

***United Way of Lincoln and Lancaster County  
and Controlled Organization  
Lincoln, Nebraska***

***June 30, 2011 and 2010***

***Consolidated Financial Statements  
and  
Report of Independent Certified Public Accountants***

**HBE**

**Becker Meyer Love LLP**

*Certified Public Accountants & Consultants*

United Way of Lincoln and Lancaster County and Controlled Organization

Years ended June 30, 2011 and 2010

TABLE OF CONTENTS

	<u>Page No.</u>
<b>Report of Independent Certified Public Accountants</b>	1
<b>Financial Statements</b>	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4-5
Consolidated Statements of Functional Expenses	6-7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-18
<b>Supplemental Information</b>	
Consolidating Statements of Financial Position	20-21
Consolidating Statements of Activities	22-23
Consolidating Statements of Expenses	24-25
Schedule of Agency Allocations, Grants, Contracts and Designations	26



# Becker Meyer Love LLP

Certified Public Accountants & Consultants

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

---

The Board of Directors  
United Way of Lincoln and Lancaster County  
and Controlled Organization  
Lincoln, Nebraska

We have audited the accompanying statement of financial position of United Way of Lincoln and Lancaster County and Controlled 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 U.S. generally accepted auditing standards. 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 Lincoln and Lancaster County and Controlled Organization, as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subject to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The 2010 financial statements were compiled by us in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the 2010 financial statements and, accordingly, do not express an opinion or any other form of assurance.

HBE Becker Meyer Love LLP

November 2, 2011

**(This page left blank intentionally)**

United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

	2011 (Audited)	2010 (Unaudited) (as restated)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (note A)	\$ 2,495,025	\$ 2,420,963
Certificates of deposit (note B)	989,321	987,593
Investments (notes A, C and H)	555,335	467,995
Unconditional promises to give from campaigns (notes A and M)	2,177,404	2,206,057
Accounts receivable (note A)	36,616	36,868
Prepaid expenses	35,813	27,414
	<u>6,289,514</u>	<u>6,146,890</u>
Total current assets		
PROPERTY AND EQUIPMENT (notes A and D)	<u>37,737</u>	<u>25,965</u>
PROMISES TO GIVE - LONG-TERM (notes A and M)	<u>18,000</u>	<u>-</u>
Total assets	<u>\$ 6,345,251</u>	<u>\$ 6,172,855</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 43,483	\$ 31,953
Accrued vacation	29,493	27,399
Accrued expenses	3,486	4,513
Operations payable	989,911	965,415
Agency appropriations (note E)	364,961	252,069
Custodial funds	44,279	45,842
Deferred revenue	67,262	59,676
Allocations payable	2,159,470	2,621,299
Designations payable	1,594,047	1,515,460
	<u>5,296,392</u>	<u>5,523,626</u>
Total current liabilities		
<b>NET ASSETS (note A)</b>		
Unrestricted		
Undesignated	64,775	47,398
Designated		
Reserve for operations (note L)	356,973	101,321
Board designated endowment (note I)	366,389	271,371
Temporarily restricted (note I)	<u>260,722</u>	<u>229,139</u>
Total net assets	<u>1,048,859</u>	<u>649,229</u>
Total liabilities and net assets	<u>\$ 6,345,251</u>	<u>\$ 6,172,855</u>

See accompanying notes to financial statements.

United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended June 30, 2011

(Audited)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Total amounts raised	\$ 3,830,248	2,218,680	\$ 6,048,928
Less: amounts designated by donors for specific organizations	<u>-</u>	<u>(2,218,680)</u>	<u>(2,218,680)</u>
Total contributions	<u>3,830,248</u>	<u>-</u>	<u>3,830,248</u>
<b>Other revenue</b>			
Investment income	89,656	43,004	132,660
Service fees	123,792	-	123,792
Sponsorship and special events	93,599	-	93,599
In-kind contributions	203,839	-	203,839
Grant income	<u>53,740</u>	<u>-</u>	<u>53,740</u>
Total other revenue	<u>564,626</u>	<u>43,004</u>	<u>607,630</u>
Net assets released from restrictions	<u>11,421</u>	<u>(11,421)</u>	<u>-</u>
Total revenue and other support	<u>4,406,295</u>	<u>31,583</u>	<u>4,437,878</u>
<b>Program distributions</b>			
Allocations distributed to affiliated agencies	1,977,500	-	1,977,500
Community initiatives and other funds distributed to affiliated agencies	907,683	-	907,683
Funds distributed to nonaffiliated agencies	<u>1,875,463</u>	<u>-</u>	<u>1,875,463</u>
	4,760,646	-	4,760,646
Less: distributions funded through donor designations	<u>(2,218,680)</u>	<u>-</u>	<u>(2,218,680)</u>
Net program distributions	<u>2,541,966</u>	<u>-</u>	<u>2,541,966</u>
<b>Expenses</b>			
Management and general	171,486	-	171,486
Campaign	641,770	-	641,770
Fund distribution and planning	485,644	-	485,644
Marketing and communications	165,082	-	165,082
United Way of Lincoln and Lancaster County Foundation, Inc.	8,621	-	8,621
Other program expenses	<u>23,679</u>	<u>-</u>	<u>23,679</u>
Total functional expenses	<u>1,496,282</u>	<u>-</u>	<u>1,496,282</u>
<b>INCREASE IN NET ASSETS</b>	368,047	31,583	399,630
Net assets at beginning of year	<u>420,090</u>	<u>229,139</u>	<u>649,229</u>
Net assets, end of year	<u>\$ 788,137</u>	<u>\$ 260,722</u>	<u>\$ 1,048,859</u>

