

**UNITED WAY OF PORTAGE COUNTY, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2008 AND 2007**

## INDEPENDENT AUDITORS' REPORT

**Board of Directors  
United Way of Portage County, Inc.  
Stevens Point, Wisconsin**

**We have audited the accompanying statements of financial position of the United Way of Portage County, Inc. as of December 31, 2008 and 2007, and the related statements of activities 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 Portage County, Inc. as of December 31, 2008 and 2007, and the results of its activities and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.**

**Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. Appendices I, II and III are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.**

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**Certified Public Accountants**

**April 1, 2009**

**UNITED WAY OF PORTAGE COUNTY, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets:</b>		
Cash in banks and on hand	\$ 341,318	968,199
Investments - at cost which approximates market	2,276,151	1,413,792
Pledges receivable, less allowance for doubtful pledges of \$125,000 in 2008 and \$110,000 in 2007	1,288,517	1,228,678
Prepaid expense	5,410	4,345
Endowment Fund	67,833	91,166
Office equipment - at cost less accumulated depreciation of \$63,904 in 2008 and \$85,439 in 2007	<u>36,662</u>	<u>18,757</u>
<b>Total assets</b>	<b>\$ <u>4,015,891</u></b>	<b><u>3,724,937</u></b>
 <b>Liabilities:</b>		
Donor designations – payable	\$ 206,261	166,231
Other accounts payable	4,923	19,693
Other accounts payable – grants	<u>92,221</u>	<u>48,500</u>
<b>Total liabilities</b>	<b>303,405</b>	<b>234,424</b>
 <b>Net Assets:</b>		
Unrestricted – Board designated	716,541	676,849
Unrestricted	696,674	584,958
Temporarily restricted – Program grants	34,694	29,904
Temporarily restricted – campaign	2,196,744	2,107,636
Temporarily restricted – endowment fund	<u>67,833</u>	<u>91,166</u>
	<b><u>3,712,486</u></b>	<b><u>3,490,513</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>4,015,891</u></b>	<b><u>3,724,937</u></b>

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

UNITED WAY OF PORTAGE COUNTY, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2 0 0 8		2 0 0 7	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Public support and revenue:				
Total amounts raised	\$ -	2,528,005	-	2,321,435
Less: Allowance for uncollectible pledges & bad debts	-	(125,000)	-	(110,000)
Less: Amounts designated by donors for specific organizations	-	(206,261)	-	(166,231)
Total contributions	-	2,196,744	-	2,045,204
Additional campaign revenue	164,209	-	120,676	73,112
Interfaith Volunteer Caregivers	-	38,300	-	37,316
Volunteer Center revenue	-	4,902	-	4,431
Donated goods and services revenue	116,997	-	122,450	-
Investment income	75,760	(23,141)	86,479	4,658
Grants	-	45,903	-	6,900
Return of prior year's agency allocations	26,000	-	-	-
Bequest	-	-	-	2,146
Miscellaneous	25	1,389	109	10,870
Net assets released from restrictions	<u>2,193,532</u>	<u>(2,193,532)</u>	<u>2,059,136</u>	<u>(2,059,136)</u>
Total support and revenue	2,576,523	70,565	2,388,850	125,501
Allocations and other functional expenses:				
Allocations:				
Funds allocated to agencies	1,627,174	-	1,527,835	-
Program and supporting services	<u>797,941</u>	-	<u>769,669</u>	-
Total allocations and expenses	<u>2,425,115</u>	-	<u>2,297,504</u>	-
Change in net assets	151,408	70,565	91,346	125,501
Net assets – beginning of year	<u>1,261,807</u>	<u>2,228,706</u>	<u>1,170,461</u>	<u>2,103,205</u>
Net assets – end of year	<u>\$ 1,413,215</u>	<u>2,299,271</u>	<u>1,261,807</u>	<u>2,228,706</u>

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

**UNITED WAY OF PORTAGE COUNTY INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<b>Net cash flows from operating activities:</b>		
Change in net assets	\$ 221,973	216,847
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	8,847	7,147
(Increase) decrease in pledges receivable	(59,839)	96,269
(Increase) decrease in prepaid expense	(1,065)	1,666
(Increase) decrease in endowment fund	23,333	(44,955)
Increase (decrease) in accounts payable	(14,770)	(1,020)
Increase (decrease) in donor designation	40,030	31,662
Increase (decrease) in grants payable	<u>43,721</u>	<u>48,500</u>
Cash provided by operating activities	262,230	356,116
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	<u>(26,752)</u>	<u>(11,142)</u>
Net increase in cash	235,478	344,974
<b>Cash and cash equivalents – beginning of year</b>	<u>2,381,991</u>	<u>2,037,017</u>
<b>Cash and cash equivalents – end of year</b>	<u>\$ 2,617,469</u>	<u>2,381,991</u>

