

UNITED WAY OF DELAWARE COUNTY, INC.

DELAWARE, OHIO

FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

WOLF, ROGERS, DICKEY & CO.
Certified Public Accountants

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Independent Auditors' Report

To the Board of Trustees of
United Way of Delaware County, Inc.

We have audited the accompanying statements of financial position of the United Way of Delaware County, Inc. (a non-profit organization) as of June 30, 2008 and 2007 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 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 the United Way of Delaware County, Inc. as of June 30, 2008 and 2007, 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.

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

September 15, 2008

United Way of Delaware County, Inc.
Statements of Financial Position
June 30, 2008 and 2007

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Current assets:		
Cash	\$ 1,887,051	1,672,490
Pledges receivable, net of estimated uncollectible pledges of \$307,916 and \$276,460 for 2008 and 2007, respectively	1,596,943	1,428,226
Prepaid expenses	<u>15,700</u>	<u>14,033</u>
Total current assets	3,499,694	3,114,749
Property and equipment:		
Office equipment	75,018	68,744
Furniture and fixtures	10,907	9,687
Leasehold improvements	<u>1,525</u>	<u>1,525</u>
Total property and equipment	87,450	79,956
Less accumulated depreciation	<u>(62,277)</u>	<u>(54,230)</u>
Net property and equipment	25,173	25,726
Other assets:		
Endowment cash	106,000	106,000
Deposits	<u>402</u>	<u>402</u>
Total other assets	<u>106,402</u>	<u>106,402</u>
	<u>\$ 3,631,269</u>	<u>3,246,877</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	10,153	22,375
Due other counties and non United Way affiliates	347,625	183,116
Accrued payroll	6,579	4,066
Accrued and withheld payroll taxes	12,427	7,655
Accrued retirement plan contribution	3,853	7,776
Accrued compensated absences	21,475	15,944
Agency allocations	<u>2,425,973</u>	<u>2,295,029</u>
Total current liabilities	<u>2,828,085</u>	<u>2,535,961</u>
Net assets:		
Unrestricted	(868,115)	(753,953)
Temporarily restricted	1,565,299	1,358,869
Permanently restricted	<u>106,000</u>	<u>106,000</u>
Total net assets	<u>803,184</u>	<u>710,916</u>
	<u>\$ 3,631,269</u>	<u>3,246,877</u>

The notes to the financial statements are an integral part of these financial statements.

United Way of Delaware County, Inc.
Statements of Activities
For the Years Ended June 30, 2008 and 2007

	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Campaign:						
Contributions	\$ -	3,728,403	3,728,403	-	3,177,313	3,177,313
Less non-United Way agencies	-	(372,871)	(372,871)	-	(164,680)	(164,680)
Less other United Way agencies	-	(17,018)	(17,018)	-	(18,436)	(18,436)
Less uncollectible pledges	-	(307,916)	(307,916)	-	(276,460)	(276,460)
Net campaign revenue	-	3,030,598	3,030,598	-	2,717,737	2,717,737
Investment earnings						
Grant	66,073	-	66,073	62,717	-	62,717
Fund raising sponsors	10,408	-	10,408	10,017	30,000	30,000
Bequest	-	-	-	3,233	-	3,233
Other	2,430	-	2,430	4,513	-	4,513
Net assets released from restrictions	<u>2,824,168</u>	<u>(2,824,168)</u>	<u>-</u>	<u>2,676,357</u>	<u>(2,676,357)</u>	<u>-</u>
Total revenues	2,903,079	206,430	3,109,509	2,756,837	71,380	2,828,217
Expenses:						
Program services	2,497,678	-	2,497,678	2,364,131	-	2,364,131
Management and general	324,852	-	324,852	288,840	-	288,840
Fund-raising	<u>194,711</u>	<u>-</u>	<u>194,711</u>	<u>164,324</u>	<u>-</u>	<u>164,324</u>
Total expenses	<u>3,017,241</u>	<u>-</u>	<u>3,017,241</u>	<u>2,817,295</u>	<u>-</u>	<u>2,817,295</u>
Change in net assets	(114,162)	206,430	92,268	(60,458)	71,380	10,922
Net assets – beginning	<u>(753,953)</u>	<u>1,358,869</u>	<u>604,916</u>	<u>(693,495)</u>	<u>1,287,489</u>	<u>593,994</u>
Net assets – ending	\$ <u>(868,115)</u>	<u>1,565,299</u>	<u>697,184</u>	<u>(753,953)</u>	<u>1,358,869</u>	<u>604,916</u>
Net assets – permanently restricted			<u>106,000</u>			<u>106,000</u>
			\$ <u>803,184</u>			<u>710,916</u>

The notes to the financial statements are an integral part of these financial statements.

