

*UNITED WAY OF PUTNAM COUNTY, INC.*  
*Ottawa, Ohio 45875*

*FINANCIAL STATEMENTS*  
*For The Year Ended June 30, 2011*

**UNITED WAY OF PUTNAM COUNTY, INC.**  
**118 North Hickory Street**  
**P.O. Box 472**  
**Ottawa, Ohio 45875**

**FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2011**

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*Luderman & Konst, Inc.*  
Certified Public Accountants

November 29, 2011

Board of Directors  
United Way of Putnam County, Inc.  
Ottawa, Ohio

**Independent Auditor's Report**

We have audited the accompanying statement of financial position of United Way of Putnam County, Inc. (an Ohio Non-Profit Organization) as of June 30, 2011, 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, 2011, 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.

*Luderman & Konst, Inc.*

Luderman & Konst, Inc.  
Certified Public Accountants

**UNITED WAY OF PUTNAM COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
*June 30, 2011*

*Exhibit A*ASSETSCURRENT ASSETS

Cash And Cash Equivalents	\$ 43,385
Pledges Receivable-Net	140,260
Deposits	255
Total Current Assets	<u>183,900</u>

PROPERTY & EQUIPMENT

Furniture & Fixtures	1,850
Less: Accumulated Depreciation	<u>(1,202)</u>
Total Property & Equipment	<u>648</u>

**TOTAL ASSETS****\$ 184,548**LIABILITIES AND NET ASSETSCURRENT LIABILITIES

Due to Designated Agencies	\$ 8,989
Total Current Liabilities	<u>8,989</u>

LONG-TERM LIABILITIES

Agency Funds-Long-Term Recovery Task Force	4,452
Total Liabilities	<u>13,441</u>

NET ASSETS

Unrestricted	170,577
Temporarily Restricted	530
Total Net Assets	<u>171,107</u>

**TOTAL LIABILITIES & NET ASSETS****\$ 184,548**

**UNITED WAY OF PUTNAM COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2011**

**Exhibit B**

<b><u>REVENUE</u></b>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Campaign Contributions	\$ 274,358	\$ 0	\$ 274,358
Interest Income	529	0	529
Other	38,035	0	38,035
Net Assets Released From Restrictions	55	(55)	0
Total Support & Revenue	<u>312,977</u>	<u>(55)</u>	<u>312,922</u>
<b><u>EXPENSES</u></b>			
Program Services:			
Allocations & Grants	230,784	0	230,784
Back To School	1,168	0	1,168
Imagination Library	24,357	0	24,357
Furniture & Appliance Redistribution	767	0	767
Housing Assistance Program	2,333	0	2,333
Supporting Services:			
Management & General	30,151	0	30,151
Fundraising	11,560	0	11,560
Unallocated Payments To Affiliated Organization:			
Dues For National & State United Way			
Organizations	1,493	0	1,493
Total Expenses	<u>302,613</u>	<u>0</u>	<u>302,613</u>
Increase (Decrease) In Net Assets	<u>10,364</u>	<u>(55)</u>	<u>10,309</u>
Net Assets At Beginning Of Year	<u>160,213</u>	<u>585</u>	<u>160,798</u>
Net Assets At End Of Year	<u>\$ 170,577</u>	<u>\$ 530</u>	<u>\$ 171,107</u>

**UNITED WAY OF PUTNAM COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
*For the Year Ending June 30, 2011*

*Exhibit C*

	<u>Allocations &amp; Grants</u>	<u>Back To School</u>	<u>Imagination Library</u>	<u>Information &amp; Referral</u>	<u>Housing Assistance</u>	<u>Total Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,525	\$ 763	\$ 4,575	\$ 381	\$ 1,525	\$ 8,769	\$ 16,013	\$ 5,718	\$ 30,500
Employee Benefits	130	65	390	32	130	747	1,365	488	2,600
Payroll Taxes	124	62	371	30	124	711	1,298	463	2,472
<b>Total Salaries &amp; Related Expenses</b>	<b>1,779</b>	<b>890</b>	<b>5,336</b>	<b>443</b>	<b>1,779</b>	<b>10,227</b>	<b>18,676</b>	<b>6,669</b>	<b>35,572</b>
Master Money	0	0	0	186	0	186	0	0	186
Professional Fees	0	0	0	0	0	0	5,925	0	5,925
Supplies	0	0	17,241	0	0	17,241	0	610	17,851
Telephone & Internet	78	39	233	19	78	447	816	291	1,554
Postage & Shipping	0	0	118	0	0	118	134	1,875	2,127
Rent	165	83	495	41	165	949	2,131	619	3,699
Utilities/Occupancy	63	32	190	16	63	364	664	237	1,265
Travel	30	15	90	8	30	173	315	112	600
Conferences & Meetings	4	2	13	1	4	24	45	16	85
Allocations To Member Agencies	207,500	0	0	0	0	207,500	0	0	207,500
Grants & Awards	20,950	0	0	0	0	20,950	0	0	20,950
Insurance	23	11	68	5	23	130	236	84	450
Advertising	165	83	496	41	165	950	0	950	1,900
Dues & Memberships	8	4	22	2	7	43	79	28	150
State Charities Registration	0	0	0	0	0	0	100	0	100
Office Supplies	0	0	0	0	0	0	815	0	815
Other Expenses	0	0	0	0	0	0	21	0	21
Depreciation	19	9	55	5	19	107	194	69	370
	<u>\$ 230,784</u>	<u>\$ 1,168</u>	<u>\$ 24,357</u>	<u>\$ 767</u>	<u>\$ 2,333</u>	<u>\$ 259,409</u>	<u>\$ 30,151</u>	<u>\$ 11,560</u>	<u>\$ 301,120</u>

