

UNITED WAY OF PORTAGE COUNTY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

CHEREK, PUCCI & QUICK, S.C.

**CERTIFIED PUBLIC ACCOUNTANTS
STEVENS POINT, WI**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the United Way of Portage County, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our 2017 audit in accordance with Auditing Standards generally accepted in the United States of America. We conducted our 2016 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Provider Agency Guide, 2016 revision*, issued by the Wisconsin Department of Children and Families. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. Appendices I, II and III and the 2016 schedule of expenditures of federal and state awards as required by the *Provider Agency Audit Guide, 2016 revision*, issued by the Wisconsin Department of Children and Families, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2017 on our consideration of United Way of Portage County, Inc.'s 2016 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Portage County, Inc.'s internal control over financial reporting and compliance.

Cherak, Pucci & Quirk, S.C.

Certified Public Accountants
Stevens Point, Wisconsin

May 14, 2018

**UNITED WAY OF PORTAGE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016**

	2017	2016
Assets:		
Cash in banks and on hand	\$ 1,194,629	1,325,99
Investments - at cost which approximates market	<u>2,850,034</u>	<u>2,791,53</u>
	4,044,663	4,117,52
Investment securities available for sale - at market	200,256	178,99
Pledges receivable, less allowance for doubtful pledges of \$100,000 in 2017 and \$100,000 in 2016	1,450,990	1,389,43
Other receivables	74,635	21,74
Prepaid expense	211,878	31,81
Property and equipment - at cost less accumulated depreciation of \$127,177 in 2017 and \$115,289 in 2016	<u>44,454</u>	<u>59,47</u>
Total assets	\$ <u>6,026,876</u>	<u>5,798,99</u>
Liabilities:		
Donor designations - payable	\$ 241,356	221,31
Other accounts payable	<u>42,367</u>	<u>27,15</u>
Total liabilities	283,723	248,46
Net Assets:		
Unrestricted - Board designated	1,484,570	1,063,63
Unrestricted	1,198,985	1,643,79
Temporarily restricted - Program grants	42,827	57,90
Temporarily restricted - campaign	2,694,349	2,499,26
Temporarily restricted - endowment fund	<u>322,422</u>	<u>285,92</u>
	<u>5,743,153</u>	<u>5,550,52</u>
Total liabilities and net assets	\$ <u>6,026,876</u>	<u>5,798,99</u>

See accompanying notes and independent auditor's report.

UNITED WAY OF PORTAGE COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2 0 1 7		2 0 1 6	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Public support and revenue:				
Total amounts raised	\$ -	3,007,070	-	2,925,502
Less: Allowance for uncollectible pledges & bad debts	-	(100,000)	-	(100,000)
Less: Amounts designated by donors for specific organizations	-	(210,921)	-	(221,167)
Total contributions		2,696,149	-	2,604,335
Additional campaign revenue	117,627	-	106,216	-
Volunteer Center revenue	-	11,893	-	11,633
Donated goods and services revenue	-	135,790	-	120,786
Investment income	47,289	3,365	44,322	4,996
Net unrealized gains (losses) on investments	-	21,302	-	16,704
Grants	-	154,900	-	186,370
Fee income	-	-	-	5,899
Bequest	-	50	-	295
Miscellaneous	4,216	4,307	812	4,701
Net assets released from restrictions	2,811,254	(2,811,255)	2,970,963	(2,970,963)
Total support and revenue	2,980,386	216,501	3,122,313	(15,244)
Allocations and other functional expenses:				
Allocations:				
Funds allocated to agencies	1,904,280	-	1,768,019	-
Program and supporting services	1,099,980	-	982,785	-
Total allocations and expenses	3,004,260	-	2,750,804	-
Changes in net assets	(23,874)	216,501	371,509	(15,244)
Net assets - beginning of year	2,707,429	2,843,097	2,335,920	2,858,341
Net assets - end of year	\$ 2,683,555	3,059,598	2,707,429	2,843,097

**UNITED WAY OF PORTAGE COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Net cash flows from operating activities:		
Change in net assets	\$ 192,627	356,265
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,022	11,649
(Increase) decrease in pledges receivable	(61,556)	(69,169)
(Increase) decrease in other receivables	(52,889)	(13,417)
(Increase) decrease in prepaid expense	(180,065)	(21,652)
Net unrealized (gains) losses on long-term investments	(21,264)	(16,704)
(Additional investment) sale of long-term securities	-	(3,231)
Increase (decrease) in accounts payable	15,215	(7,192)
Increase (decrease) in donor designation	<u>20,044</u>	<u>15,556</u>
Cash provided (used) by operating activities	(72,866)	252,105
Cash flows from investing activities:		
Purchase of property and equipment	<u>-</u>	<u>(45,920)</u>
Net (decrease) increase in cash	(72,866)	206,185
Cash and cash equivalents - beginning of year	<u>4,117,529</u>	<u>3,911,344</u>
Cash and cash equivalents - end of year	\$ <u>4,044,663</u>	<u>4,117,529</u>

See accompanying notes and independent auditor's report.

