

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2007 AND 2006**

## 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, 2007 and 2006, 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, 2007 and 2006, 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 9, 2008**

**UNITED WAY OF PORTAGE COUNTY, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
<b>Assets:</b>		
Cash in banks and on hand	\$ 968,199	600,513
Investments - at cost which approximates market	1,413,792	1,436,504
Pledges receivable, less allowance for doubtful pledges of \$110,000 in 2007 and \$110,000 in 2006	1,228,678	1,324,947
Prepaid expense	4,345	6,010
Endowment Fund	91,166	46,211
Office equipment - at cost less accumulated depreciation of \$85,439 in 2007 and \$78,291 in 2006	<u>18,757</u>	<u>14,763</u>
<b>Total assets</b>	<b><u>\$ 3,724,937</u></b>	<b><u>3,428,948</u></b>
 <b>Liabilities:</b>		
Donor designations – payable	\$ 166,231	134,569
Other accounts payable	19,693	20,713
Other accounts payable – grants	<u>48,500</u>	<u>-</u>
<b>Total liabilities</b>	<b>234,424</b>	<b>155,282</b>
 <b>Net Assets:</b>		
Unrestricted – Board designated	676,849	642,948
Unrestricted	584,958	527,513
Temporarily restricted – Program grants	29,904	52,143
Temporarily restricted – campaign	2,107,636	1,966,012
Temporarily restricted – endowment fund	<u>91,166</u>	<u>85,050</u>
	<b><u>3,490,513</u></b>	<b><u>3,273,666</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 3,724,937</u></b>	<b><u>3,428,948</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, 2007 AND 2006

	2 0 0 7		2 0 0 6	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
<b>Public support and revenue:</b>				
Total amounts raised	\$ -	2,321,435	-	2,142,446
Less: Allowance for uncollectible pledges & bad debts	-	(110,000)	-	(110,000)
Less: Amounts designated by donors for specific organizations	-	<u>(166,231)</u>	-	<u>(134,569)</u>
Total contributions	-	2,045,204	-	1,897,877
Additional campaign revenue	120,676	73,112	124,865	-
Interfaith Volunteer Caregivers	-	37,316	-	31,674
Volunteer Center revenue	-	4,431	-	6,814
Donated goods and services revenue	122,450	-	83,199	-
Investment income	86,479	4,658	65,655	4,041
Grants	-	6,900	-	37,354
Return of prior year's agency allocations	-	-	45,000	-
Bequest	-	2,146	-	38,839
Miscellaneous	109	10,870	13	11,471
Net assets released from restrictions	<u>2,059,136</u>	<u>(2,059,136)</u>	<u>1,937,760</u>	<u>(1,937,760)</u>
Total support and revenue	2,388,850	125,501	2,256,492	90,310
<b>Allocations and other functional expenses:</b>				
Allocations:				
Funds allocated to agencies	1,527,835	-	1,420,544	-
Program and supporting services	<u>769,669</u>	<u>-</u>	<u>626,948</u>	<u>-</u>
Total allocations and expenses	2,297,504	-	2,047,492	-
Increase in net assets before extraordinary item	91,346	125,501	209,000	90,310
<b>Extraordinary item:</b>				
Return of Teen Leadership Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,655)</u>
Changes in net assets	91,346	125,501	209,000	87,655
Net assets – beginning of year	<u>1,170,461</u>	<u>2,103,205</u>	<u>961,461</u>	<u>2,015,550</u>
Net assets – end of year	<u>\$ 1,261,807</u>	<u>2,228,706</u>	<u>1,170,461</u>	<u>2,103,205</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, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
<b>Net cash flows from operating activities:</b>		
Change in net assets	\$ 216,847	299,310
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	7,147	9,238
(Increase) decrease in pledges receivable	96,269	(56,517)
(Increase) decrease in prepaid expense	1,666	(292)
(Increase) decrease in endowment fund	(44,955)	(4,040)
Increase (decrease) in accounts payable	(1,020)	(1,594)
Increase (decrease) in donor designation	31,662	72,563
Increase (decrease) in grants payable	48,500	(12,809)
Return of Teen Leadership Net Assets	<u>          -</u>	<u>     (2,655)</u>
Cash provided by operating activities	356,116	303,204
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	<u>     (11,142)</u>	<u>     (8,988)</u>
Net increase in cash	344,974	294,216
<b>Cash and cash equivalents – beginning of year</b>	<u>2,037,017</u>	<u>1,742,801</u>
<b>Cash and cash equivalents – end of year</b>	<u>\$ 2,381,991</u>	<u>2,037,017</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, 2007 AND 2006**

**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.

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.

Actual uncollectible pledges were \$63,558 in 2007 for the 2006 campaign pledges and \$52,884 in 2006 for the 2005 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, 2007 AND 2006**

**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>
2008	\$ 32,424
2009	32,424
2010	32,424
2011	33,116
2012	23,000

**NOTE 5 - GRANTS:**

During 2007 and 2006 the United Way acted as disbursing agent for \$23,510 and \$21,505 of Emergency Food and Shelter Grants.

**NOTE 6 - RETIREMENT PLAN:**

The organization entered into a Simplified Employer Pension/Individual Retirement Account (SEP/IRA) arrangement with Mutual of America in September, 1989. The organization changed to the AIM family of mutual funds in October 1995 with this SEP/IRA arrangement. 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 \$9,810 in 2007 and \$9,755 in 2006.