United Way of Delaware County, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2008 and 2007

	2008			2007		
	Program Services	Management and General	Fund-Raising Total	Program Services	Management and General	Fund-Raising Total
Grants and allocations	\$ 2,435,973	-	2,435,973	2,309,112	-	2,309,112
Payroll and payroll taxes	38,473	145,165	305,682	35,335	108,967	239,020
Office and campaign	-	57,551	76,735	-	44,243	58,991
Professional fees	12,710	24,113	44,861	10,080	30,182	50,323
Travel and conference	5,213	14,334	26,063	4,840	13,309	24,198
Employee benefits	3,374	11,471	25,548	2,897	8,706	19,370
Office rent	-	14,100	18,800	-	15,862	21,150
Dues to United Way organizations and other	-	11,585	15,447	-	11,506	15,341
Public relations	-	11,453	15,271	-	18,301	24,402
Printing and postage	-	11,396	15,195	-	10,832	14,443
Retirement plan contributions	1,935	6,811	15,168	1,867	5,748	12,701
Depreciation and amortization	-	6,036	8,048	-	6,255	8,340
Telephone	-	5,297	7,063	-	4,771	6,361
Other	-	5,540	7,387	-	10,158	13,543
	<u>\$ 2,497,678</u>	<u>324,852</u>	<u>3,017,241</u>	<u>2,364,131</u>	<u>288,840</u>	<u>2,817,295</u>

The notes to the financial statements are an integral part of these financial statements.

United Way of Delaware County, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ 92,268	10,922
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,048	8,340
Loss on disposal of property and equipment	-	600
(Increase) decrease in pledges and other receivables	(168,718)	86,802
(Increase) in prepaid expenses	(1,667)	(5,113)
Increase in accounts payable	152,287	42,205
Increase in accrued expenses	8,893	8,685
Increase in agency allocations	<u>130,944</u>	<u>345,321</u>
Net cash provided by operating activities	222,055	497,762
Cash flows from investing activities -		
Purchase of equipment	<u>(7,494)</u>	<u>(18,357)</u>
Net cash (used in) investing activities	<u>(7,494)</u>	<u>(18,357)</u>
Net change in cash and cash equivalents	214,561	479,405
Cash and cash equivalents – beginning of the year	<u>1,778,490</u>	<u>1,299,085</u>
Cash and cash equivalents – end of the year	\$ <u>1,993,051</u>	<u>1,778,490</u>

The notes to the financial statements are an integral part of these financial statements.

United Way of Delaware County, Inc.
Notes to Financial Statements
June 30, 2008 and 2007

(1) Summary of Significant Accounting Policies

Organization

The United Way of Delaware County, Inc. (United Way) is a not for profit corporation organized to unite and mobilize community resources that will sustain improvement in the lives of individuals in Delaware County, Ohio.

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with *Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations*. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the United Way and changes therein are classified and reported as follows:

Unrestricted net assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets

Net assets subject to donor-imposed stipulations that may or will be met by either actions of the United Way and/or the passage of time.

Permanently restricted net assets

Net assets subject to donor-imposed stipulations that they will be maintained permanently by the United Way. Earnings on these assets are available for normal operating purposes.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks and certificates of deposit maturing within one year.

Contributions

Annual campaigns begin in the spring to raise funds for member agencies for the following calendar year. Campaign contributions received and receivable are recognized as support in the year the unconditional promise is made. The revenues are temporarily restricted as to time because they represent future payments by donors.

Allowance for Doubtful Accounts

The United Way uses the allowance method to estimate uncollectible receivables. The allowances are based on prior experience and management analysis of specific receivables and promises to give. If collections are made in excess of this allowance, the funds are available to be allocated to the member agencies with the next campaign.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2008 and 2007

(1) Summary of Significant Accounting Policies, continued

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets generally ranging from 5 to 7 years.

Donated Services

Contributed services are recorded when they meet the criteria of (1) creating or enhancing nonfinancial assets or (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A large number of volunteers donate substantial amounts of time toward the campaign and the various program activities. Such services are not reflected in the financial statements, as those services do not meet this definition.

Donor Designations

The United Way allows donors the choice to designate all or part of their contributions. Designations to specific not-for-profit organizations other than the United Way are deducted from contributions revenue. When the agency receives contributions designated for a specific purpose by the donor, a restricted fund is established.

Federal Income Taxes

The United Way is a voluntary health and welfare organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization has also been classified as an entity that is not a private foundation within the meaning of section 509(a) and qualifies for deductible contributions as provided in Section 170(6)(1)(A)(iv). No provision has been made for income tax as the United Way has no unrelated business income.

Estimates

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

Reclassifications

Certain 2007 amounts have been reclassified to conform to the 2008 presentation.

(2) Cash, Investments and Concentration of Credit Risk

Cash and investments consist of the following at June 30:

	<u>2008</u>	<u>2007</u>
Checking and cash	\$ 1,077,481	906,770
Certificates of deposit	<u>915,570</u>	<u>871,720</u>
	<u>\$ 1,993,051</u>	<u>1,778,490</u>

The checking and certificates of deposit bear interest from 1.69% to 3.92%.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2008 and 2007

(2) Cash, Investments and Concentration of Credit Risk, continued

In fiscal 2007 the United Way began participating in a financial institution's Certificate of Deposit Account Registry Service (CDARS). CDARS permits the United Way to fully insure all certificates of deposit with the Federal Deposit Insurance Corporation (FDIC). This insurance is accomplished by the financial institution purchasing certificates of deposit from several banks, each certificate held having a balance of less than \$100,000.

