

Audited Financial Statements

LEAGUE OF WOMEN VOTERS OF OHIO

**For the Year Ended June 30, 2009
(with comparative totals for 2008)**

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Audited Financial Statements
For the Year Ended June 30, 2009
(with comparative totals for 2008)

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees and Officers
League of Women Voters of Ohio

We have audited the accompanying statements of financial position of the League of Women Voters of Ohio (a nonprofit corporation) as of June 30, 2009 and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the League's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the League's 2008 financial statements and, in our report dated December 31, 2008, we expressed an unqualified opinion on those statements.

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 League of Women Voters of Ohio as of June 30, 2009, and the changes in its net assets and its cash flows, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Columbus, Ohio
March 1, 2010

LEAGUE OF WOMEN VOTERS OF OHIO
STATEMENTS OF FINANCIAL POSITION
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents	\$ 221,377	\$ 274,324
Accounts receivable	2,005	1,753
Accounts receivable - Education Fund	12,433	3,000
Deferred expenses	883	1,331
Investments - Note 3	44,008	52,724
Furniture and equipment, net of accumulated depreciation of \$19,695 and \$19,483 in 2009 and 2008, respectively	485	697
Other assets	1,464	771
	<u>282,655</u>	<u>334,600</u>
TOTAL ASSETS	\$ 282,655	\$ 334,600
LIABILITIES		
Accounts payable	\$ 7,558	\$ 5,033
Accounts payable - Education Fund	7,561	2,712
Deferred revenues	4,994	12,391
Other	1,432	456
	<u>21,545</u>	<u>20,592</u>
TOTAL LIABILITIES	21,545	20,592
NET ASSETS		
Unrestricted:		
General operating	107,992	140,819
Board designated	153,118	173,189
	<u>261,110</u>	<u>314,008</u>
TOTAL NET ASSETS	261,110	314,008
TOTAL LIABILITIES AND NET ASSETS	\$ 282,655	\$ 334,600

See accompanying notes to financial statements

LEAGUE OF WOMEN VOTERS OF OHIO
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
REVENUE AND SUPPORT		
Membership fees	\$ 42,998	\$ 41,736
Contributions	22,046	31,175
Statewide meetings	2,455	2,420
State convention	12,257	-
Investment income (loss)	(4,031)	12,962
Other	616	373
	<hr/>	<hr/>
Total Revenue and Support	76,341	88,666
EXPENSES		
Program services	95,480	81,414
Management and general	26,175	25,100
Fundraising	7,584	7,365
	<hr/>	<hr/>
Total Expenses	129,239	113,879
CHANGES IN NET ASSETS	(52,898)	(25,213)
NET ASSETS, BEGINNING OF YEAR	<hr/> 314,008	<hr/> 339,221
NET ASSETS, END OF YEAR	\$ <u>261,110</u>	\$ <u>314,008</u>

See accompanying notes to financial statements

LEAGUE OF WOMEN VOTERS OF OHIO
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2009 (with comparable totals for 2008)

	2009				2008 Total
	Program Services	Management and General	Fundraising	Total	
Compensation, benefits and related taxes	\$ 39,316	\$ 6,475	\$ 463	\$ 46,254	54,272
Severance pay	-	-	-	-	2,830
Statewide meetings	15,149	2,673	-	17,822	4,957
Publications	4,993	-	-	4,993	5,538
Fundraising	-	-	6,182	6,182	6,074
Professional fees	10,918	10,708	-	21,626	9,341
Rents	5,020	827	59	5,906	6,253
Board of Directors and committees	3,596	2,876	720	7,192	4,844
Advocacy	4,343	-	-	4,343	6,078
Postage	1,177	194	14	1,385	2,123
Membership services	599	12	-	611	1,342
Supplies	2,225	366	26	2,617	1,976
National meetings	75	75	-	150	3,001
Telephone	796	131	10	937	637
Web site	543	-	-	543	412
Depreciation	75	106	32	213	683
Insurance	-	635	-	635	1,381
Bank charges	507	84	6	597	1,167
Education	4,563	752	53	5,368	-
Contract labor	748	123	9	880	-
Miscellaneous	837	138	10	985	970
	<u>\$ 95,480</u>	<u>\$ 26,175</u>	<u>\$ 7,584</u>	<u>\$ 129,239</u>	<u>113,879</u>

