

Badger and Sal

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To the Board of Trustees
Greater Morgantown Community Trust, Inc.
PO Box 409
Morgantown, West Virginia 26507-0409

In planning and performing our audit of the financial statements of Greater Morgantown Community Trust, Inc. as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Greater Morgantown Community Trust, 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 Trust's internal control.

Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.


A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

This communication is intended solely for the information and use of management, board of trustees, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

February 18, 2009
Morgantown, West Virginia


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GREATER MORGANTOWN COMMUNITY TRUST, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

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Morgantown, WV

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INDEPENDENT AUDITOR'S REPORT


To the Board of Directors
Greater Morgantown Community Trust, Inc.
Morgantown, West Virginia

We have audited the accompanying statements of financial position of Greater Morgantown Community Trust, Inc. as of December 31, 2008 and 2007, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of Greater Morgantown Community Trust, Inc.'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 audits 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 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 Morgantown Community Trust, Inc. as of December 31, 2007 and 2006, 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.

February 18, 2009
Morgantown, West Virginia


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GREATER MORGANTOWN COMMUNITY TRUST, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 32,598	\$ 527,699
Pledges receivable	1,525,250	-
Investments	4,600,255	3,975,956
Total current assets	<u>6,158,103</u>	<u>4,503,655</u>
Property and Equipment		
Land	98,000	98,000
Building	887,883	887,883
Office equipment	3,782	3,782
	<u>989,665</u>	<u>989,665</u>
Less accumulated depreciation	(64,852)	(41,893)
	<u>924,813</u>	<u>947,772</u>
Other Assets		
Bond issuance costs, net	41,600	-
	<u>41,600</u>	<u>-</u>
Total assets	<u><u>\$ 7,124,516</u></u>	<u><u>\$ 5,451,427</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued expenses	\$ 3,000	\$ 3,326
Construction payable	650,741	-
Current portion of bonds payable	639,672	-
Total current liabilities	<u>1,293,413</u>	<u>3,326</u>
Other Liabilities		
Bonds payable, net of current portion	<u>2,357,348</u>	<u>-</u>
Net Assets		
Unrestricted	208,934	166,304
Temporarily restricted	(115,382)	1,541,739
Permanently restricted	3,380,203	3,740,058
Total net assets	<u>3,473,755</u>	<u>5,448,101</u>
Total liabilities and net assets	<u><u>\$ 7,124,516</u></u>	<u><u>\$ 5,451,427</u></u>

The notes are an integral part of these statements

GREATER MORGANTOWN COMMUNITY TRUST, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	<u>2008</u>	<u>2007</u>
CHANGES IN UNRESTRICTED NET ASSETS:		
REVENUES AND GAINS (LOSSES)		
Contributions and grants	\$ 100,694	\$ 44,955
Investment income	2,139	8,247
Net realized gains (losses) on investments	-	(57)
Net unrealized gains (losses) on investments	-	(31,150)
Donated use of facilities	2,160	2,160
Administrative fees	35,903	20,660
Total unrestricted revenues and gains	140,896	44,815
Net assets released from restrictions	4,010,499	626,966
Total revenues and gains	4,151,395	671,781
Expenses		
Program services	4,058,850	475,570
General and administrative	30,989	32,036
Fundraising	18,926	17,397
Total expenses	4,108,765	525,003
Increase (decrease) in unrestricted assets	42,630	146,778
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	2,565,103	1,446,917
Special events and activities, net	11,243	(24,404)
Sales of miscellaneous items, net	15,772	18,192
Investment income	80,143	41,889
Net realized gains (losses) on investments	23,870	(4,089)
Net unrealized gains (losses) on investments	(208,036)	56,229
Net assets released from restrictions	(4,145,216)	(1,044,824)
Increase (decrease) in temporarily restricted net assets	(1,657,121)	489,910
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:		
Contributions	62,173	1,086,869
Investment income	58,271	55,298
Net realized gains (losses) on investments	49,743	(10,403)
Net unrealized gains (losses) on investments	(664,053)	122,748
Net rental income (loss)	(706)	(16,212)
Net assets released from restrictions	134,717	417,858
Increase in permanently restricted net assets	(359,855)	1,656,158
INCREASE IN NET ASSETS	(1,974,346)	2,292,846
Net assets, beginning of year	5,448,101	3,155,255
NET ASSETS, END OF YEAR	\$ 3,473,755	\$ 5,448,101