See accompanying notes to financial statements.

United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended June 30, 2010

(Unaudited)  
(as restated)

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND OTHER SUPPORT</b>			
Total amounts raised	\$ 3,583,921	2,263,779	\$ 5,847,700
Less: amounts designated by donors for specific organizations	-	(2,263,779)	(2,263,779)
Total contributions	<u>3,583,921</u>	<u>-</u>	<u>3,583,921</u>
<b>Other revenue</b>			
Investment income	83,784	28,518	112,302
Service fees	120,519	-	120,519
Sponsorship and special events	75,520	-	75,520
In-kind contributions	208,769	-	208,769
Grant income	62,340	-	62,340
Total other revenue	<u>550,932</u>	<u>28,518</u>	<u>579,450</u>
Net assets released from restrictions	<u>11,621</u>	<u>(11,621)</u>	<u>-</u>
Total revenue and other support	<u>4,146,474</u>	<u>16,897</u>	<u>4,163,371</u>
<b>Program distributions</b>			
Allocations distributed to affiliated agencies	1,977,500	-	1,977,500
Community initiatives and other funds distributed to affiliated agencies	1,017,782	-	1,017,782
Funds distributed to nonaffiliated agencies	1,677,378	-	1,677,378
	<u>4,672,660</u>	<u>-</u>	<u>4,672,660</u>
Less: distributions funded through donor designations	<u>(2,263,779)</u>	<u>-</u>	<u>(2,263,779)</u>
Net program distributions	<u>2,408,881</u>	<u>-</u>	<u>2,408,881</u>
<b>Expenses</b>			
Management and general	161,908	-	161,908
Campaign	596,528	-	596,528
Fund distribution and planning	507,810	-	507,810
Marketing and communications	165,068	-	165,068
United Way of Lincoln and Lancaster County Foundation, Inc.	11,098	-	11,098
Other program expenses	68,280	-	68,280
Total functional expenses	<u>1,510,692</u>	<u>-</u>	<u>1,510,692</u>
<b>INCREASE IN NET ASSETS</b>	<u>226,901</u>	<u>16,897</u>	<u>243,798</u>
Net assets at beginning of year, as previously stated	1,291,452	(99,878)	1,191,574
Prior period adjustment (note N)	<u>(1,098,263)</u>	<u>312,120</u>	<u>(786,143)</u>
Net assets at beginning of year, as restated	<u>193,189</u>	<u>212,242</u>	<u>405,431</u>
Net assets, end of year	<u>\$ 420,090</u>	<u>\$ 229,139</u>	<u>\$ 649,229</u>

See accompanying notes to financial statements.

United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2011  
(Audited)

