

UNITED WAY OF UNION COUNTY, OHIO, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

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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, 2008 and 2007 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, 2008 and 2007, 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 12, 2009

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UNITED WAY OF UNION COUNTY, OHIO, INC.
 STATEMENTS OF FINANCIAL POSITION
 AS OF DECEMBER 31, 2008 AND 2007

<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
CURRENT ASSETS:-		
Cash and cash equivalents	\$ 191,076	\$ 149,785
Pledges receivable, less allowance for uncollectible pledges of \$85,000 and \$72,000, respectively	578,978	606,522
Prepaid expenses	<u>3,056</u>	<u>2,666</u>
Total current assets	773,110	758,973
PROPERTY AND EQUIPMENT:-		
Property and equipment	11,549	11,549
Less accumulated depreciation	<u>(9,807)</u>	<u>(7,133)</u>
Net property and equipment	1,742	4,416
OTHER ASSETS:-		
Fiscal agent deposit	44,459	0
Lasting Legacy Foundation	<u>17,822</u>	<u>23,554</u>
Total other assets	<u>62,281</u>	<u>23,554</u>
Total assets	\$ <u><u>837,133</u></u>	\$ <u><u>786,943</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:-		
Allocations payable - agencies	\$ 193,377	\$ 175,962
Out of county donations payable	18,232	17,488
Accrued payroll liabilities	3,752	4,174
Fiscal agent deposit	<u>44,459</u>	<u>0</u>
Total current liabilities	259,820	197,624
NET ASSETS:-		
Unrestricted net assets	82,472	105,878
Temporarily restricted net assets	<u>494,841</u>	<u>483,441</u>
Total net assets	<u>577,313</u>	<u>589,319</u>
Total liabilities and net assets	\$ <u><u>837,133</u></u>	\$ <u><u>786,943</u></u>

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 2008 AND 2007

	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT:-						
Net prior year campaign revenue	\$ 121,642	\$ 0	\$ 121,642	\$ 131,660	\$ 0	\$ 131,660
Less donor designations	(16,129)	0	(16,129)	(27,095)	0	(27,095)
Net current year campaign revenue	105,513	0	105,513	104,565	0	104,565
Gross current year campaign revenue	0	689,099	689,099	0	691,651	691,651
Less donor designations	0	(137,399)	(137,399)	0	(168,450)	(168,450)
Less provision for uncollectible pledges	0	(56,859)	(56,859)	0	(39,760)	(39,760)
Net current year campaign revenue	0	494,841	494,841	0	483,441	483,441
OTHER REVENUE:-						
Interest income	2,274	0	2,274	3,671	0	3,671
Contributions	2,267	0	2,267	3,955	0	3,955
Miscellaneous income	6,735	0	6,735	1,631	0	1,631
Unrealized loss on investments	(5,732)	0	(5,732)	0	0	0
Net assets released from restriction	483,441	(483,441)	0	465,444	(465,444)	0
Total other revenue	488,985	(483,441)	5,544	474,701	(465,444)	9,257
Total public support and other revenue	594,498	11,400	605,898	579,266	17,997	597,263
EXPENSES:-						
Program Expenses:-						
Agency allocation grants	541,870	0	541,870	563,952	0	563,952
Less allocations funded through donor designations	(153,528)	0	(153,528)	(195,545)	0	(195,545)
Community assessment	803	0	803	0	0	0
Other grants and gifts	33,116	0	33,116	14,078	0	14,078
Total program expenses	422,261	0	422,261	382,485	0	382,485
Functional Expenses:-						
Fundraising	68,866	0	68,866	65,336	0	65,336
Program services	43,897	0	43,897	42,361	0	42,361
Management and general	77,009	0	77,009	73,101	0	73,101
Total functional expenses	189,772	0	189,772	180,798	0	180,798
United Way of America dues	5,871	0	5,871	5,736	0	5,736
Total expenses	617,904	0	617,904	569,019	0	569,019
Change in net assets	(23,406)	11,400	(12,006)	10,247	17,997	28,244
Net assets at beginning of year	105,878	483,441	589,319	95,631	465,444	561,075
Net assets at end of year	\$ 82,472	\$ 494,841	\$ 577,313	\$ 105,878	\$ 483,441	\$ 589,319

See Accompanying Notes to Financial Statements

UNITED WAY OF UNION COUNTY, OHIO, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 2008 AND 2007