The accompanying notes to financial statements  
are an integral part of this statement.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Equipment purchased prior to 1982 has not been capitalized due to the minimal amounts purchased. Equipment purchased after 1982 is recorded at cost. Depreciation on the equipment is computed by use of the straight line method over the five to eight year estimated useful life of the equipment. Expenditures for maintenance and repairs are charged to expense as incurred; expenditures for renewals and betterments are generally capitalized. When items of equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

All pledges are considered available for unrestricted use. The value of contributed time by unpaid volunteers is not reflected in these statements since it is not susceptible to objective measurement or valuation. Donated equipment is recorded at its fair market value when it is contributed to the organization.

**Concentrations of Credit Risk** - The organization has cash deposits in excess of federally insured limits. Credit risk for accounts receivable are also concentrated since the organizations donors are located primarily in the Portage County area.

For purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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.

The carrying value of cash is a reasonable estimate of the fair value based on instruments with similar terms and maturities.

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provisions for bad debt expense and an adjustment to a valuation allowance based on its assessment of past donor receivable collectability.

Actual uncollectible pledges were \$55,637 in 2008 for the 2007 campaign pledges and \$63,558 in 2007 for the 2006 campaign pledges.

**NOTE 2 - ORGANIZATION'S PURPOSE:**

United Way of Portage County, Inc. brings the community together to focus on the most important health and human service needs in the community. This is done by building community partnerships and leveraging resources to make a measurable difference.

**NOTE 3 - TAX STATUS:**

The organization is exempt from federal and state income tax as it is an exempt organization under Section 501 (c)(3) of the Internal Revenue Service Code and is not a private foundation.

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

**NOTE 4 - OPERATING LEASES:**

The organization entered into a lease agreement with James Guzman on December 12, 2007 for office space located at 1100 Center Point Drive, Stevens Point, Wisconsin. This lease is for a term of five years commencing September 1, 2008. There is an option to extend the lease for 3 years on September 1, 2013.

The rental payments are as follows:

	<u>Annual Rent</u>
2009	\$ 32,424
2010	32,424
2011	32,424
2012	33,116
2013	23,000

**NOTE 5 - GRANTS:**

During 2008 and 2007 the United Way acted as disbursing agent for \$25,422 and \$23,510 of Emergency Food and Shelter Grants.

**NOTE 6 - RETIREMENT PLAN:**

The organization entered into a Simplified Employer Pension/Individual Retirement Account (SEP/IRA) arrangement in September, 1989. The organization changed to the American Funds family of Mutual Funds on January 1, 2006 with this SEP/IRA arrangement.

The organization will pay 5% of any full or part-time employee's salary into their SEP/IRA after the employee has worked for the United Way for at least one year. The employer contribution was \$14,469 in 2008 and \$9,810 in 2007.

Once an employee enters the plan, they are 100% vested and may control their funds according to Internal Revenue Service rules and regulations.

**NOTE 7 - NET ASSET RESTATEMENT:**

Financial Accounting Standards Board 136 requires that for fiscal years beginning after December 15, 1999 United Way's report designated gifts as liabilities to the agencies designated, not as revenue. Therefore, the 2008 and 2007 financial statements reflect the designations to agencies as liabilities. The campaign revenue for the next year is recorded as temporarily restricted in accordance with FASB 116 and 117.

**NOTE 8 - CONTRACTS:**

The United Way of Portage County (UWPC) entered into a contractual agreement with the United Way of Marathon County (UWMC) whereby UWMC provides residents of Portage County with information about human service providers and referral of persons in need to such providers. Access to this information and referral network is made via the telephone by dialing 2-1-1. UWPC paid UWMC \$52,930 in 2008 and \$50,000 in 2007 as the contractually agreed upon price for providing this service.

