

UNITED WAY OF UNION COUNTY, OHIO, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
United Way of Union County, Ohio, Inc.  
Marysville, Ohio

We have audited the accompanying statements of financial position of United Way of Union County, Ohio, Inc. (a non-profit Organization) as of December 31, 2009 and 2008 and the related statements of activities and changes in net assets, 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 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 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 United Way of Union County, Ohio, Inc. as of December 31, 2009 and 2008, and the changes in its net assets, functional expenses and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Holbrook & Manter*

Certified Public Accountants

August 16, 2010

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**UNITED WAY OF UNION COUNTY, OHIO, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2009 AND 2008**

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS:-</b>		
Cash and cash equivalents	\$ 191,668	\$ 191,076
Pledges receivable, less allowance for uncollectible pledges of \$79,500 and \$85,000, respectively	630,760	578,978
Prepaid expenses	<u>3,056</u>	<u>3,056</u>
Total current assets	825,484	773,110
<b>PROPERTY AND EQUIPMENT:-</b>		
Property and equipment	11,549	11,549
Less accumulated depreciation	<u>( 11,549)</u>	<u>( 9,807)</u>
Net property and equipment	0	1,742
<b>OTHER ASSETS:-</b>		
Fiscal agent deposit	13,012	44,459
Lasting Legacy Foundation	<u>21,714</u>	<u>17,822</u>
Total other assets	<u>34,726</u>	<u>62,281</u>
<b>Total assets</b>	<b>\$ <u><u>860,210</u></u></b>	<b>\$ <u><u>837,133</u></u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:-</b>		
Allocations payable - agencies	\$ 145,705	\$ 193,377
Out of county donations payable	12,872	18,232
Accrued payroll liabilities	4,252	3,752
Fiscal agent deposit	<u>13,012</u>	<u>44,459</u>
Total current liabilities	175,841	259,820
<b>NET ASSETS:-</b>		
Unrestricted net assets	80,312	82,472
Temporarily restricted net assets	<u>604,057</u>	<u>494,841</u>
Total net assets	<u>684,369</u>	<u>577,313</u>
<b>Total liabilities and net assets</b>	<b>\$ <u><u>860,210</u></u></b>	<b>\$ <u><u>837,133</u></u></b>

See Accompanying Notes to Financial Statements

UNITED WAY OF UNION COUNTY, OHIO, INC.  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT:-</b>						
Net prior year campaign revenue	\$ 114,790	\$ 0	\$ 114,790	\$ 121,642	\$ 0	\$ 121,642
Less donor designations	( 35,332)	0	( 35,332)	( 16,129)	0	( 16,129)
Net prior year campaign revenue	79,458	0	79,458	105,513	0	105,513
Gross current year campaign revenue	0	743,049	743,049	0	689,099	689,099
Less donor designations	0	( 110,765)	( 110,765)	0	( 137,399)	( 137,399)
Less provision for uncollectible pledges	0	( 32,238)	( 32,238)	0	( 56,859)	( 56,859)
Net current year campaign revenue	0	600,046	600,046	0	494,841	494,841
<b>OTHER REVENUE:-</b>						
Interest income	1,702	0	1,702	2,274	0	2,274
Contributions	419	4,011	4,430	2,267	0	2,267
Miscellaneous income	4,375	0	4,375	6,735	0	6,735
Unrealized gain (loss) on investments	3,568	0	3,568	( 5,732)	0	( 5,732)
Net assets released from restriction	494,841	( 494,841)	0	483,441	( 483,441)	0
Total other revenue	504,905	( 490,830)	14,075	488,985	( 483,441)	5,544
Total public support and other revenue	584,363	109,216	693,579	594,498	11,400	605,898
<b>EXPENSES:-</b>						
<b>Program Expenses:-</b>						
Agency allocation grants	527,548	0	527,548	541,870	0	541,870
Less allocations funded through donor designations	( 146,097)	0	( 146,097)	( 153,528)	0	( 153,528)
Community assessment	0	0	0	803	0	803
Other grants and gifts	7,467	0	7,467	33,116	0	33,116
Total program expenses	388,918	0	388,918	422,261	0	422,261
<b>Functional Expenses:-</b>						
Fundraising	68,132	0	68,132	68,866	0	68,866
Program services	45,836	0	45,836	43,897	0	43,897
Management and general	77,467	0	77,467	77,009	0	77,009
Total functional expenses	191,435	0	191,435	189,772	0	189,772
United Way of America dues	6,170	0	6,170	5,871	0	5,871
Total expenses	586,523	0	586,523	617,904	0	617,904
Change in net assets	( 2,160)	109,216	107,056	( 23,406)	11,400	( 12,006)
Net assets at beginning of year	82,472	494,841	577,313	105,878	483,441	589,319
Net assets at end of year	\$ 80,312	\$ 604,057	\$ 684,369	\$ 82,472	\$ 494,841	\$ 577,313