The notes are an integral part of these statements

GREATER MORGANTOWN COMMUNITY TRUST, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2008</u>	<u>2007</u>
CASH FLOW FROM OPERATING ACTIVITIES		
(Decrease) Increase in net assets	\$ (1,974,346)	\$ 2,292,846
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	29,359	22,958
(Increase) Decrease in current assets:		
Pledges receivable	(1,525,250)	-
Other assets	-	5,192
Increase (Decrease) in current liabilities:		
Accrued expenses	(326)	(2,945)
Construction payable	650,741	-
Cash (used in) provided by operating activities	<u>(2,819,822)</u>	<u>2,318,051</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments, net	(624,299)	(1,805,569)
Bonds issued	3,407,439	-
Bonds paid	(410,419)	-
Bond issuance costs	(48,000)	-
Cash provided by (used in) investing activities	<u>2,324,721</u>	<u>(1,805,569)</u>
NET (DECREASE) INCREASE IN CASH	(495,101)	512,482
CASH, BEGINNING OF YEAR	<u>527,699</u>	<u>15,217</u>
CASH, END OF YEAR	<u><u>\$ 32,598</u></u>	<u><u>\$ 527,699</u></u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u><u>\$ 99,020</u></u>	<u><u>\$ 74</u></u>

The notes are an integral part of these statements

GREATER MORGANTOWN COMMUNITY TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Services	General and Administrative	Fundraising	Total
Administrative expenses	\$ 22	\$ 8	\$ -	\$ 30
Board meeting expenses	-	291	-	291
Credit card processing fees	-	-	935	935
Depreciation and amortization	6,400	275	-	6,675
Employee benefits	500	200	300	1,000
Employee health insurance	2,110	845	1,266	4,221
Grant expense	3,859,882	-	-	3,859,882
Insurance	-	1,160	-	1,160
Interest	99,020	-	-	99,020
Investment fees and expenses	51,465	-	-	51,465
Licenses and permits	-	105	-	105
Office supplies and expense	675	2,023	-	2,698
Organization dues	-	1,250	-	1,250
Payroll taxes	2,008	803	1,205	4,016
Postage and delivery	971	324	-	1,295
Printing and reproduction	8,005	-	-	8,005
Professional fees	-	8,034	-	8,034
Program expense	137	-	-	137
Receptions	2,905	-	-	2,905
Rent	-	2,160	-	2,160
Small equipment, etc.	-	1,276	-	1,276
Staff development	-	894	-	894
3% NIP fee for donations	-	-	370	370
Telephone	-	1,441	-	1,441
Wages	24,750	9,900	14,850	49,500
	<u>\$ 4,058,850</u>	<u>\$ 30,989</u>	<u>\$ 18,926</u>	<u>\$ 4,108,765</u>

The notes are an integral part of these statements

GREATER MORGANTOWN COMMUNITY TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Program Services	General and Administrative	Fundraising	Total
Administrative expenses	\$ 123	\$ 41	\$ -	\$ 164
Board meeting expenses	-	450	-	450
Contributions	-	50	-	50
Credit card processing fees	-	-	313	313
Depreciation	-	275	-	275
Employee benefits	479	192	288	959
Employee health insurance	1,142	457	685	2,284
Finance charge	-	74	-	74
Grant expense	411,197	-	-	411,197
Insurance	-	1,440	-	1,440
Investment fees and expenses	30,973	-	-	30,973
Licenses and permits	-	140	-	140
Office supplies and expense	701	2,100	-	2,801
Organization dues	-	1,000	-	1,000
Payroll taxes	1,955	782	1,172	3,909
Postage and delivery	1,595	532	-	2,127
Printing and reproduction	2,996	-	-	2,996
Professional fees	-	9,065	-	9,065
Rent	-	2,160	-	2,160
Small equipment, etc.	-	1,245	-	1,245
Staff development	-	869	-	869
3% NIP fee for donations	-	-	294	294
Telephone	-	1,400	-	1,400
Wages	24,409	9,764	14,645	48,818
	<u>\$ 475,570</u>	<u>\$ 32,036</u>	<u>\$ 17,397</u>	<u>\$ 525,003</u>

The notes are an integral part of these statements

GREATER MORGANTOWN COMMUNITY TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Greater Morgantown Community Trust, Inc. (the Trust) was incorporated under the laws of the State of West Virginia as a nonprofit corporation on September 1, 2000, and began operations on January 1, 2001. The Trust is situated in Morgantown, West Virginia. The Trust is organized and operated exclusively for charitable or educational purposes, providing a means by which the public may establish or make gifts of various amounts to trusts or funds and provide for distribution of income and, in certain cases, principal for the educational and charitable needs of the greater Morgantown, West Virginia community. The established trusts and funds are subject to varying degrees of control by the Trust.

Significant Accounting Policies

Basis of Financial Reporting

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Trust has adopted Statement of Financial Accounting Standard (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made". The Trust has also adopted SFAS No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Trust 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.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Trust considers all short-term debt instruments with an original maturity of 90 days or less to be cash equivalents.

Investments/Endowments

The Trust invests contributions in publicly traded mutual funds and corporate stocks. Investments are stated at fair market value. The Trust records donated securities at their fair market value at the date of donation. Realized and unrealized investment gains and losses are determined by comparison of specific costs at acquisition to proceeds at the time of disposal or market value at the statement of financial position date.