Additionally, the United Way had cash and investments in excess of the FDIC insurance limit of \$993,811 and \$816,018 at June 30, 2008 and 2007, respectively. Substantially all of these balances are invested in a money market fund that invests exclusively in U.S. obligations, securities issued by any U.S. agency or repurchase agreements secured by U.S. or agency obligations.

(3) Concentrations

The United Way receives substantially all of its revenue in the form of charitable contributions from individuals, businesses and other organizations who live or operate in Delaware County, Ohio. The contributions are solicited via annual fundraising campaigns in Delaware and nearby counties.

A single employer's campaign resulted in 63% of contributions in 2008 and 62% in 2007. Additionally, this employer's receivables represent 62% and 61% of the total receivables at June 30, 2008 and 2007, respectively.

(4) Leases

The United Way leases office space pursuant to an operating lease which expires in 2008. The United Way will be required to make a monthly rental payment of \$1,500 for the fiscal year ending June 30, 2008 with an option to renew or extend for an additional two year term.

(5) Agency Allocations

In the first half of each calendar year the Board of Trustees approves allocations to member agencies for the upcoming July 1 to June 30 fiscal period. The amount allocated is a portion of the anticipated proceeds from the fall campaign. The United Way recognizes a liability to the member agencies at the time of Board approval. The liability may be adjusted by the Board depending on the collection of campaign pledges and the operations of the Agency.

During the years ended June 30, 2008 and 2007, the Board approved allocations of \$2,425,973 and \$2,293,112, respectively. A prior year allocation of \$1,917 had not been paid as of June 30, 2007; the allocation was paid in August 2007. In addition, the United Way has received pledges which were designated by the donor to be paid to United Ways in other counties. These pledges totaled \$17,018 and \$18,436 as of June 30, 2008 and 2007, respectively, and are reflected as liabilities. The United Way also received pledges designated for unaffiliated agencies. These pledges totaled \$372,871 and \$164,680 as of June 30, 2008 and 2007, respectively, and are reflected as liabilities as well.

Member agencies received allocations for the July 1, 2008 to June 30, 2009 period which were recorded as an expense at June 30, 2008. Similarly, the July 1, 2007 to June 30, 2008 allocations were recognized as an expense at June 30, 2007 as listed on the next page.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2008 and 2007

(5) Agency Allocations, continued

	<u>2008</u>	<u>2007</u>
Liberty Community Center	\$ 297,248	269,036
American Red Cross	267,278	257,145
People In Need	255,241	207,562
Delaware Speech & Hearing	224,080	226,481
Helpline of Delaware & Morrow Counties	174,766	186,680
Action for Children	113,984	144,041
Directions for Youth Families	113,145	-
Big Brothers/Big Sisters	108,605	90,780
Senior Services for Independent Living	98,555	95,442
Turning Point	95,527	91,682
Council for Older Adults	93,054	85,928
Recovery & Prevention Resources	83,067	253,137
Salvation Army	82,721	46,095
Delaware General Health District	66,885	32,500
Boy Scouts of America	60,633	55,952
Girl Scouts – Seal of Ohio Council	48,084	42,624
Heritage Day Health Centers	40,187	41,113
Senior Citizens, Inc.	39,990	30,236
Community Action	38,784	40,000
Marion Shelter Board	35,805	30,104
Maryhaven	21,613	-
Concord Counseling	20,986	-
Legal Aid Society	20,014	18,531
Friends of Delaware County - CASA	15,600	15,102
Central Ohio Mental Health Center	10,121	10,108
Arthritis Foundation	-	11,464
Goodwill Industries	-	5,934
Literacy Coalition	-	2,088
YMCA – Liberty Township	-	2,059
Delaware – Union ESC	-	740
Al-Eva's Learning Center	-	548
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Total	\$ <u>2,425,973</u>	<u>2,293,112</u>

(6) Retirement Plan

The Agency has established a defined contribution retirement plan for its eligible employees. On an annual basis, the Board designates 6% of each employees' gross wages from the prior fiscal year to be contributed to the plan. The Board has approved \$15,168 and \$12,701 contributions to the plan for the years ended June 30, 2008 and 2007, respectively.

(7) Beneficial Financial Support Held by Others

In 2002, the Community Foundation of Delaware County established a designated endowment fund on behalf of the United Way of Delaware County. The fund was established for the exclusive purpose of providing income for the United Way. The endowment is funded by outside donors and administered by the Foundation. No United Way deposits have been made to this fund through June 30, 2008. The income will be distributed not less than once annually under the Investment Policy of the Community Foundation. The fund need not make distributions when the assets of the fund are less than \$5,000. The value of the fund as of June 30, 2008 is approximately \$11,418. This amount is not included in these financial statements.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2008 and 2007

(8) Grant Program For Community Impact

In April 2008, the United Way partnered with a community investor to increase the number of Alexis de Focqueville gifts. Individuals who may not have the ability to contribute at this level at this time, but may be able in future will have their gift "stepped up" by this grant. To qualify for the step up, an individual must commit to a multi-year pledge. This grant has been recorded as temporarily restricted until "stepped up" contributions are utilized from this grant.