See Accompanying Notes to Financial Statements

**UNITED WAY OF UNION COUNTY, OHIO, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 2009 AND 2008**

	2009				2008			
	Fund-Raising	Program Services	Management and General	Total	Fund-Raising	Program Services	Management and General	Total
Salaries	\$ 31,853	\$ 31,853	\$ 35,834	\$ 99,540	\$ 31,345	\$ 31,345	\$ 35,264	\$ 97,954
Payroll taxes	2,572	2,572	2,894	8,038	2,527	2,527	2,843	7,897
Employee benefits	5,358	5,358	6,027	16,743	4,420	4,420	4,974	13,814
Total salaries and related benefits	39,783	39,783	44,755	124,321	38,292	38,292	43,081	119,665
Dues and memberships	0	0	642	642	0	0	462	462
Conferences and meetings	728	728	320	1,776	1,559	1,559	685	3,803
Professional fees	0	0	13,057	13,057	0	0	12,182	12,182
Supplies	620	129	542	1,291	648	135	566	1,349
Telephone	290	290	1,030	1,609	290	290	1,029	1,609
Postage and shipping	1,757	502	879	3,138	1,127	322	563	2,012
Other occupancy costs	3,133	3,133	3,525	9,792	3,072	3,072	3,456	9,600
Service charges	0	0	763	763	0	0	870	870
Equipment	0	0	2,667	2,667	0	0	4,228	4,228
Lease expense	0	0	3,952	3,952	0	0	3,308	3,308
Campaign	19,178	0	1,443	20,621	21,751	0	1,637	23,388
Insurance - liability and bonding	0	0	1,951	1,951	0	0	2,067	2,067
Filing fees	0	0	200	200	0	0	200	200
Special events	1,796	0	0	1,796	1,975	0	0	1,975
Miscellaneous	847	1,271	0	2,118	152	227	0	379
Depreciation	0	0	1,741	1,741	0	0	2,675	2,675
<b>Total</b>	<u>\$ 68,132</u>	<u>\$ 45,836</u>	<u>\$ 77,467</u>	<u>\$ 191,435</u>	<u>\$ 68,866</u>	<u>\$ 43,897</u>	<u>\$ 77,009</u>	<u>\$ 189,772</u>

See Accompanying Notes to Financial Statements

**UNITED WAY OF UNION COUNTY, OHIO, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 2009 AND 2008**

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES:-</b>		
Change in net assets	\$ 107,056	\$ ( 12,006)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:-		
Depreciation	1,742	2,675
(Increase) decrease in pledges receivable	( 51,782)	27,544
(Increase) decrease in prepaid expenses	0	( 390)
(Increase) decrease in Lasting Legacy Foundation	( 3,892)	5,732
Increase (decrease) in allocations payable - agencies	( 47,672)	17,415
Increase (decrease) in accrued payroll liabilities	500	( 423)
Increase (decrease) in out of county donations payable	( 5,360)	744
Net cash provided by operating activities	592	41,291
Net increase in cash and cash equivalents	592	41,291
Cash and cash equivalents - beginning of year	191,076	149,785
<b>Cash and cash equivalents - end of year</b>	<b>\$ 191,668</b>	<b>\$ 191,076</b>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:-**

Cash paid for:			
Interest	\$	0	\$ 0
Income taxes	\$	0	\$ 0

See Accompanying Notes to Financial Statements

UNITED WAY OF UNION COUNTY, OHIO, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-**

**Organization** - United Way of Union County, Ohio, Inc. (the Organization) is a non-profit charitable corporation governed by a volunteer board of Trustees, with the purpose of meeting the human service needs of the Union County area through the coordination of social services, problem solving, and financial support. The Organization is supported primarily through donor contributions.