See accompanying notes to financial statements

LEAGUE OF WOMEN VOTERS OF OHIO
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
OPERATING ACTIVITIES		
Changes in net assets	\$ (52,898)	\$ (25,213)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	213	683
Accounts receivable	(252)	9,224
Accounts receivable - Education Fund	(9,433)	(3,000)
Deferred expenses	448	(153)
Other assets	(693)	944
Accounts payable	2,525	4,516
Accounts payable - Education Fund	4,849	2,712
Deferred revenues	(7,397)	(3,022)
Other liabilities	975	456
	<u>(61,663)</u>	<u>(12,853)</u>
Net cash used in operating activities		
INVESTING ACTIVITIES		
Proceeds from sale of investments	8,716	43,018
Purchase of investments	-	(52,920)
	<u>8,716</u>	<u>(9,902)</u>
Net cash provided by (used for) investing activities		
Net decrease in cash and cash equivalents	(52,947)	(22,755)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>274,324</u>	<u>297,079</u>
End of year	<u>\$ 221,377</u>	<u>\$ 274,324</u>

See accompanying notes to financial statements

**LEAGUE OF WOMEN VOTERS OF OHIO
NOTES TO FINANCIAL STATEMENTS**

June 30, 2009 and 2008

NOTE 1- ORGANIZATION AND NATURE OF ACTIVITIES

League of Women Voters of Ohio ("the League") is an affiliate of League of Women Voters of the United States. League of Women Voters of Ohio is a nonpartisan political organization that encourages the informed and active participation of citizens in government and influences public policy through education and advocacy. Support is received primarily from donor contributions, membership fees and investment income.

The League shares certain operating functions, including executive administration, fundraising and office space with the League of Women Voters of Ohio Education Fund ("Education Fund"), an affiliated entity. Each Organization pays for their portion of shared expenses.

The officers and directors of the League serve as the Directors of League of Women Voters of Ohio Education Fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the League have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Under these provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the League and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The League has no temporarily restricted net assets at June 30, 2009 or 2008.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be expended for a specific purpose or maintained permanently. The League has no permanently restricted net assets at June 30, 2009 or 2008.

**LEAGUE OF WOMEN VOTERS OF OHIO
NOTES TO FINANCIAL STATEMENTS**

June 30, 2009 and 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

Use of Estimates

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

Revenue and Support

Annual campaign contributions are recognized as earned and available for unrestricted use in the related campaign year.

Contributions received, including unconditional promises to give and contributed services, are recognized as revenues in the period received at their fair value. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value.

Membership dues and statewide meeting revenues are recorded on the accrual basis.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the League considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Management periodically reviews all accounts receivable for collectibility. No allowance for doubtful accounts was deemed necessary at June 30, 2009 and 2008.

Investments

Investments are stated at fair value. Unrealized gains and losses are included in investment income in the statement of activities.

Furniture & Equipment

Furniture & Equipment is stated at cost for purchased items, or at market value at the date the item was received for donated items. Incidental purchases or donations are expensed. Depreciation is computed on the straight line method over estimated useful lives.

**LEAGUE OF WOMEN VOTERS OF OHIO
NOTES TO FINANCIAL STATEMENTS**

June 30, 2009 and 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

Donated Services

Many individuals volunteer their time and perform a variety of tasks that assist the League. The value of this contributed time is not reflected in the accompanying financial statements since the volunteer's time does not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

Federal Income Taxes

The League is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(4) of the Internal Revenue Code. Therefore, no provision for federal income tax is required. In addition, the League has not been classified as a private foundation by the Internal Revenue Service.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated to programs and supporting services benefited.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements in order to conform them to classifications used for the current year.

