

UNITED WAY OF PUTNAM COUNTY, INC.  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2010

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## INDEPENDENT AUDITOR'S REPORT

November 8, 2010

To the Board of Trustees of  
United Way of Putnam County, Inc.  
P.O. Box 472  
Ottawa, Ohio 45875-0472

We have audited the accompanying statement of financial position of United Way of Putnam County, Inc. (an Ohio nonprofit organization) as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year 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 United Way of Putnam County, Inc. as of June 30, 2010, 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.

Respectfully submitted,

*Schroeder & Co., CPAs, LLC*

SCHROEDER & CO., LLC  
CERTIFIED PUBLIC ACCOUNTANTS

**UNITED WAY OF PUTNAM COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2010**

**ASSETS**

**Current Assets**

Cash		54,037
Pledges Receivable	136,912	
Allowance for Uncollectible Pledges	<u>(16,000)</u>	
Total Accounts Receivable		120,912
Rent & Key Deposits		245
Deposits with Industrial Insurance		<u>10</u>
Total Current Assets		<u>175,204</u>

**Fixed Assets**

Office Equipment	1,850	
Less Accumulated Depreciation	<u>(833)</u>	
Total Net Fixed Assets		<u>1,018</u>

**Total Assets**

176,222

**LIABILITIES & NET WORTH**

**Current Liabilities**

Accounts Payable		1,258
Due to Designated Agencies		7,472
Payroll Taxes Withheld & Accrued		<u>2,309</u>
Total Current Liabilities		11,039

**Long-Term Liabilities**

Agency Funds - Long-Term Recovery Task Force		<u>4,384</u>
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**Total Liabilities**

15,424

**Net Assets**

Unrestricted	160,213	
Temporarily Restricted	585	
Permanently Restricted	<u>-</u>	
Total Net Assets		<u>160,798</u>

**Total Liabilities & Net Assets**

176,222

The Accompanying Notes are an Integral Part of the Financial Statements

**UNITED WAY OF PUTNAM COUNTY, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support &amp; Revenue</b>				
Campaign Contributions, Net	242,431	-	-	242,431
Interest Income	1,060	-	-	1,060
Other	51,273	585	-	51,858
<b>Total Support and Revenue</b>	<b>294,764</b>	<b>585</b>	<b>-</b>	<b>295,349</b>
Net Assets Released from restrictions	2,633	(2,633)	-	-
Total Support & Revenue	297,397	(2,048)	-	295,349
<b>Expenses</b>				
Program Services:				
Allocations & Grants	258,929	-	-	258,929
Back to School	772	-	-	772
Imagination Library	25,226	-	-	25,226
Furniture & Appliance Redistribution	3,200	-	-	3,200
Housing Assistance Program	2,573	-	-	2,573
Supporting Services:				
Management & General	28,683	-	-	28,683
Fundraising	14,215	-	-	14,215
Unallocated Payments to Affiliated Organizations:				
Dues for National & State United Way Organizations	2,494	-	-	2,494
<b>Total Expenses</b>	<b>336,090</b>	<b>-</b>	<b>-</b>	<b>336,090</b>
<b>Increase (Decrease) in Net Assets</b>	<b>(38,693)</b>	<b>(2,048)</b>	<b>-</b>	<b>(40,741)</b>
<b>Net Assets at Beginning of Year</b>	<b>198,906</b>	<b>2,633</b>	<b>-</b>	<b>201,539</b>
<b>Net Assets at End of Year</b>	<b>160,213</b>	<b>585</b>	<b>-</b>	<b>160,798</b>

The Accompanying Notes are an Integral Part of the Financial Statements

**UNITED WAY OF PUTNAM COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2010**

	PROGRAM SERVICES			
	Allocations & Grants	Back to School	Imagination Library	Furniture & Appliance Redistribution
Salaries	562	562	3,744	1,872
Employee Benefits	38	38	250	125
Payroll Taxes	45	45	299	149
<b>Total Salaries &amp; Related Expenses</b>	<b>644</b>	<b>644</b>	<b>4,293</b>	<b>2,146</b>
Professional Fees	-	-	-	-
Supplies	-	-	19,884	-
Telephone & Internet	28	28	184	92
Postage & Shipping	-	-	196	-
Rent	62	62	413	833
Utilities/Occupancy	21	21	137	69
Printing & Publications	-	-	-	-
Travel	-	-	-	-
Conferences & Meetings	-	-	-	-
Allocations to Member Agencies	214,300	-	-	-
Grants & Awards	43,857	-	-	-
Insurance	8	8	56	28
Advertising	-	-	-	-
Website	2	2	16	8
Dues & Memberships	-	-	-	-
State Charities Registration	-	-	-	-
Office Supplies	-	-	-	-
Other Expenses	-	-	-	-
<b>Total Expenses before Depreciation</b>	<b>258,922</b>	<b>765</b>	<b>25,179</b>	<b>3,177</b>
Depreciation & Amortization	7	7	46	23
<b>Total Functional Expenses</b>	<b>258,929</b>	<b>772</b>	<b>25,226</b>	<b>3,200</b>