**Basis of Presentation** - The Organization has adopted the Accounting Standards Codification (ASC) No. 958-205-45, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958-205-45, 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. In addition, the Organization is required to present a statement of cash flows.

**Contributions** - The Organization recognizes contributions received and contributions made in accordance with ASC No. 958-605-25, "Accounting for Contributions Received and Contributions Made". Under ASC No. 958-605-25, a contribution received by the Organization is recognized when the donor makes an unconditional promise to give to the Organization. Conditional promises to give are not recognized by the Organization as contributions received until the conditions have been met. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and nature of any donor imposed restrictions. Contributions received with donor imposed restrictions that are met in the same reporting period are reported as unrestricted contributions.

**Designated Contributions** - The Organization recognizes donor designated contributions in accordance with ASC No. 958-605-25-24, "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others." When a donor specifically designates a participating agency to receive his or her campaign contribution, the Organization excludes the designated pledge from campaign revenue. The Organization is considered an agent for the designated beneficiary and, as such, records cash or a receivable from the donor and a liability to the designated beneficiary.

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, cash and cash equivalents include cash on hand and on deposit and all highly liquid instruments, such as certificates of deposit, purchased with maturities of three months or less.

**Property and Equipment** - Additions and improvements to property and equipment over \$500 and with a useful life of more than two years are recorded at cost when purchased and at fair value when donated to the Organization. Depreciation is computed using the straight-line method at rates expected to depreciate the cost of the assets over their estimated useful lives, which is a range of 3 to 7 years for office equipment.

**Federal Income Taxes** - The Organization has been determined, by the Internal Revenue Service, as exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and, as a result, a provision for taxes is not required. The Organization has adopted ASC No. 740-10 "Accounting for Uncertainty in Income Taxes", which became effective for years beginning after December 26, 2008. The Organization's tax returns for the years 2002-2008 are subject to examination by tax authorities. The Organization records interest and penalties, if any, in interest expense and other expense, respectively, in operating expenses. During the years ended December 31, 2009 and 2008, the Organization did not have any interest or penalties related to taxes. Management believes that the application of this accounting standard does not have a material effect on its financial statements.

UNITED WAY OF UNION COUNTY, OHIO, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2009 AND 2008

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-** (continued)

*Use of Estimates* - The financial statements of the Organization are presented in conformity with accounting principles generally accepted in the United States of America. This presentation requires the use of estimates and assumptions made by management that affect certain amounts and assumptions. Accordingly, actual results could differ from those estimates.

*Functional Allocation* - The costs of providing the program and various management and general activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain estimates have been made to allocate costs among the program and supporting activities.

*Fiscal Agent* - The Organization serves as the fiscal agent of Osteopathic Heritage Foundation (the Foundation). On behalf of this Foundation, the Organization performs various fiscal duties such as maintaining and disbursing cash funds under the terms of the Foundation's RHISCO Grant. On the statement of financial position, fiscal agent funds have been presented separately.

**NOTE 2 - PLEDGES RECEIVABLE:-**

Pledges receivable at December 31, 2009 and 2008 may be summarized as follows:

Total Pledges	2009	2008
2007 Campaign	\$ 0	\$ 114,961
2008 Campaign	98,320	547,817
2009 Campaign	610,240	1,200
2010 Campaign	1,700	0
Total campaign pledges	710,260	663,978
Allowance for uncollectible pledges	( 79,500)	( 85,000)
<b>Net pledges receivable</b>	<b>\$ 630,760</b>	<b>\$ 578,978</b>

**NOTE 3 - LASTING LEGACY FOUNDATION:-**

In March 2002, the Lasting Legacy Foundation was established by the Organization to create a vehicle for endowment and non cash contributions to be made to the foundation for the benefit of the Organization. These contributions can be directed toward several funds so that the interests of the donors are met. They are general endowment, special community initiatives, investing in children, assisting the elderly, disabled, and homeless, overcoming family violence and community crime, strengthening family, and the United Way administrative fund. The balance of the Lasting Legacy Fund was \$21,714 and \$17,822 at December 31, 2009 and 2008, respectively.

