

UNITED SERVICE ORGANIZATIONS, INC.

These financial statements reflect the accounts of the USO and its international and domestic centers. U.S. chartered operations are financially autonomous and, therefore, are not included in these financial statements. The complete report on the examination of our financial statements by our auditors, Grant Thornton, LLP, as of and for the years ended December 31, 2009 and December 31, 2008, will be made available on request.

STATEMENT OF FINANCIAL POSITION, DECEMBER 31, 2009 AND 2008	2009	2008
Assets		
Cash and cash equivalents	\$12,223,259	\$17,974,344
Contributions receivable, net	5,022,507	3,518,644
Grants receivable	5,493,207	5,949,605
Other receivables	472,293	716,827
Prepaid expenses and other assets	1,421,188	810,907
Inventory	2,517,113	450,316
Investments	57,524,642	48,233,158
Fixed assets-net	7,243,070	4,644,961
TOTAL ASSETS	\$91,917,279	\$82,298,762

LIABILITIES AND NET ASSETS	2009	2008
Liabilities		
Accounts payable and accrued expenses	\$8,528,460	\$8,555,162
Deferred rent	588,843	660,014
Total Liabilities	9,117,303	9,215,176
Net Assets		
Unrestricted		
Operating	21,313,717	22,196,896
Board-designated		
Spirit of Hope	26,064,567	21,622,448
Total unrestricted	47,378,284	43,819,344
Temporarily restricted		
Desert Storm Education Fund	635,880	594,066
Spirit of Hope	5,235,710	—
Time Restriction	85,000	298,356
Ongoing Program Activities	3,186,188	1,571,330
Capital Projects	572,818	1,147,358
USO Councils and Others	108,173	55,209
Total temporarily restricted	9,823,769	3,666,319
Permanently restricted		
Camp Casey	25,000	25,000
Spirit of Hope	25,572,923	25,572,923
Total permanently restricted	25,597,923	25,597,923
Total Net Assets	82,799,976	73,083,586
TOTAL LIABILITIES AND NET ASSETS	\$91,917,279	\$82,298,762

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Statement of Activities and Changes in Net Assets, Year Ended December 31, 2009 and 2008

REVENUE AND SUPPORT	2009			2008	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
Programs					
USO center revenue	\$8,046,772	\$ —	\$ —	\$8,046,772	\$8,289,783
Contributed materials, facilities and services	142,256,897	6,199,717	—	148,456,614	132,951,588
Grants and sponsorships	15,771,793	419,160	—	16,190,953	6,451,466
Public support					
Corporate, foundation and individual giving	7,513,039	5,582,425	—	13,095,464	9,259,700
Direct response	53,499,646	1,941,351	—	55,440,997	48,892,489
United Way, CFC and other federated	1,988,080	—	—	1,988,080	1,644,168
Investment income (loss)	4,513,340	5,390,923	—	9,904,263	(11,663,158)
Rental and other income	187,980	—	—	187,980	416,568
Total Revenue and Support	233,777,547	19,533,576	—	253,311,123	196,242,604
Net Assets Released from Restrictions	13,376,126	(13,376,126)	—	—	—
TOTAL REVENUE AND OTHER SUPPORT	\$247,153,673	\$6,157,450	\$ —	\$253,311,123	\$196,242,604

OPERATING EXPENSES	2009			2008	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
Program services					
USO operations	\$46,480,212	\$ —	\$ —	\$46,480,212	\$34,956,744
Contributed materials, facilities and services	146,443,359	—	—	146,443,359	134,628,953
Entertainment	7,221,197	—	—	7,221,197	6,671,699
Communications and public awareness outreach	15,156,647	—	—	15,156,647	10,666,149
Total Program Expenses	215,301,415	—	—	215,301,415	186,923,545
Supporting Services					
Fundraising	16,780,672	—	—	16,780,672	14,740,641
Management and general	11,512,646	—	—	11,512,646	8,977,110
Total Supporting Services	28,293,318	—	—	28,293,318	23,717,751
Total Operating Expenses	243,594,733	—	—	243,594,733	210,641,296
Changes in Net Assets	3,558,940	6,157,450	—	9,716,390	(14,398,692)
Net Assets, beginning of year	43,819,344	3,666,319	25,597,923	73,083,586	87,482,278
NET ASSETS, END OF YEAR	\$47,378,284	\$9,823,769	\$25,597,923	\$82,799,976	\$73,083,586