENT EVENTS

The Organization evaluated the effects subsequent events would have on the financial statements through May 18, 2010, which is the date the financial statements were available for issuance.