"SEE NOTES TO FINANCIAL STATEMENTS"

**UNITED WAY OF PUTNAM COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
*For The Year Ended June 30, 2011*

Exhibit DCASH FLOWS FROM OPERATING ACTIVITIES:

Change In Net Assets	\$ 10,309
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**ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO  
NET CASH (USED IN) OPERATING ACTIVITIES:**

Depreciation & Amortization	370
(Increase) In Accounts Receivable	(19,348)
Increase In Accounts Payable	258
(Decrease) In Payroll Taxes Withheld & Accrued	(2,309)
Total Adjustments	(21,029)
NET CASH (USED IN) OPERATING ACTIVITIES	(10,720)

CASH FLOWS FROM INVESTING ACTIVITIES:

NET CASH USED IN INVESTING ACTIVITIES	0
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CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds From Agency Funds	68
NET CASH USED IN FINANCING ACTIVITIES	68
NET DECREASE IN CASH & CASH EQUIVALENTS	(10,652)
CASH & CASH EQUIVALENTS AT JANUARY 1	54,037
CASH & CASH EQUIVALENTS AT DECEMBER 31	\$ 43,385

SUPPLEMENTAL DISCLOSURES:

Interest Paid	\$ 0
Income Taxes Paid	\$ 0

**UNITED WAY OF PUTNAM COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 1 – 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, Information & Referral, and Housing Assistance.

**Basis Of Accounting** – The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis Of Presentation** – The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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

**Promises To Give** – Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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.

**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.

**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.

**UNITED WAY OF PUTNAM COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Contributed Services** – During the year ended June 30, 2011, 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.

**Contributions** – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

**Functional Expenses** – Salaries and payroll related costs are allocated to the various supporting and program 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.

**Income Taxes** – The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, *Return of Organization Exempt From Income Tax*, for years ending 2008, 2009, and 2010 are subject to examination by the IRS, generally for three years after they were filed.

**Estimates** – The preparation 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.

**NOTE 2 – RESTRICTION OF NET ASSETS**

Restrictions on net assets are usually related to contributions received from donors who have specified a particular beneficiary for their contributions. As June 30, 2011 there was \$ 530 of temporarily restricted net assets related to funds donated to be used to purchase school supplies of the Back To School Program.

**NOTE 3 – 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, 2011 pledges receivable balance has been made based on management's estimate. The allowance at June 30, 2011 was \$ 13,000.

**UNITED WAY OF PUTNAM COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 4 – CAMPAIGN CONTRIBUTIONS**

Funds raised by the Organization during the year ending June 30, 2011 were as follows:

Total Funds Raised	\$ 282,686
Less: Funds Transferred to Donor-Specified Agencies By Corporate Campaign Participants	(8,328)
Campaign Contributions, Net	<u>\$ 274,358</u>

**NOTE 5 – ADVERTISING COSTS**

The Organization has a policy of expensing non direct-response advertising costs as incurred. Total advertising costs charged to expense during the year ended June 30, 2011 was \$ 1,900.

**NOTE 6 – RENTAL EXPENSE**

The Organization leases office space. The lease is in the form of a written agreement requiring annual rent of \$ 3,300. The 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, 2011 was \$ 3,300.

The Organization also leases a storage unit. The total rent expense for the storage unit for the year ended June 30, 2011 was \$ 399.

**NOTE 7 – BOARD-DESIGNATED UNRESTRICTED NET ASSETS**

The Board of Directors has directed that unrestricted net assets be further classified as either designated or undesignated. As of June 30, 2011, the Board has designated \$ 5,312 for the Imagination Library. These amounts have been included with unrestricted net assets.

**NOTE 8 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 29, 2011, which is the date the financial statements were available to be issued.

**NOTE 9 – ALLOCATIONS TO MEMBER AGENCIES**

The Organization makes periodic payments to area non-profit organizations (partner 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 partner agencies are recognized as expenses in the period of payment.