	Management and General	Fund Distribution and Planning	Fundraising Services		United Way of Lincoln and Lancaster County Foundation, Inc.	Totals
			Campaign	Marketing and Communications		
Salaries	\$ 82,716	\$ 226,682	\$ 280,305	\$ 75,420	\$ -	\$ 665,123
Employee benefits	12,908	31,885	42,854	13,897	-	101,544
Payroll taxes	5,905	16,387	20,870	5,548	-	48,710
<b>Total salaries and related expenses</b>	<b>101,529</b>	<b>274,954</b>	<b>344,029</b>	<b>94,865</b>	<b>-</b>	<b>815,377</b>
Professional fees	8,590	6,758	9,538	2,412	578	27,876
Supplies	913	2,366	3,164	1,030	-	7,473
Telephone	1,764	3,335	4,719	1,411	-	11,229
Postage	1,513	570	2,730	12	1,108	5,933
Occupancy	10,326	25,402	34,014	11,154	-	80,896
Rental, purchase and maintenance of equipment	3,016	8,971	11,214	3,280	-	26,481
Printing and advertising	2,296	122,340	80,014	35,697	1,452	241,799
Campaign supplies	-	-	24,498	-	-	24,498
Awards and recognition	2,231	332	1,010	-	-	3,573
Duplicating	1,571	380	2,053	459	-	4,463
Travel and meetings	1,411	801	4,509	481	303	7,505
Conferences, conventions, and other training	9,302	1,593	6,955	1,390	-	19,240
Membership dues	9,432	17,946	23,619	8,079	-	59,076
Subscriptions and publications	32	79	209	35	-	355
Insurance	771	1,816	2,523	800	-	5,910
Investment fees	-	-	-	-	2,271	2,271
Miscellaneous	1,755	4,047	5,653	1,844	2,909	16,208
Interviewing and relocation	108	-	-	-	-	108
Program initiatives	-	7,633	-	-	-	7,633
Loss on disposed assets	887	2,154	2,808	955	-	6,804
Special events	12,945	1,510	75,049	-	-	89,504
<b>Total before depreciation</b>	<b>170,392</b>	<b>482,987</b>	<b>638,308</b>	<b>163,904</b>	<b>8,621</b>	<b>1,464,212</b>
Depreciation of property and equipment	1,094	2,657	3,462	1,178	-	8,391
<b>TOTAL EXPENSES</b>	<b>\$ 171,486</b>	<b>\$ 485,644</b>	<b>\$ 641,770</b>	<b>\$ 165,082</b>	<b>\$ 8,621</b>	<b>\$ 1,472,603</b>

See accompanying notes to financial statements.



United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2010

(Unaudited)

(as restated)

	Management and General	Fund Distribution and Planning	Fundraising Services		United Way of Lincoln and Lancaster County Foundation, Inc.	Totals
			Campaign	Marketing and Communications		
Salaries	\$ 77,376	\$ 228,084	\$ 275,253	\$ 73,787	\$ -	\$ 654,500
Employee benefits	13,084	31,755	42,062	14,082	-	100,983
Payroll taxes	5,600	16,845	20,557	5,431	-	48,433
<b>Total salaries and related expenses</b>	<b>96,060</b>	<b>276,684</b>	<b>337,872</b>	<b>93,300</b>		<b>803,916</b>
Professional fees	8,460	5,184	8,755	2,299	525	25,223
Supplies	913	2,586	3,540	1,037	-	8,076
Telephone	1,825	3,070	4,391	1,503	-	10,789
Postage	1,390	796	2,764	14	353	5,317
Occupancy	10,189	24,993	33,585	11,070	-	79,837
Rental, purchase and maintenance of equipment	7,610	19,762	25,252	8,171	-	60,795
Printing and advertising	1,958	122,607	64,521	34,554	2,972	226,612
Campaign supplies	-	-	26,166	-	-	26,166
Awards and recognition	2,187	294	1,188	-	-	3,669
Duplicating	981	991	2,644	647	-	5,263
Travel and meetings	1,379	1,593	3,829	629	327	7,757
Conferences, conventions, and other training	4,721	283	1,160	-	-	6,164
Membership dues	9,260	17,881	23,742	7,973	-	58,856
Subscriptions and publications	26	64	187	28	-	305
Insurance	743	1,804	2,351	800	-	5,698
Investment fees	-	-	-	-	2,121	2,121
Miscellaneous	1,649	4,003	5,516	1,775	4,800	17,743
Interviewing and relocation	47	-	-	-	-	47
Program initiatives	-	14,056	-	-	-	14,056
Special events	11,332	8,300	45,339	-	-	64,971
<b>Total before depreciation</b>	<b>160,730</b>	<b>504,951</b>	<b>592,802</b>	<b>163,800</b>	<b>11,098</b>	<b>1,433,381</b>
Depreciation of property and equipment	1,178	2,859	3,726	1,268	-	9,031
<b>TOTAL EXPENSES</b>	<b>\$ 161,908</b>	<b>\$ 507,810</b>	<b>\$ 596,528</b>	<b>\$ 165,068</b>	<b>\$ 11,098</b>	<b>\$ 1,442,412</b>

See accompanying notes to financial statements.