**UNITED WAY OF PORTAGE COUNTY, INC.  
SCHEDULE OF AGENCY ALLOCATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Total Allocation</u>	<u>Donor Designations</u>	<u>Net Allocation</u>
Achievement Center Early Intervention Program, Inc.	\$ 83,329	3,739	79,590
Advocates for Developmentally Disabled	23,760	1,395	22,365
American Red Cross - Portage County Chapter	110,222	4,494	105,728
Big Brothers/Big Sisters	129,162	4,775	124,387
Boys and Girls Club	62,390	9,566	52,824
Boy Scouts of America – Samoset Council	35,047	7,856	27,191
Children's Service Society of Wisconsin	43,183	1,430	41,753
CAP Services Inc.	322,419	16,701	305,718
Community Industries	105,384	3,980	101,404
Epilepsy Foundation of Central and NE Wisconsin	26,950	1,402	25,548
Girl Scouts - Woodland Council	45,733	4,404	41,329
Meals on Wheels	57,306	8,843	48,463
Aging and Disability Resource Center of Portage County	61,307	4,111	57,196
Family Connections in Portage County	92,824	1,650	91,174
Portage County Child Passenger Safety Association	30,641	2,151	28,490
Portage County Literacy Council	28,944	1,822	27,122
Salvation Army	100,800	7,635	93,165
Y M C A	<u>214,184</u>	<u>5,205</u>	<u>208,979</u>
	1,573,585	91,159	1,482,426
 <b>Special Allocations:</b>			
Aging and Disability Resource Center			7,840
American Red Cross			1,956
AODA Coalition			11,000
Boys and Girls Club			21,268
CAP Services, Inc. – Mental Health Navigator			5,000
Catholic Charities			10,000
Community Industries Corporation			5,448
Financial Wellness Program of Portage County			7,000
Ministry Dental Center			32,996
Ministry Medical Group – Medication Cost Relief			15,000
Portage County 4-H			148
Portage County Child Passenger Safety Association			1,092
UW Extension – Parenting Newsletter			6,000
Wisconsin Interfaith Needs Response			<u>20,000</u>
			<u>144,748</u>
			<b>\$ <u>1,627,174</u></b>

**UNITED WAY OF PORTAGE COUNTY, INC.  
SCHEDULE OF AGENCY ALLOCATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Total Allocation</u>	<u>Donor Designations</u>	<u>Net Allocation</u>
Achievement Center Early Intervention Program, Inc.	\$ 79,361	2,836	76,525
Advocates for Developmentally Disabled	22,629	75	22,554
American Red Cross - Portage County Chapter	104,922	3,952	100,970
Big Brothers/Big Sisters	122,490	2,984	119,506
Boys and Girls Club	59,113	6,517	52,596
Boy Scouts of America - Samoset Council	33,286	6,153	27,133
Children's Service Society of Wisconsin	34,175	743	33,432
CAP Services Inc.	256,966	9,712	247,254
Community Industries	100,366	2,399	97,967
Epilepsy Foundation of Central and NE Wisconsin	25,667	640	25,027
Girl Scouts - Woodland Council	43,443	2,597	40,846
Meals on Wheels	54,414	7,701	46,713
Aging and Disability Resource Center of Portage County	58,335	3,461	54,874
Family Connections in Portage County	88,330	1,465	86,865
Portage County Child Passenger Safety Association	29,182	820	28,362
Portage County Literacy Council	27,439	2,163	25,276
Salvation Army	95,958	5,556	90,402
Y M C A	<u>203,660</u>	<u>2,658</u>	<u>201,002</u>
	1,439,736	62,432	1,377,304
 <b>Special Allocations:</b>			
Aging and Disability Resource Center			1,938
American Red Cross			999
AODA Coalition			11,000
Big Brothers/Big Sisters			738
CAP Services, Inc. – Ministry Dental Program			50,000
CAP Services, Inc. – Skills Enhancement			15,000
Children's Service Society – Visitation Center			15,000
Family Connections – Portage County			2,737
Financial Wellness Program of Portage County			7,000
Lutheran Counseling and Family Services of Wisconsin			10,000
Ministry Medical Group – Medication Cost Relief			10,000
Portage County Health and Human Services – Health Smiles			2,750
Portage County Literacy Council			6,000
Salvation Army			369
Wisconsin Interfaith Needs Response			15,000
YMCA			<u>2,000</u>
			<u>150,531</u>
			<b>\$ <u>1,527,835</u></b>