NOTE 3 - INVESTMENTS

Investments at June 30, 2009 and 2008 consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
<i>June 30, 2009</i>			
Mutual Funds	\$ 28,343	\$ 19,008	\$ (9,335)
Senior Income Trust	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Totals	<u>\$ 53,343</u>	<u>\$ 44,008</u>	<u>\$ (9,335)</u>
<i>June 30, 2008</i>			
Mutual Funds	\$ 27,920	\$ 27,724	\$ (196)
Senior Income Trust	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Totals	<u>\$ 52,920</u>	<u>\$ 52,724</u>	<u>\$ (196)</u>

LEAGUE OF WOMEN VOTERS OF OHIO
NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE 3 - Continued

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2009 and 2008:

	<u>Unrestricted</u>	
	<u>2009</u>	<u>2008</u>
Interest	\$ 5,304	\$ 13,363
Net realized and unrealized gains	<u>(9,335)</u>	<u>(399)</u>
Total investment return	<u>\$ (4,031)</u>	<u>\$ 12,962</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

The following table presents the League's fair value hierarchy for the financial assets measured on a recurring basis at June 30, 2009 and 2008. The League's investments are carried at fair value based on quoted prices in active markets (all Level 1 measurements) and consist of the following:

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Mutual Funds	\$ 19,008	\$ 27,724
Senior Income Trust	<u>25,000</u>	<u>25,000</u>
Total	<u>\$ 44,008</u>	<u>\$ 52,724</u>

The League uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The League measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value and are readily available.

The carrying amounts of cash, cash equivalents and short-term receivables reported in the statements of financial position approximate fair values because of the short maturities of those financial instruments.

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

The League has invested in money market funds which are not covered by federal deposit insurance. At June 30, 2009 and 2008, the balance in this fund is approximately \$207,000 and \$260,000, respectively.

**LEAGUE OF WOMEN VOTERS OF OHIO
NOTES TO FINANCIAL STATEMENTS**

June 30, 2009 and 2008

NOTE 6 - DESIGNATED NET ASSETS

A portion of unrestricted net assets has been reserved by the Board of Directors. Income from the Board designated funds can be used for unrestricted purposes.

NOTE 7 - OPERATING LEASE

The League leases office space under an operating lease expiring in November, 2012. The League shares this space and expense with its affiliate, the League of Women Voters of Ohio. The League's share of the minimum future rental payments under the lease is summarized as follows:

Years ending June 30:	
2010	\$ 5,888
2011	5,947
2012	5,988
2013	<u>5,988</u>
Total	<u>\$ 23,811</u>

Rent expense reported as unrestricted for the years ended June 30, 2009 and 2008 was \$5,906 and \$6,253, respectively.

**NOTE 8 - RELATED PARTY TRANSACTIONS WITH THE LEAGUE OF WOMEN
VOTERS OF OHIO EDUCATION FUND**

The League is an affiliate of the League of Women Voters of Ohio Education Fund, a 501(c)(3) nonprofit organization that seeks to increase public understanding of major policy issues and promote awareness of the options available in government decision-making. The League shares certain operating functions (including certain salaries and benefits, administration and office space) with the Education Fund. All shared costs are allocated based upon time spent or space used and are included in the accompanying statement of functional expenses.

The summarized financial position of the Education Fund as of June 30, 2009 and 2008 is as follows: total assets of \$318,413 and \$470,126; total liabilities of \$29,811 and \$30,771; and total net assets of \$288,602 and \$439,355, respectively. The shared expenses by the Education Fund include compensation and benefits of \$28,567 and \$36,805; rents of \$2,958 and \$3,965; and a total change in net assets of \$(150,753) and 136,662 respectively.