The Accompanying Notes are an Integral Part of the Financial Statements

SUPPORTING SERVICES					
Housing Assistance	Total Program Services	Management & General	Fundraising	Total Supporting Services	Total Expenses
1,872	8,611	15,725	5,616	21,341	29,952
125	575	1,050	375	1,425	2,000
149	687	1,255	448	1,704	2,391
<b>2,146</b>	<b>9,874</b>	<b>18,030</b>	<b>6,439</b>	<b>24,469</b>	<b>34,343</b>
-	-	5,640	-	5,640	5,640
-	19,884	-	1,817	1,817	21,701
92	424	774	276	1,050	1,474
-	196	290	1,927	2,217	2,413
206	1,576	1,733	619	2,351	3,927
69	316	577	206	783	1,099
-	-	-	-	-	-
-	-	-	600	600	600
-	-	157	40	197	197
-	214,300	-	-	-	214,300
-	43,857	-	-	-	43,857
28	129	236	84	321	450
-	-	-	2,113	2,113	2,113
8	37	67	24	91	128
-	-	200	-	200	200
-	-	100	-	100	100
-	-	551	-	551	551
-	-	134	-	134	134
<b>2,550</b>	<b>290,592</b>	<b>28,488</b>	<b>14,146</b>	<b>42,634</b>	<b>333,226</b>
23	106	194	69	264	370
<b>2,573</b>	<b>290,699</b>	<b>28,683</b>	<b>14,215</b>	<b>42,898</b>	<b>333,596</b>

**UNITED WAY OF PUTNAM COUNTY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010**

<b>Cash Flows from Operating Activities:</b>	
Increase (Decrease) in Net Assets	(40,741)
<b>Adjustments to Reconcile Increase in Net Assets To Net Cash Provided by Operating Activities:</b>	
Depreciation	370
Change in Assets and Liabilities:	
(Inc)Dec in Accounts Receivable	19,758
(Inc)Dec in Prepaid Expenses	-
Inc(Dec) in Accounts Payable	236
Inc(Dec) in Payroll Taxes Withheld & Accrued	-
Total Adjustments	<u>20,363</u>
Net Cash Provided by (Used by) Operating Activities:	(20,377)
<b>Cash Flows from Investing Activities:</b>	
Purchases of Office Equipment	<u>-</u>
Net Cash Used in Investing Activities:	-
<b>Cash Flows from Financing Activities:</b>	
Proceeds from Agency Funds	<u>4,384</u>
Net Cash Provided by Financing Activities	<u>4,384</u>
<b>Net Inc(Dec) in Cash &amp; Cash Equivalents</b>	<b>(15,993)</b>
<b>Cash &amp; Cash Equivalents - Beg of Period</b>	<b><u>70,030</u></b>
<b>Cash &amp; Cash Equivalents - End of Period</b>	<b><u><u>54,037</u></u></b>
<b>Supplemental Information:</b>	
Cash Paid for Interest	<u>-</u>
Cash Paid (Refunded) for Income Taxes	<u>-</u>

The Accompanying Notes are an Integral Part of the Financial Statements

UNITED WAY OF PUTNAM COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Nature of Activities. United Way of Putnam County, Inc. (the "Organization") is a not-for-profit corporation organized under the laws of the State of Ohio for the purpose of coordinating fund drives for the collection and distribution of funds to other organizations providing charitable services to Putnam County, Ohio and its residents.

The Organization is supported through contributions from private individuals as well as area businesses. The Organization also derives support through payments from other area United Way organizations whose donors have specified the United Way of Putnam County, Inc. as their beneficiary.

The Organization's program services include:

- Allocations & Grants
- Back to School Supplies
- Imagination Library
- Furniture & Appliance Redistribution
- Housing Assistance

Concentration of Credit Risk. Financial instruments that potentially subject the Organization to concentrations of credit risk consists principally of unsecured campaign contributions promised. The Organization's ability to collect these campaign contributions promised is directly affected by economic conditions in the communities from which it draws support.

Basis of Accounting. The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein are classified into the following three categories:

Unrestricted net assets include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Under this category, the Organization maintains an operating fund plus any net assets designated by the Board for specific purposes. The Organization has elected to report as an increase in unrestricted net assets any restricted revenue received in the current period for which the restrictions have been met in the current period.

Temporarily restricted net assets consist of contributions that are subject to a donor restriction and for which the applicable restriction was not met as of the end of the current reporting period.