United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

	2011 <u>(Audited)</u>	2010 <u>(Unaudited) (as restated)</u>
Cash flows from operating activities		
Cash received from donors and support	\$ 4,113,267	\$ 3,763,998
Cash paid for campaign distributions	(2,898,403)	(3,097,744)
Cash paid to employees and suppliers	(1,157,429)	(1,334,519)
Interest income	30,769	45,147
	<u>88,204</u>	<u>(623,118)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Purchase of property and equipment	(26,968)	(4,427)
Redemptions of certificates of deposit	-	97,810
Purchase of investments	(142,097)	(161,204)
Redemptions of investments	154,923	133,443
	<u>(14,142)</u>	<u>65,622</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	74,062	(557,496)
Cash and cash equivalents, beginning of year	<u>2,420,963</u>	<u>2,978,459</u>
Cash and cash equivalents, end of year	<u>\$ 2,495,025</u>	<u>\$ 2,420,963</u>
Reconciliation of increase in net assets to net cash provided (used) by operating activities		
Increase in net assets	<u>\$ 399,630</u>	<u>\$ 243,798</u>
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities		
Depreciation	8,391	9,031
Reinvested interest	(20,536)	(22,238)
Unrealized gains on investments	(81,355)	(44,917)
Loss on disposal of equipment	6,805	-
(Increase) decrease in assets		
Unconditional promises to give	10,653	(101,394)
Accounts receivable	(6,265)	15,591
Prepaid expenses	(8,399)	5,717
Increase (decrease) in liabilities		
Accounts payable	18,047	(87,083)
Accrued vacation	2,091	4,050
Accrued expenses	(1,027)	(29,595)
Operations payable	24,496	60,392
Agency appropriations	112,892	50,571
Custodial funds	(1,563)	2,123
Deferred revenue	7,586	(25,249)
Allocations payable	(461,829)	(733,434)
Designations payable	78,587	29,519
	<u>(311,426)</u>	<u>(866,916)</u>
Total adjustments to increase in net assets		
Net cash provided (used) by operating activities	<u>\$ 88,204</u>	<u>\$ (623,118)</u>

See accompanying notes to financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

United Way of Lincoln and Lancaster County (United Way) provides an opportunity for all citizens and agencies, governmental and private, to join together in the delivery of efficient human service programs related to current community needs. The major functional divisions include Campaign, Fund Distribution and Planning, and Marketing and Communications. These divisions work together to produce maximum contributions from within the community and provide a system for distributing those resources to human programs in Lancaster County.

United Way of Lincoln and Lancaster County Foundation, Inc. (Foundation) is a not-for-profit corporation formed for the purpose of supporting the mission of United Way of Lincoln and Lancaster County.

**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Method of Accounting.** The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

**Principles of Consolidation.** The accompanying consolidated financial statements include accounts of United Way of Lincoln and Lancaster County and United Way of Lincoln and Lancaster County Foundation, Inc., a controlled not-for-profit corporation (collectively referred to as the Organization). All significant intercompany accounts and transactions have been eliminated.

**Net Asset Classification.** The Organization reports 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.

**Unrestricted net assets.** Net assets that are not subject to outside restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

**Temporarily restricted net assets.** Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions."

**Permanently restricted net assets.** Net assets whose funds must be held indefinitely. The Organization has no permanently restricted net assets.

The State of Nebraska adopted UPMIFA effective September 1, 2007. The Organization adopted the Financial Accounting Standards Board's guidance and required disclosures for the year ended June 30, 2010. The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets the original value of the gifts donated and subsequent gifts to the permanent endowment. The accumulations to the donor-restricted endowment that are not classified as permanently restricted are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. Temporarily restricted net assets also include general limitation endowment funds with an unfulfilled restriction on the purpose for which the monies from the fund may be applied and the specific limitation endowment funds for which the donor allows some principal invasions in the gift instrument.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF ACCOUNTING POLICIES -CONTINUED**

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

**Endowment Investment and Payout Policies.** The Organization has adopted investment and payout policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. The Organization's investment and payout policies, which have been approved by the Organization's Board of Directors, work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current investment objective is to achieve an annual rate of return to allow for distributions of up to 4% while growing the funds.

To satisfy its objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation between equity-based and fixed income investments to achieve its return objectives within prudent risk parameters.

The payout policy determines the amount of money distributable from the Organization's various endowment funds. The current payout policy is to allow distributions from each endowment in an amount up to 4% of the average net fair value for the last three years through the calendar year-end preceding the year in which the distribution is planned.