	2008				2007			
	Fund-Raising	Program Services	Management and General	Total	Fund-Raising	Program Services	Management and General	Total
Salaries	\$ 31,345	\$ 31,345	\$ 35,264	\$ 97,954	\$ 30,810	\$ 30,810	\$ 34,660	\$ 96,280
Payroll taxes	2,527	2,527	2,843	7,897	2,427	2,427	2,731	7,585
Employee benefits	4,420	4,420	4,974	13,814	4,300	4,300	4,836	13,436
Total salaries and related benefits	38,292	38,292	43,081	119,665	37,537	37,537	42,227	117,301
Dues and memberships	0	0	462	462	0	0	536	536
Conferences and meetings	1,559	1,559	685	3,803	1,399	1,399	613	3,411
Professional fees	0	0	12,182	12,182	0	0	10,870	10,870
Supplies	648	135	566	1,349	371	77	324	772
Telephone	290	290	1,029	1,609	285	285	1,013	1,583
Postage and shipping	1,127	322	563	2,012	574	164	287	1,025
Other occupancy costs	3,072	3,072	3,456	9,600	2,899	2,899	3,261	9,059
Service charges	0	0	870	870	0	0	718	718
Equipment	0	0	4,228	4,228	0	0	2,606	2,606
Repairs and maintenance	0	0	3,308	3,308	0	0	2,544	2,544
Campaign	21,751	0	1,637	23,388	21,729	0	1,636	23,365
Insurance - liability and bonding	0	0	2,067	2,067	0	0	2,000	2,000
Filing fees	0	0	200	200	0	0	200	200
Special events	1,975	0	0	1,975	542	0	0	542
Miscellaneous	152	227	0	379	0	0	0	0
Depreciation	0	0	2,675	2,675	0	0	4,266	4,266
Total	\$ 68,866	\$ 43,897	\$ 77,009	\$ 189,772	\$ 65,336	\$ 42,361	\$ 73,101	\$ 180,798

See Accompanying Notes to Financial Statements

UNITED WAY OF UNION COUNTY, OHIO, INC.
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Change in net assets	\$ (12,006)	\$ 28,244
Adjustments to reconcile the change in net assets to net cash provided by operating activities:-		
Depreciation	2,675	4,266
(Increase) decrease in pledges receivable	27,544	5,435
(Increase) decrease in other receivables	0	2,876
(Increase) decrease in prepaid expenses	(390)	0
(Increase) decrease in Lasting Legacy Foundation	5,732	(1,312)
Increase (decrease) in allocations payable - agencies	17,415	(10,903)
Increase (decrease) in accounts payable	0	(1,873)
Increase (decrease) in accrued payroll liabilities	(423)	609
Increase (decrease) in out of county donations payable	744	4,400
Net cash provided by operating activities	41,291	31,742
Net increase in cash and cash equivalents	41,291	31,742
Cash and cash equivalents - beginning of year	149,785	118,043
Cash and cash equivalents - end of year	\$ 191,076	\$ 149,785

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, 2008 AND 2007

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's financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements for Not-for-Profit Organizations." Under SFAS No. 117, 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 SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Under SFAS No. 116, a contribution made to 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. Contributions made by the Organization to participating agencies are recognized when unconditional promises to give are issued by the Organization.

Designated Contributions - The Organization recognizes donor designated contributions in accordance with SFAS No. 136, "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.

Income Tax Status - The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, as a result, a provision for taxes is not required. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

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.

UNITED WAY OF UNION COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

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

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, 2008 and 2007 may be summarized as follows:

Total Pledges	2008	2007
2006 Campaign	\$ 0	\$ 139,916
2007 Campaign	114,961	538,606
2008 Campaign	547,817	0
2009 Campaign	1,200	0
Total campaign pledges	663,978	678,522
Allowance for uncollectible pledges	(85,000)	(72,000)
Net pledges receivable	\$ 578,978	\$ 606,522

NOTE 3 - CONCENTRATIONS OF CREDIT RISK:-

The Organization maintains bank accounts at several institutions. During the years, the Organization maintained in a financial institution cash and savings amounts in excess of the Federal Deposit Insurance Corporation (FDIC) maximum coverage limits.

NOTE 4 - 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 \$17,822 and \$23,554 at December 31, 2008 and 2007, respectively.

UNITED WAY OF UNION COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 5 - 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.

