

**United Poultry Concerns,
Inc.**

**Audited
Financial Statements**

**For the Year Ended
December 31, 2009**

United Poultry Concerns, Inc.
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The Board of Directors
United Poultry Concerns, Inc.
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INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheet of United Poultry Concerns, Inc. as of December 31, 2009, and the related statements of Revenue and Expenditures, Fund Balance and Cash Flows for the year then ended. These financial statements are the responsibility of the Company'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 United Poultry Concerns, Inc. as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Bradley Wealth Management, LLC
Kevin G. Bradley, CPA
President

September 9, 2010

**UNITED POULTRY CONCERNS
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2009**

ASSETS

Current Assets	
Cash	\$ 54,322
Short-term investments	238,713
Inventory	<u>15,211</u>
Total Current Assets	308,246
Property and Equipment	131,055
Less: Accumulated depreciation	<u>(38,104)</u>
Total Property and Equipment	92,951
Total Assets	<u><u>\$ 401,197</u></u>
Liabilities and Equity	
Current Liabilities	
Accounts payable	\$ 13,152
Payroll tax liabilities	1,793
Sales taxes withheld	<u>252</u>
Total Current Liabilities	15,197
Equity	
Restricted	7,000
Unrestricted	<u>379,000</u>
Total Equity	386,000
Total Liabilities and Equity	<u><u>\$ 401,197</u></u>

See accompanying footnotes to financial statements.

**UNITED POULTRY CONCERNS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009**

Revenue	Unrestricted	Restricted	Total
Donations	\$ 172,305	\$ 7,000	\$ 179,305
Inventory sales	8,134		8,134
Cost of inventory sold	(4,067)		(4,067)
Investment income	5,479		5,479
	<hr/>		
Total Unrestricted Revenue	181,851	7,000	188,851
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Expenses			
Program expenses	177,494	-	177,494
Operating expenses			
Management and general	9,120	-	9,120
Fundraising	2,549	-	2,549
Total operating expenses	11,669	-	11,669
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Total Expenses	189,162	-	193,230
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(Decrease) in Unrestricted Net Assets	(7,312)	7,000	(312)
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Net Assets at the Beginning of the Year	386,312	-	386,312
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Net Assets at the End of the Year	\$ 379,000	\$ 7,000	\$ 386,000
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See accompanying footnotes to financial statements.

**UNITED POULTRY CONCERNS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009**

Cash Flows From Operating Activities:	
Decrease in net assets	\$ (312)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation	3,431
Net unrealized loss on investments	(709)
Changes in assets and liabilities:	
(Decrease) in inventory	(1,081)
Increase in accounts payable	5,207
(Decrease) in payroll tax liabilities	(1,793)
Increase in sales tax withheld	<u>252</u>
Net Cash Used in Operating Activities:	<u>4,995</u>
Increase in Cash	4,995
Cash at the Beginning of the Year	<u>49,327</u>
Cash at the End of the Year	<u><u>\$ 54,322</u></u>
Interest paid during the year	<u><u>\$ -</u></u>
Taxes paid during the year	<u><u>\$ 1,296</u></u>

See accompanying footnotes to financial statements.

United Poultry Concerns, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2009

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See accompanying financial statements and Accountant's report.

United Poultry Concerns, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2009

1. **Organization** – United Poultry Concerns, Inc. (UPC) was incorporated in Maryland in 1990 as a non-profit corporation that addresses the treatment of domestic fowl in food production, science, education, entertainment, and human companionship situations.

United Poultry Concerns seeks to make the public aware of the ways poultry are treated by our society and elsewhere in the world. They assist the public to see how treatment of these birds affects health, education, occupational safety, and the environment. They inform people about and actively promote alternatives. UPC does this through extensive investigation, their chicken sanctuary, public talks, writings, mailings, conferences, information displays, and film presentations using such sources as public interest groups, animal advocacy organizations, poultry trade publications, government agencies, and scientific journals and proceedings.

2. **Expenditures** – Of the total costs incurred for the year ended December 31, 2009, UPC incurred 91.86% for program services, 4.72% for administrative operations and 1.32% for fundraising.
3. **Summary of Significant Accounting Policies: Basis of Presentation** – The accompanying financial statements have been prepared using the accrual basis of accounting.

Donated Materials and Services – Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated value at the date of receipt. The value of indirect expenses of volunteer services could not be estimated. There were no materials or equipment donated in the year ended December 31, 2009.

Revenues – Revenues from unrestricted contributions are recognized when received. UPC reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

See accompanying financial statements and Accountant's report.

United Poultry Concerns, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2009

3. **Summary of Significant Accounting Policies (Continued): Revenues** - Revenue from contracts is recognized as the related qualifying expenses are incurred. Revenue is deferred when funds are received but not yet expended for the contractual purpose.

In 2009 organization received \$7,000 in restricted income. Humane Society donated the amount to build a chicken coop. The restricted amount was not spent in 2009 and is included in the financial statements under Restricted Revenue.

Cash Equivalents – For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid instruments with original maturities of three months or less. Cash and cash equivalents do not include temporary cash held in custodial accounts or restricted investments.

Inventory – Inventories are stated at the lower of cost, determined by first-in, first-out basis, or market.

Property and Equipment – Property and equipment are stated at historical cost. The cost of maintenance and repairs is recorded as expense when incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, which range from five to 39 years. It is the policy of United Poultry Concerns, Inc. to capitalize all property and equipment acquisitions in excess of \$500.

Income Taxes – United poultry Concerns, Inc. is exempt from federal income tax on related income under Section 501(c)(3) of the Internal Revenue Code. The organization is classified as a public charity.

Functional Allocation of Expenses – The costs of providing the programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been either directly charged to the programs and supporting services as incurred or allocated based on usage.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

See accompanying financial statements and Accountant's report.

4. Investments – As of December 31, 2009, the aggregate carrying amount of investments by major type is as follows:

Certificates of deposit	\$236,162
Investment Account	2,199
Mutual funds	<u>352</u>
Total	<u>\$238,713</u>

Realized and unrealized gains and losses are included in the statement of activities as part of investment and other income. For the year ended December 31, 2009, net realized gains and losses were \$0. Net unrealized losses for the year ended December 31, 2009 were \$709.

5. Property and Equipment – Property and equipment at December 31, 2009 consists of the following:

Bulding and improvements	\$83,906
Land	30,000
Machinery and equipment	17,149
Less: Accumulated depreciation	<u>(38,104)</u>
Total	<u>\$92,951</u>

Depreciation expense for the year ended December 31, 2009 totaled \$3,431.

6. Concentration of Credit Risk – United Poultry Concerns, Inc. maintains a bank account at an institution that is insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash and CD balances at Bank of America exceeded federally insured limits as of December 31, 2009 by \$34,979. United Poultry Concerns, Inc. monitors the risk, does not anticipate any credit losses and has not experienced any credit losses on these financial instruments.

See accompanying financial statements and Accountant's report.