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 - ORGANIZATION'S PURPOSE AND NATURE OF ACTIVITIES:

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 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Property and equipment purchased is recorded at cost. Depreciation on the property and equipment is computed by use of the straight line method over the five to eight year estimated useful life of the property and equipment. Expenditures for maintenance and repairs are charged to expense as incurred; expenditures for renewals and betterments are generally capitalized. When items of property and 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 not designated by the donor are considered available for unrestricted use. The Organization generally pays for services requiring specific expertise. 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 property and 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 organization's donors are located primarily in the Portage County area.

For purposes of the statement of cash flows, the organization considers all highly liquid investments including certificates of deposit 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.

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of past donor receivable collectability. Actual uncollectible pledges were \$58,173 in 2017 for the 2016 campaign pledges and \$64,458 in 2016 for the 2015 campaign pledges.

Date of Management's Review – Management has evaluated subsequent events through May 14, 2018, the date on which the financial statements were available to be issued.

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

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.

NOTE 4 – LEASING ARRANGEMENTS:

The organization entered into a lease agreement with James Guzman on September 27, 2012 for office space located at 1100 Center Point Drive, Stevens Point, Wisconsin. This lease is for a term of five years commencing September 1, 2013. There is an option to extend the lease for 2 years on September 1, 2018. The lease term was extended effective September 1, 2018 for 2 years.

The rental payments are as follows:

	<u>Annual Rent</u>
2018	\$ 32,424
2019	32,424
2020	21,616

NOTE 5 - GRANTS:

During 2017 and 2016 the United Way acted as disbursing agent for \$47,635 and \$16,061 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 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 one year of the immediately preceding five plan years. The employer contribution was \$25,848 in 2017 and \$16,323 in 2016.

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 Codification (FASC) 958-605-15 *Transfers of Assets to a Not-for-Profit Entity or Charitable Trust That Raises or Holds Contributions for Others* 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 2017 and 2016 financial statements reflect the designations to agencies as liabilities. The campaign revenue for the next year is recorded as temporarily restricted in accordance with FASC 605-10-15 *Revenue Recognition* and 958-205-05 *Not-for-Profit Entities: Presentation of Financial Statements*.

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

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 \$47,000 in 2017 and \$47,000 in 2016 as the contractually agreed upon price for providing this service.

NOTE 9 – FAIR VALUE MEASUREMENTS:

The organization’s investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are available to the organization, and Level 3 inputs are only used when Level 1 or Level 2 are not available.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the organization at year-end.

The following tables set forth, by level within the fair value hierarchy, the organization’s investments at fair value as of December 31, 2017 and 2016:

	<u>Fair Value</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>December 31, 2017</u>				
Mutual funds	\$ <u>200,256</u>	<u>200,256</u>	<u>-</u>	<u>-</u>

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 9 – FAIR VALUE MEASUREMENTS: (CONTINUED)

		<u>Fair Value Measurements Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>December 31, 2016</u>		<u>Fair Value</u>		
Mutual funds	\$	<u>178,992</u>	<u>178,992</u>	<u>-</u>

Gains and losses (realized and unrealized) that are included in the statements of activities for the years ended December 31, 2017 and 2016 are reported in investment income or net unrealized gains on investments.

NOTE 10 - SUBSEQUENT EVENTS:

United Way of Portage County has been awarded a \$258,476 grant from the Medical College of Wisconsin, for a 30-month period covering January 1, 2017 - June 30, 2019. These funds will be used for Born Learning systems change work, for the prenatal to five at risk population in Portage County as outlined in the Healthier Wisconsin Partnership Program roadmap.

SUPPLEMENTARY INFORMATION

**UNITED WAY OF PORTAGE COUNTY, INC.
SCHEDULE OF AGENCY ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Total</u>	<u>Donor</u>	<u>Net</u>
	<u>Allocation</u>	<u>Designations</u>	<u>Allocation</u>
Advocates for Developmentally Disabled	\$ 34,688	970	33,718
Big Brothers/Big Sisters	160,535	4,692	155,843
Boys and Girls Club of Portage County	133,662	15,736	117,926
Boy Scouts of America - Samoset Council	40,761	6,481	34,280
Children's Hospital of Wisconsin	296,872	7,075	289,797
CAP Services, Inc.	471,421	49,803	421,618
Community Industries	102,025	5,680	96,345
Girl Scouts of Northwestern Great Lakes	49,000	1,203	47,797
Meals on Wheels	92,302	19,202	73,100
Aging and Disability Resource Center of Portage County	100,046	17,707	82,339
Stevens Point Child Safety Center	38,800	2,360	36,440
Salvation Army	145,603	11,999	133,604
United Way of Marathon County - 2-1-1 Contract	47,000	-	47,000
Y M C A	<u>285,365</u>	<u>6,027</u>	<u>279,338</u>
	\$ 1,998,080	148,935	1,849,145
Special Allocations:			
Boys & Girls Club of Portage County			10,000
Children's			24,000
swervice			6,206
CAP Services			7,414
Portage County Health & Human Services			300
Evergreen Community Initiatives			<u>7,215</u>
			\$ 1,904,280