The temporarily restricted net assets at December 31, 2008 and 2007 may be summarized as follows:

	<u>2008</u>	<u>2007</u>
Community care day	\$ 3,825	\$ 1,600
Emergency and basic needs	12,579	9,501
Game day	8,402	7,693
Health and human services	7,631	6,200
Online auction	0	6,602
Pillar society reception	2,550	1,700
Putt for kids mini golf challenge	5,444	5,114
School supply drive	623	450
Senior services	9,668	9,318
Youth art and recreation grant fund	2,355	1,436
Youth services	7,155	6,483
Total impact areas	<u>60,232</u>	<u>56,097</u>
General campaign contributions	628,867	635,554
Total campaign contributions	<u>689,099</u>	<u>691,651</u>
Less provision for uncollectible pledges	(56,859)	(39,760)
Less agency designations	<u>(137,399)</u>	<u>(168,450)</u>
Total temporarily restricted net assets	\$ <u>494,841</u>	\$ <u>483,441</u>

NOTE 6 - OPERATING LEASES:-

Effective December 1, 2006, the Organization entered into a lease agreement for office space with an unrelated party. The lease, which expires on November 30, 2009, requires monthly payments of \$500 plus utilities. It may be renewed for an additional three years for \$550 a month plus utilities under the same terms of the original agreement. Lease expense for office space amounted to \$9,360 and \$8,839 for the years ending December 31, 2008 and 2007, 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 \$3,308 and \$2,544 for the years ended December 31, 2008 and 2007, respectively.

UNITED WAY OF UNION COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 6 - OPERATING LEASES:- (continued)

Future minimum lease payments are as follows:

2009	\$	7,240
2010		1,740
2011		290
2012 and beyond		<u>0</u>
Total	\$	<u>9,270</u>

NOTE 7 - 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 \$4,722 and \$5,186 for the years ended December 31 2008 and 2007, 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.



**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL SCHEDULE**

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

Our report on our audits of the basic financial statements of United Way of Union County, Ohio, Inc. for 2008 and 2007 appears on page 3. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Allocations Payable is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Holbrook & Manter

Certified Public Accountants

August 12, 2009

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UNITED WAY OF UNION COUNTY, OHIO, INC.
SCHEDULE OF ALLOCATIONS PAYABLE
AS OF DECEMBER 31, 2008

	Allocations Payable 12/31/2007	Allocations 12/31/2008	Reversals and Payments to Agencies 12/31/2008	Allocations Payable 12/31/2008
UNITED WAY AGENCY ALLOCATIONS:-				
American Red Cross	\$ 37,568	\$ 103,937	\$ (74,534)	\$ 66,971
Big Brothers Big Sisters	8,907	23,384	(24,386)	7,905
Boy Scouts	12,263	5,465	(12,263)	5,465
Child Care Network	2,544	29,170	(30,000)	1,714
Community Services Association	249	180	(399)	30
Consolidated Care, Inc.	10,121	48,222	(49,241)	9,102
Dolly Parton Imagination Library	0	7,000	(4,921)	2,079
Girl Scouts	1,416	3,693	(4,532)	577
Legal Aid Society	466	6,300	(6,735)	31
Loving Care Hospice	17,216	19,548	(18,561)	18,203
Marion Shelter Program	85	7,351	(7,396)	40
Mental Health Association	2,287	11,839	(11,937)	2,189
Memorial Meals	21,482	26,692	(29,920)	18,254
North Union Personal Needs Pantry	0	126	0	126
Pleasant Valley Seniors	1,514	9,241	(10,000)	755
Richwood Civic Center	9,871	33,349	(34,620)	8,600
Salvation Army	4,461	39,485	(40,687)	3,259
Speech, Language and Hearing	3,690	9,339	(9,180)	3,849
Turning Point	3,664	19,191	(19,522)	3,333
Union County Autism Support Group	3,490	2,755	(3,490)	2,755
Union County Cancer Society	18,207	24,843	(26,394)	16,656
Union County Family YMCA	3,290	20,583	(18,896)	4,977
Union County Personal Needs	6,698	19,630	(18,118)	8,210
Union County Special Needs Council	4,034	38,411	(38,000)	4,445
Windsor Community Seniors	1,481	8,882	(8,000)	2,363
Wings Enrichment Center	958	11,024	(10,493)	1,489
Total allocations payable	175,962	529,640	(512,225)	193,377
Out of county designations	17,488	12,230	(11,486)	18,232
Total allocations and out of county designations payable	\$ 193,450	\$ 541,870	\$ (523,711)	\$ 211,609

See Accountants' Report on Supplemental Schedule