

UNITED WAY OF DELAWARE COUNTY, INC.

DELAWARE, OHIO

FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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, 2009 and 2008 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, 2009 and 2008, 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

October 27, 2009

United Way of Delaware County, Inc.
Statements of Financial Position
June 30, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash	\$ 1,505,687	1,887,051
Pledges receivable, net	1,355,183	1,596,943
Prepaid expenses	<u>8,806</u>	<u>15,700</u>
Total current assets	2,869,676	3,499,694
Property and equipment, net	25,952	25,173
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>3,002,030</u>	<u>3,631,269</u>
 <u>Liabilities and Net Assets</u> 		
Current liabilities:		
Accounts payable	5,980	10,153
Due other counties and non United Way affiliates	370,298	347,625
Accrued expenses	26,611	44,334
Agency allocations	<u>1,914,472</u>	<u>2,425,973</u>
Total current liabilities	<u>2,317,361</u>	<u>2,828,085</u>
Net assets:		
Unrestricted	(704,536)	(868,115)
Temporarily restricted	1,283,205	1,565,299
Permanently restricted	<u>106,000</u>	<u>106,000</u>
Total net assets	<u>684,669</u>	<u>803,184</u>
	\$ <u>3,002,030</u>	<u>3,631,269</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, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Campaign:						
Contributions	\$ -	3,120,938	3,120,938	-	3,728,403	3,728,403
Less non-United Way agencies	-	(357,366)	(357,366)	-	(372,871)	(372,871)
Less other United Way agencies	-	(18,460)	(18,460)	-	(17,018)	(17,018)
Less uncollectible pledges	-	(376,559)	(376,559)	-	(307,916)	(307,916)
Net campaign revenue	-	2,368,553	2,368,553	-	3,030,598	3,030,598
Investment earnings	24,441	-	24,441	66,073	-	66,073
Fund raising sponsors	10,065	-	10,065	10,408	-	10,408
Other	2,025	-	2,025	2,430	-	2,430
Net assets released from restrictions	2,650,647	(2,650,647)	-	2,824,168	(2,824,168)	-
Total revenues	2,687,178	(282,094)	2,405,084	2,903,079	206,430	3,109,509
Expenses:						
Program services	1,975,759	-	1,975,759	2,497,678	-	2,497,678
Management and general	343,683	-	343,683	324,852	-	324,852
Fundraising	204,157	-	204,157	194,711	-	194,711
Total expenses	2,523,599	-	2,523,599	3,017,241	-	3,017,241
Change in net assets	163,579	(282,094)	(118,515)	(114,162)	206,430	92,268
Net assets – beginning	(868,115)	1,565,299	697,184	(753,953)	1,358,869	604,916
Net assets – ending	\$ (704,536)	1,283,205	578,669	(868,115)	1,565,299	697,184
Net assets – permanently restricted			106,000			106,000
			\$ 684,669			803,184

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, 2009 and 2008

	<u>2009</u>				<u>2008</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total</u>
Grants and allocations	\$ 1,914,472	-	-	1,914,472	2,435,973	-	-	2,435,973
Payroll and payroll taxes	35,860	127,106	113,722	276,688	38,473	145,165	122,044	305,682
Office and campaign	-	68,744	22,915	91,659	-	57,551	19,184	76,735
Professional fees	17,195	46,243	24,479	87,917	12,710	24,113	8,038	44,861
Public relations	-	19,678	6,559	26,237	-	11,453	3,818	15,271
Travel and conference	4,089	11,239	5,109	20,437	5,213	14,334	6,516	26,063
Office rent	-	15,188	5,062	20,250	-	14,100	4,700	18,800
Retirement plan contributions	2,140	7,120	6,252	15,512	1,935	6,811	6,422	15,168
Employee benefits	2,003	7,102	6,354	15,459	3,374	11,471	10,703	25,548
Printing and postage	-	11,190	3,730	14,920	-	11,396	3,799	15,195
Dues to United Way organizations and other	-	10,577	3,526	14,103	-	11,585	3,862	15,447
Depreciation and amortization	-	7,751	2,584	10,335	-	6,036	2,012	8,048
Telephone	-	5,718	1,906	7,624	-	5,297	1,766	7,063
Loss on disposed of equipment	-	150	-	150	-	-	-	-
Other	-	<u>5,877</u>	<u>1,959</u>	<u>7,836</u>	-	<u>5,540</u>	<u>1,847</u>	<u>7,387</u>
	<u>\$ 1,975,759</u>	<u>343,683</u>	<u>204,157</u>	<u>2,523,599</u>	<u>2,497,678</u>	<u>324,852</u>	<u>194,711</u>	<u>3,017,241</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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ (118,515)	92,268
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,335	8,048
Loss on disposal of property and equipment	150	-
(Increase) decrease in pledges and other receivables	241,760	(168,718)
(Increase) decrease in prepaid expenses	6,894	(1,667)
(Decrease) accounts payable	(4,173)	(12,222)
Increase in due other counties and non-United Way affiliates	22,673	164,509
Increase (decrease) in accrued expenses	(17,723)	8,893
Increase (decrease) in agency allocations	<u>(511,501)</u>	<u>130,944</u>
Net cash provided by (used in) operating activities	(370,100)	222,055
Cash flows from investing activities -		
Purchase of equipment	<u>(11,264)</u>	<u>(7,494)</u>
Net cash (used in) investing activities	<u>(11,264)</u>	<u>(7,494)</u>
Net change in cash and cash equivalents	(381,364)	214,561
Cash and cash equivalents – beginning of the year	1,993,051	1,778,490
Cash and cash equivalents – end of the year	\$ <u>1,611,687</u>	<u>1,993,051</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, 2009 and 2008

(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, 2009 and 2008

(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 2008 amounts have been reclassified to conform to the 2009 presentation.