**UNITED WAY OF PORTAGE COUNTY, INC.
SCHEDULE OF AGENCY ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Total</u>	<u>Donor</u>	<u>Net</u>
	<u>Allocation</u>	<u>Designations</u>	<u>Allocation</u>
Advocates for Developmentally Disabled	\$ 33,973	3,837	30,136
Big Brothers/Big Sisters	157,622	6,864	150,758
Boys and Girls Club of Portage County	128,394	15,136	113,258
Boy Scouts of America - Samoset Council	41,104	5,885	35,219
Children's Hospital of Wisconsin	193,823	5,107	188,716
CAP Services, Inc.	459,414	24,349	435,065
Community Industries	99,984	6,609	93,375
Girl Scouts of Northwestern Great Lakes	48,039	1,573	46,466
Meals on Wheels	89,575	16,563	73,012
Aging and Disability Resource Center of Portage County	98,691	14,834	83,857
Stevens Point Child Safety Center	38,500	2,446	36,054
Salvation Army	145,000	11,559	133,441
United Way of Marathon County - 2-1-1 Contract	47,000	-	47,000
Y M C A	<u>281,175</u>	<u>6,300</u>	<u>274,875</u>
	\$ <u>1,862,294</u>	<u>121,062</u>	1,741,232
Special Allocations:			
Boys & Girls Club of Portage County			2,727
Children's Service Society of Wisconsin			1,916
Childcaring, Inc.			7,500
Midwest Independent Living Consultants			5,853
Ignite			7,291
Planned giving event			<u>1,500</u>
			\$ <u>1,768,019</u>

UNITED WAY OF PORTAGE COUNTY, INC.
 SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2017

	2-1-1 Information & Referral	Learn For Life	Community Impact	Early Years Collaborative	Volunteer Center	Total Programs	General & Adminis- trative	Resource Development	Total
Payroll/Benefits	\$ 1,586	38,993	144,131	160,889	53,057	398,656	143,888	160,155	702,699
Professional fees	57	1,405	9,253	13,523	1,912	26,150	16,804	6,090	49,044
Contract labor	-	600	-	-	-	600	-	-	600
Supplies	9	2,670	817	544	598	4,638	4,833	5,592	15,063
Telephone	25	610	1,854	1,181	830	4,500	2,210	2,441	9,151
Postage and shipping	-	171	96	2	288	557	1,932	1,196	3,685
Occupancy	89	5,954	6,732	4,174	4,111	21,060	8,785	7,537	37,382
Equipment rental/maintenance	2	47	142	90	213	494	856	337	1,687
Auto expense	4	110	463	212	276	1,065	540	624	2,229
Printing and publications	173	340	4,055	238	297	5,103	3,173	5,273	13,549
Conferences/meetings/training	7	310	2,058	2,941	85	5,401	5,377	7,614	18,392
Event expenses	-	200	1,403	49	955	2,607	23	2,167	4,797
Program goods & services purchased	-	1,206	17,688	-	11,643	30,537	-	-	30,537
Recognition/awards	-	475	87	750	50	1,362	305	5,436	7,103
Financial fees	-	-	-	-	-	-	7,530	30	7,560
Other expenses	191	957	2,325	695	2,461	6,629	2,777	4,725	14,131
Insurance	15	380	1,156	737	517	2,805	1,397	1,522	5,724
Depreciation	41	1,001	3,044	1,939	1,362	7,387	3,628	4,007	15,022
United Way dues	92	2,264	6,884	4,386	3,080	16,706	8,206	9,062	33,974
Donated goods and services	-	-	2,552	-	61,854	64,406	-	63,245	127,651
Total	\$ 2,291	57,693	204,740	192,350	143,589	600,663	212,264	287,053	1,099,980

SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	2-1-1 Information & Referral	Learn For Life	Community Impact	Early Years Collaborative	Race to the Top Grant	Ignite	Volunteer Center	Total Programs	General & Adminis- trative	Resource Development	Total
Payroll/Benefits	\$ 3,239	38,373	113,540	39,784	61,174	-	59,454	315,564	168,169	150,885	634,618
Professional fees	114	1,266	6,844	6,620	1,403	-	2,035	18,282	15,834	5,426	39,542
Contract labor	-	600	-	-	-	-	-	600	-	-	600
Supplies	22	2,225	2,897	504	4,199	110	841	10,798	5,411	5,251	21,460
Telephone	46	514	648	861	893	-	826	3,788	2,899	2,093	8,780
Postage and shipping	2	156	78	29	42	6	443	756	1,685	2,767	5,208
Occupancy	157	5,708	1,942	1,052	3,108	3,091	4,623	19,681	7,009	6,903	33,593
Equipment rental/maintenance	14	155	463	259	-	-	398	1,289	1,013	779	3,081
Printing and publications	2,634	293	361	118	193	40	302	3,941	832	1,534	6,307
Conferences/meetings/training	11	1,326	993	188	5,438	62	1,006	9,024	3,176	6,250	18,450
Event expenses	-	1,024	-	-	2,800	3,314	5,424	12,562	17	9,871	22,450
Program goods & services purchased	-	879	24,919	-	-	-	9,697	35,495	-	-	35,495
Recognition/awards	20	118	-	210	16	-	68	432	401	4,131	4,964
Financial fees	-	-	-	-	-	-	-	-	8,291	(644)	7,647
Other expenses	12	746	959	255	86	91	2,414	4,563	2,933	4,506	12,002
Insurance	12	138	263	231	150	-	222	1,016	2,269	561	3,846
Depreciation	68	759	2,275	1,271	-	-	1,219	5,592	2,966	3,090	11,648
United Way dues	-	-	12,993	3,821	-	-	-	16,814	8,917	9,291	35,022
Donated goods and services	-	-	2,668	-	-	-	41,328	43,996	-	34,076	78,072
Total	\$ 6,351	54,280	171,843	55,203	79,502	6,714	130,300	504,193	231,822	246,770	982,785

**UNITED WAY OF PORTAGE COUNTY, INC.
SCHEDULE OF GRANT INCOME AND EXPENSE
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Emergency Food and Shelter Grant - 2017	\$ 47,635	16,061
Emergency Food and Shelter Grant - 2016 unspent funds	4,922	-
	<u>52,557</u>	<u>16,061</u>
Expenses:		
Family Crisis Center	2,526	2,410
Energy Services of Portage County	6,500	-
Interfaith Food Pantry	1,910	-
Portage County Health and Human Services	8,945	-
Operation Bootstrap	9,798	4,610
Salvation Army	10,880	4,119
St. Vincent DePaul	258	-
	<u>40,817</u>	<u>11,139</u>
Emergency Food and Shelter Grant unspent funds	\$ <u>11,740</u>	<u>4,922</u>

UNITED WAY OF PORTAGE COUNTY, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 DECEMBER 31, 2016

	<u>Federal CFDA Number</u>	<u>Federal Disbursements Expenditures</u>
<u>Federal Grantor/Pass-through Grantor Program Title</u>		
U.S. Department of Education, Office of Early Learning: WI Department of Children and Families: Race to The Top Public Private Partnership	84.412	\$ <u>78,242</u>
Total expenditures of federal awards		\$ <u>78,242</u>

	<u>State Identifying Number</u>	<u>State Expenditures</u>
<u>State Grantor/Program</u>		
Wisconsin Department of Children and Families:	-	\$ <u>-</u>
Total expenditures of state awards		\$ <u>-</u>

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of United Way of Portage County, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Provider Agency Audit Guide*, 2016 Revision, issued by the Wisconsin Department of Children and Families. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
AND THE PROVIDER AGENCY AUDIT GUIDE**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Provider Agency Audit Guide*, 2016 revision, issued by the Wisconsin Department of Children and Families, the financial statements of United Way of Portage County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 16, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Portage County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of Portage County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Portage County, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the *Provider Agency Audit Guide*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the audit committee, management and Wisconsin Department of Children and Families. However, this report is a matter of public record and its distribution is not limited.

Cherk, Pucci & Quirk, S.C.

Certified Public Accountants
Stevens Point, Wisconsin

June 16, 2017

UNITED WAY OF PORTAGE COUNTY, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

Material Weaknesses:

No findings were reported.

UNITED WAY OF PORTAGE COUNTY, INC.
SCHEDULE OF FINDINGS AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016

Material Weaknesses:

No findings were reported.

UNITED WAY OF PORTAGE COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

A. Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor's report issued? | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(s) identified? | No |
| b. Significant deficiency(s) identified not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to the financial statements noted? | No |

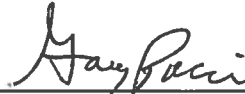
B. Financial Statement Findings

No matters were reported

C. Other issues

- | | |
|---|----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>Provider Agency Audit Guide</i> :
Department of Children and Families | No |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | No |

4. Name and signature of Partner:



Gary Pucci, CPA

5. Date of report

June 16, 2017