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 2007 and 2006 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 \$50,000 in 2007 and \$50,000 in 2006 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, 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
Portage County Department on Aging	58,335	3,461	54,874
Portage County Mental Health Association (Family Connection 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

**Special Allocations:**

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 AGENCY ALLOCATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Total Allocation</u>	<u>Donor Designations</u>	<u>Net Allocation</u>
Achievement Center Early Intervention Program, Inc.	\$ 70,744	2,280	68,464
Advocates for Developmentally Disabled	22,878	464	22,414
American Red Cross - Portage County Chapter	102,241	5,170	97,071
Big Brothers/Big Sisters	116,714	5,426	111,288
Boys and Girls Club	49,958	7,392	42,566
Boy Scouts of America - Samoset Council	32,312	4,710	27,602
Children's Service Society of Wisconsin	34,266	1,105	33,161
CAP Services Inc.	231,573	9,572	222,001
Community Industries	100,366	1,638	98,728
Epilepsy Foundation of Central and NE Wisconsin	24,914	657	24,257
Girl Scouts - Woodland Council	41,880	3,040	38,840
Meals on Wheels	78,247	5,557	72,690
Portage County Department on Aging	56,676	2,742	53,934
Portage County Mental Health Association (Family Connection in Portage County)	80,412	3,000	77,412
Portage County Child Passenger Safety Association	26,861	1,336	25,525
Portage County Literacy Council	26,000	3,100	22,900
Salvation Army	86,000	5,098	80,902
Y M C A	<u>195,860</u>	<u>5,848</u>	<u>190,012</u>
	1,377,902	68,135	1,309,767

**Special Allocations:**

American Red Cross	8,954
Boys and Girls Club of Portage County	5,777
CAP Services, Inc. – Ministry Dental Program	50,000
CAP Services, Inc. – Family Crisis Center	10,000
CAP Services, Inc. – Hispanics for Health	10,000
Central Wisconsin Children's Museum	2,000
Family Connections – Portage County	4,000
Habitat for Humanity	485
Midstate Independent Living Consultants, Inc.	(1,889)
Social Norms Project Grant	9,450
Wisconsin Interfaith Needs Response	10,000
YMCA	<u>2,000</u>
	<u>110,777</u>
	<b>\$ <u>1,420,544</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	551	24	293	386	1,254	23,404	791	25,449
<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 EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<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	\$ 34,056	5,629	26,467	35,180	101,332	117,725	94,858	313,915
Professional fees	425	70	331	417	1,243	8,453	1,185	10,881
Donated professional fees	-	-	-	260	260	-	1,207	1,467
Contract labor	6,105	-	-	-	6,105	387	-	6,492
Supplies	2,051	1,712	741	2,017	6,521	5,388	6,089	17,998
Donated materials & supplies	-	-	400	38	438	-	-	438
Telephone	612	101	476	792	1,981	2,100	1,708	5,789
Postage	893	91	1,034	1,239	3,257	883	1,281	5,421
Occupancy	4,196	694	3,261	4,112	12,263	14,370	11,688	38,321
Equipment rental/maintenance	329	54	255	322	960	1,725	915	3,600
Printing and publications	1,311	2,132	1,143	1,091	5,677	752	1,321	7,750
Donated printing and publications	-	-	-	49	49	-	10,807	10,856
Conferences/meetings/training	4,513	258	1,344	1,923	8,038	926	696	9,660
Event expenses	866	-	-	4,061	4,927	-	3,326	8,253
Donated event expenses	-	-	-	57,877	57,877	-	8,087	65,964
Recognition/awards	440	-	442	1,625	2,507	378	4,183	7,068
Other expense	2,462	1,323	2,958	5,121	11,864	8,044	1,615	21,523
Donated other expense	-	-	-	-	-	-	4,474	4,474
Insurance	210	35	643	205	1,093	2,149	584	3,826
Depreciation	859	142	668	842	2,511	4,333	2,394	9,238
2-1-1 Information and referral contract	-	50,000	-	-	50,000	-	-	50,000
United Way dues	<u>326</u>	<u>54</u>	<u>253</u>	<u>319</u>	<u>952</u>	<u>22,154</u>	<u>908</u>	<u>24,014</u>
Total	<u>\$ 59,654</u>	<u>62,295</u>	<u>40,416</u>	<u>117,490</u>	<u>279,855</u>	<u>189,767</u>	<u>157,326</u>	<u>626,948</u>

**UNITED WAY OF PORTAGE COUNTY, INC.  
SCHEDULES OF GRANT INCOME AND EXPENSE  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Emergency Food and Shelter Grant	\$ 23,510	21,505
Expenses:		
Catholic Charities	1,220	1,116
Family Crisis Center	1,674	1,531
Energy Services of Portage County	1,172	1,072
Portage County Health and Human Services	6,217	5,687
Operation Bootstrap	6,129	5,606
Salvation Army	5,819	5,323
St. Vincent DePaul	<u>1,279</u>	<u>1,166</u>
	<u>23,510</u>	<u>21,501</u>
Unexpended Funds December 31	\$ <u><u>-</u></u>	<u><u>4</u></u>