UNITED WAY OF UNION COUNTY, OHIO, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2009 AND 2008

**NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS:-**

The Organization has campaign support revenue that will be collected over the course of the following year. This campaign support less the allowance for uncollectible pledges and agency designations is considered temporarily restricted due to timing. Beginning in 2005, donors were also able to select from four impact areas. Donors could choose to direct their donation from the following categories: emergency and basic needs, health and human services, senior services, and youth services. Designations to impact areas are considered temporarily restricted for a specific purpose and due to timing. In 2009, the Agency also received contributions that are restricted for funding the Dolly Parton Imagination Library.

The temporarily restricted net assets at December 31, 2009 and 2008 may be summarized as follows:

	<u>2009</u>	<u>2008</u>
<b>Contributions</b>		
Dolly Parton Imagination Library	\$ 4,011	\$ 0
Total restricted contributions	4,011	0
<b>Restricted campaign pledges</b>		
Campaign awards & recognition	2,466	0
Community care day	1,644	3,825
Emergency and basic needs	7,007	12,579
Game day	7,345	8,402
Health and human services	6,730	7,631
Pillar society reception	1,644	2,550
Putt for kids mini golf challenge	2,281	5,444
School supply drive	1,017	623
Senior services	6,685	9,668
Youth art and recreation grant fund	2,333	2,355
Youth services	8,680	7,155
Total impact areas	<u>47,832</u>	<u>60,232</u>
General campaign contributions	695,217	628,867
Total campaign contributions	<u>743,049</u>	<u>689,099</u>
Less provision for uncollectible pledges	( 32,238)	( 56,859)
Less donor designations	<u>( 110,765)</u>	<u>( 137,399)</u>
Total restricted campaign pledges	<u>600,046</u>	<u>494,841</u>
<b>Total temporarily restricted net assets</b>	<u>\$ 604,057</u>	<u>\$ 494,841</u>

**UNITED WAY OF UNION COUNTY, OHIO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

**NOTE 5 - OPERATING LEASES:-**

Effective December 1, 2006, the Organization entered into a three year lease agreement for office space with an unrelated party. The lease, which expired on November 30, 2009, required monthly payments of \$500 plus utilities. The lease was renewed December 31, 2009 for an additional three year term expiring November 30, 2012, requiring monthly payments of \$550 plus utilities. Lease expense for office space and utilities amounted to \$9,792 and \$9,600 for the years ending December 31, 2009 and 2008, respectively.

Effective February 16, 2006, the Organization entered into an operating lease agreement with an unrelated party for a photocopier. The lease agreement is in effect until February 16, 2011. The terms of the lease require monthly payments of \$119 plus a rate of \$0.0126 per copy up to 24,000 copies annually and \$0.10 for every copy over the 24,000 limit. Copier lease expense amounted to \$3,952 and \$3,308 for the years ended December 31, 2009 and 2008, respectively.

Future minimum lease payments are as follows:

2010	\$	8,028
2011		6,779
2012		<u>6,050</u>
<b>Total</b>	<b>\$</b>	<b><u>20,857</u></b>

**NOTE 6 - EMPLOYEE BENEFIT PLAN:-**

The Organization entered into a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE plan) qualified under Section 408(p) of the Internal Revenue Code, effective January 1, 2003. The plan covers full-time employees, and the Organization contributes 5% of the employee's compensation for the year to the plan. Total pension expense was \$4,948 and \$4,722 for the years ended December 31, 2009 and 2008, respectively. Employees are also allowed to participate in a tax deferred annuity with no Company match. All expenses relating to the annuity are paid by the participants.