UNITED WAY OF PORTAGE COUNTY, INC.  
SCHEDULE OF EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Community Impact</u>	<u>2-1-1 Information &amp; Referral</u>	<u>Interfaith Volunteer Caregivers</u>	<u>Volunteer Center</u>	<u>Total Programs</u>	<u>General Administration</u>	<u>Resource Development</u>	<u>Total</u>
Payroll/Benefits	\$ 81,111	5,329	46,549	57,437	190,426	117,631	110,137	418,194
Professional fees	1,571	112	906	1,139	3,728	6,153	3,965	13,846
Contract labor	5,080	-	-	-	5,080	-	-	5,080
Supplies	3,161	850	1,196	1,182	6,389	3,003	8,634	18,026
Telephone	1,282	91	739	930	3,042	1,940	1,889	6,871
Postage and shipping	1,736	1,047	1,153	1,219	5,155	991	3,208	9,354
Occupancy	6,926	494	3,996	5,025	16,441	10,488	10,209	37,138
Equipment rental/maintenance	547	39	315	397	1,298	1,173	806	3,277
Printing and publications	1,551	2,684	1,204	896	6,335	624	6,315	13,274
Donated printing and publications	9,325	-	-	1,800	11,125	-	7,373	18,498
Conferences/meetings/training	7,346	74	690	371	8,481	1,003	5,319	14,803
Event expenses	1,671	20	218	8,274	10,183	-	6,907	17,090
Donated event expenses	-	-	-	66,303	66,303	-	-	66,303
Recognition/awards	296	-	275	1,493	2,064	324	3,333	5,721
Other expenses	12,202	110	1,367	3,497	17,176	5,497	2,493	25,166
Donated other expenses	-	3,500	-	8,492	11,992	-	20,204	32,196
Insurance	241	17	638	175	1,071	1,943	1,102	4,116
Depreciation	1,650	118	952	1,197	3,917	2,498	2,432	8,847
2-1-1 Information and referral contract	-	52,930	-	-	52,930	-	-	52,930
United Way dues	<u>12,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,045</u>	<u>7,685</u>	<u>7,481</u>	<u>27,211</u>
<b>Total</b>	<b>\$ <u>147,741</u></b>	<b><u>67,415</u></b>	<b><u>60,198</u></b>	<b><u>159,827</u></b>	<b><u>435,181</u></b>	<b><u>160,953</u></b>	<b><u>201,807</u></b>	<b><u>797,941</u></b>

UNITED WAY OF PORTAGE COUNTY, INC.  
SCHEDULE OF EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Community Impact</u>	<u>2-1-1 Information &amp; Referral</u>	<u>Interfaith Volunteer Caregivers</u>	<u>Volunteer Center</u>	<u>Total Programs</u>	<u>General Administration</u>	<u>Resource Development</u>	<u>Total</u>
Payroll/Benefits	\$ 68,961	3,035	37,519	50,644	160,159	132,087	98,927	391,173
Professional fees	31,968	76	914	1,197	34,155	9,636	2,464	46,255
Contract labor	2,886	-	-	-	2,886	-	-	2,886
Supplies	1,721	41	1,393	1,385	4,540	2,891	4,654	12,085
Donated materials & supplies	-	375	-	-	375	-	-	375
Telephone	1,131	50	602	878	2,661	2,109	1,623	6,393
Postage & shipping	115	12	887	1,082	2,096	1,006	2,335	5,437
Occupancy	6,661	293	3,544	4,642	15,140	12,412	9,555	37,107
Equipment rental/maintenance	671	30	436	546	1,683	1,306	962	3,951
Printing and publications	1,614	4	1,385	751	3,754	474	3,075	7,303
Donated printing and publications	-	-	-	2,000	2,000	-	7,349	9,349
Conferences/meetings/training	3,879	107	391	2,617	6,994	1,159	1,170	9,323
Event expenses	-	40	-	4,441	4,481	-	7,859	12,340
Donated event expenses	-	-	-	73,213	73,213	-	4,100	77,313
Recognition/awards	25	-	141	430	596	512	5,557	6,665
Other expense	1,373	721	3,529	4,289	9,912	7,275	1,728	18,915
Donated other expense	2,500	3,500	-	542	6,542	-	28,871	35,413
Insurance	363	16	683	253	1,315	2,180	1,294	4,789
Depreciation	1,283	56	683	894	2,916	2,391	1,841	7,148
2-1-1 Information and referral contract	-	50,000	-	-	50,000	-	-	50,000
United Way dues	<u>551</u>	<u>24</u>	<u>293</u>	<u>386</u>	<u>1,254</u>	<u>23,404</u>	<u>791</u>	<u>25,449</u>
<b>Total</b>	<b>\$ <u>125,702</u></b>	<b><u>58,380</u></b>	<b><u>52,400</u></b>	<b><u>150,190</u></b>	<b><u>386,672</u></b>	<b><u>198,842</u></b>	<b><u>184,155</u></b>	<b><u>769,669</u></b>

**UNITED WAY OF PORTAGE COUNTY, INC.  
SCHEDULE OF GRANT INCOME AND EXPENSE  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Emergency Food and Shelter Grant	\$ 25,422	23,510
Expenses:		
Catholic Charities	1,320	1,220
Family Crisis Center	1,809	1,674
Energy Services of Portage County	1,267	1,172
Portage County Health and Human Services	6,723	6,217
Operation Bootstrap	6,627	6,129
Salvation Army	6,293	5,819
St. Vincent DePaul	<u>1,383</u>	<u>1,279</u>
	<u>\$ 25,422</u>	<u>23,510</u>