Permanently restricted net assets consist of the contributions with donor restrictions that stipulate the resources be maintained permanently, but permit the Organization to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

UNITED WAY OF PUTNAM COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

Contributions. Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted depending on the nature of the donor restrictions and depending on whether the restrictions are met in the current period. Restricted contributions are reported as increases in the unrestricted net assets if the restrictions have been met in the current fiscal period. If the restriction has not been met by fiscal year end, the amount is reported as an increase in temporarily or permanently restricted net assets. When the restriction is finally met on a contribution received in a prior fiscal period, the amount is shown as a reclassification of restricted net assets to unrestricted net assets.

Allowance for Uncollectible Pledges Receivable. The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributed Services. During the year ended June 30, 2010, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteered their time to perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Cash & Cash Equivalents. The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Property and Equipment. Expenditures for property and equipment are capitalized and depreciated over the estimated useful lives of the property. Donations of property and equipment are recorded as contributions at their estimated fair value. Expenditures for repairs and maintenance are expensed as incurred. Gains and losses on disposition of property, plant, and equipment are included in income as realized

Income Taxes. United Way of Putnam County, Inc. is organized as a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the 50% charitable contribution deduction for individual donors.

Use of Estimates. The preparation of 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.

UNITED WAY OF PUTNAM COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Agency Funds. The Organization has accepted funds from the Long Term Recovery Task Force and agrees to transfer the funds plus interest earned back to the task force whenever the need arises to re-establish the task force.

Functional Expenses. Salaries and payroll related costs are allocated to the various supporting and programs services of United Way based on estimates of time incurred for the services by the full-time staff. All other costs not specifically identified are allocated based on estimates by management. These allocations are reviewed annually and are changed as applicable to reflect changes in the activities of the United Way personnel.

NOTE B - RESTRICTIONS ON NET ASSETS

Restrictions on net assets usually relate to contributions received from donors who have specified a particular beneficiary for their contributions. At June 30, 2010, there was \$585 of temporarily restricted net assets related to funds donated to be used to purchase school supplies for the Back to School Program. At June 30, 2010 there were no permanently restricted net assets.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable are ordinarily collected within one year of the original pledge. Accordingly, no calculation has been made for the present value of pledges due in more than one year. A provision for uncollectible pledges equal to 8% of the June 30, 2010 pledges receivable balance has been made based on management's estimate.

NOTE D - CAMPAIGN CONTRIBUTIONS

Funds raised by the Organization during the year ended June 30, 2010 was as follows:

Total Funds Raised	\$273,350
Less:	
Funds transferred to donor-specified agencies	
by corporate campaign participants	( 6,959)
Allowance for uncollectible amounts	<u>( 23,960)</u>
Campaign contributions, net	<u>\$242,431</u>

NOTE E - ADVERTISING COSTS

The Organization has a policy of expensing nondirect-response advertising costs as incurred. Total advertising costs charged to expense during the year ended June 30, 2010 was \$2,113.

UNITED WAY OF PUTNAM COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE F – RENTAL EXPENSE

The Organization leases office space. The lease is in the form of a written agreement requiring annual rent of \$3,300. The current lease expired on January 31, 2010. The Organization is currently on a month-to-month tenancy at the same annual rental. Rent expense for the year ended June 30, 2010 was \$3,300.

The organization also lease a storage unit. The total rent expense for the storage unit for the year ended June 30, 2010 was \$627.

NOTE G – BOARD-DESIGNATED RESERVE FUND

The Board of Trustees of United Way of Putnam County, Inc. has directed that unrestricted net assets be further classified as either designated or undesignated. As of June 30, 2010, United Way's board has designated \$7,000 for the Imagination Library and \$500 for the Back to School Program. These amounts have been included with Unrestricted Net Assets.

NOTE H – COMMITMENTS AND CONTINGENCIES

The Organization had at June 30, 2010 no important unfilled contracts for the purchase of material, merchandise, or equipment in excess of normal requirements or at prices substantially in excess of market at that date; or for the performance of services that are expected to result in a loss; or for other material contingent liabilities as of the above date.

NOTE I - SUBSEQUENT EVENTS

No events have occurred since June 30, 2010, which would have a material effect on the financial statements of the Organization as of that date.

The Company has evaluated subsequent events through November 8, 2010, the date which the financial statements were available to be issued.

NOTE J – ALLOCATIONS TO MEMBER AGENCIES

The Organization makes periodic payments to area non-profit organizations (member agencies) to help fund those agencies' operations and programs. These payments are calculated as part of an allocation process whereby the Organization evaluates each member agency's need for funding. The allocated amounts are paid on a monthly basis. These allocations are not technically contractual obligations of the Organization and there is no requirement to pay the entire allocated amount to each member agency. Accordingly, the payments to these member agencies are recognized as expenses in the period of payment.