(2) Cash, Investments and Concentration of Credit Risk

Cash and investments consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Checking and cash	\$ 678,323	1,077,481
Certificates of deposit	<u>933,364</u>	<u>915,570</u>
	<u>\$ 1,611,687</u>	<u>1,993,051</u>

The checking and certificates of deposit bear interest from .0001% to .80%.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2009 and 2008

(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 \$250,000 (less than \$100,000 prior to October 3, 2008). FDIC insurance covers \$250,000 of deposits at each financial institution (\$100,000 prior to October 3, 2008).

Additionally, the United Way had cash and investments in excess of the FDIC insurance limit of \$428,304 and \$993,811 at June 30, 2009 and 2008, 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) Pledges Receivable and Concentrations

Pledges receivable consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Pledges receivable	\$ 1,731,742	1,904,859
Less allowance for doubtful accounts	<u>(376,559)</u>	<u>(307,916)</u>
Net pledges receivable	\$ <u>1,355,183</u>	<u>1,596,943</u>

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 60% and 63% of contributions in 2009 and 2008, respectively. Additionally, this employer's receivables represent 61% and 62% of the total receivables at June 30, 2009 and 2008, respectively.

(4) Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Leasehold improvements	\$ 1,525	1,525
Office equipment	75,764	75,018
Furniture and fixtures	<u>11,561</u>	<u>10,907</u>
Total property and equipment	88,850	87,450
Less accumulated depreciation	<u>(62,898)</u>	<u>(62,277)</u>
Net property and equipment	\$ <u>25,952</u>	<u>25,173</u>

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2009 and 2008

(5) Accrued Expenses

Accrued expenses consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Accrued payroll	\$ 6,982	6,579
Accrued and withheld payroll taxes	5,524	12,427
Accrued retirement plan contribution	3,853	3,853
Accrued compensated absences	<u>10,252</u>	<u>21,475</u>
Net accrued expenses	\$ <u>26,611</u>	<u>44,334</u>

(6) Leases

The United Way leases office space pursuant to an operating lease which expires in 2010. The United Way will be required to make monthly rental payments of \$1,750 for the fiscal year ending June 30, 2010.

(7) 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, 2009 and 2008, the Board approved allocations of \$1,914,472 and \$2,425,973, respectively. 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 \$18,460 and \$17,018 as of June 30, 2009 and 2008, respectively, and are reflected as liabilities. The United Way also received pledges designated for unaffiliated agencies. These pledges totaled \$357,366 and \$372,871 as of June 30, 2009 and 2008, respectively, and are reflected as liabilities as well.

Member agencies received allocations for the July 1, 2009 to June 30, 2010 period which were recorded as an expense at June 30, 2009. Similarly, the July 1, 2008 to June 30, 2009 allocations were recognized as an expense at June 30, 2008 as listed on the next page.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2009 and 2008

(7) Agency Allocations, continued

	<u>2009</u>	<u>2008</u>
Liberty Community Center	\$ 275,967	297,248
People In Need	267,516	255,241
American Red Cross	253,466	267,278
Delaware Speech & Hearing	170,777	224,080
Helpline of Delaware & Morrow Counties	156,757	174,766
Action for Children	106,992	113,984
Council for Older Adults	102,029	93,054
Turning Point	90,255	95,527
Big Brothers/Big Sisters	89,949	108,605
Senior Services for Independent Living	79,541	98,555
Salvation Army	51,407	82,721
Maryhaven	47,396	21,613
Girl Scouts – Seal of Ohio Council	41,256	48,084
Community Action	34,395	38,784
Boy Scouts of America	34,368	60,633
Heritage Day Health Centers	32,482	40,187
Marion Shelter Board	31,429	35,805
Legal Aid Society	21,472	20,014
Concord Counseling	17,034	20,986
Central Ohio Mental Health Center	9,984	10,121
Directions for Youth Families	-	113,145
Delaware General Health District	-	66,885
Senior Citizens, Inc.	-	39,990
Friends of Delaware County - CASA	-	15,600
Recovery & Prevention Resources	-	<u>83,067</u>
Total	\$ <u>1,914,472</u>	<u>2,425,973</u>

(8) Retirement Plan

The Agency had established a defined contribution retirement plan for its eligible employees. For fiscal 2009 and 2008, the Board designated 6% of each employees' gross wages from the prior fiscal year to be contributed to the plan. The Board has approved \$15,512 and \$15,168 contributions to the plan for the years ended June 30, 2009 and 2008, respectively.

(9) 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, 2009. 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, 2009 is approximately \$9,595. This amount is not included in these financial statements.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2009 and 2008

(10) Grant Program For Community Impact

In April 2008, the United Way partnered with a community investor to increase the number of Alexis de Tocqueville 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.