**Cash and Cash Equivalents.** For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

**Investments.** Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF ACCOUNTING POLICIES -CONTINUED**

**Fair Value Measurements.** Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The Organization utilizes a framework to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2            Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**Accounts Receivable.** Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

**Promises to Give.** Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give that are expected to be collected or paid in more than one year are recognized at the present value of estimated future cash flows. Management provides for probable uncollectible unconditional promises receivable through a charge to net assets and a credit to a valuation allowance based on prior years' experience and management's analysis of specific promises made. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises receivable. Changes in the valuation allowance have not been material to the financial statements. Unconditional promises to give are stated at the amount management expects to collect from balances outstanding at year-end.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF ACCOUNTING POLICIES -CONTINUED**

**Property and Equipment and Depreciation.** Property and equipment are carried at cost, if purchased and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. Furniture and equipment are depreciated over estimated useful lives from three to seven years. Leasehold improvements were depreciated over an estimated useful life of 10 years. It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed.

**Advertising.** Advertising costs of the Organization are expensed as incurred. Advertising expense was \$209,481 and \$198,321 for the years ended June 30, 2011 and 2010, respectively.

**In-Kind Donations.** In-kind donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Organization. Donated professional services, which is also included in advertising expenses, in the amount of \$162,696 and \$157,315 were recorded for the years ended June 30, 2011 and 2010, respectively.

**Income Taxes.** United Way and the Foundation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purpose is not subject to income tax. Any income earned through activities not related to their exempt purpose is subject to income tax at normal corporate rates.

**Use of Estimates.** The preparation of financial statements in conformity with U.S. 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.

**NOTE B - CERTIFICATES OF DEPOSIT**

Certificates of deposit consist of:

	2011			
	Date of Purchase	Amount	Interest Rate	Maturity Date
Union Bank & Trust Company	5/8/2011	\$ 98,000	2.55%	5/8/2016
West Gate Bank	6/9/2011	98,132	0.25%	6/9/2012
Cattle National Bank	5/25/2010	99,000	1.35%	2/25/2012
Mutual of Omaha Bank	2/12/2011	99,000	1.04%	2/12/2013
First State Bank	3/5/2010	99,136	2.25%	5/3/2012
Pinnacle Bank	4/3/2010	99,176	2.74%	5/3/2012
Great Western Bank	2/28/2011	97,149	0.90%	8/28/2012
US Bank	1/12/2010	100,728	1.73%	12/12/2011
Cornhusker Bank	12/28/2010	99,000	1.20%	3/28/2012
Nebraska Bank of Commerce	12/14/2009	100,000	2.00%	10/14/2011
		<u>\$ 989,321</u>		

United Way of Lincoln and Lancaster County and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE B - CERTIFICATES OF DEPOSIT - CONTINUED**

	2010			
	<u>Date of Purchase</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Union Bank & Trust Company	6/7/2008	\$ 98,000	2.10%	5/8/2011
West Gate Bank	6/9/2009	98,132	1.00%	6/9/2011
Cattle National Bank	5/25/2010	99,000	1.35%	2/25/2012
Mutual of Omaha Bank	2/12/2009	99,000	2.55%	2/12/2011
First State Bank	3/5/2010	99,136	2.25%	3/5/2012
Pinnacle Bank	4/3/2010	99,176	2.74%	5/3/2012
Great Western Bank	8/1/2009	97,149	2.36%	2/28/2011
US Bank	1/12/2010	99,000	1.73%	12/12/2011
Cornhusker Bank	6/28/2008	99,000	2.00%	12/28/2010
Nebraska Bank of Commerce	11/14/2008	<u>100,000</u>	2.00%	12/14/2009
		<u>\$ 987,593</u>		

**NOTE C - INVESTMENTS**

Investments consist of:

	2011		2010	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Mutual funds	<u>\$ 493,410</u>	<u>\$ 555,335</u>	<u>\$ 477,113</u>	<u>\$ 467,995</u>
Unrealized gain/(loss)		<u>\$ 61,925</u>		<u>\$ (9,118)</u>

**NOTE D - PROPERTY AND EQUIPMENT**

	<u>2011</u>	<u>2010</u>
Property and equipment consists of:		
Furniture and equipment	\$ 118,057	\$ 332,291
Leasehold improvements	-	10,907
	<u>118,057</u>	<u>343,198</u>
Less accumulated depreciation	<u>(80,320)</u>	<u>(317,233)</u>
	<u>\$ 37,737</u>	<u>\$ 25,965</u>

The financial statements include depreciation expense of \$8,391 and \$9,031 for the years ended June 30, 2011 and 2010, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE E - PROGRAM APPROPRIATIONS**

Program appropriations are distributions of support which were approved by the Board of Directors but not drawn at the end of the year. Agency appropriations consist of:

	<u>2011</u>	<u>2010</u>
Background check	\$ 8,905	\$ 9,965
Planning/Needs Assessment	30,000	40,000
Outcome Measurements	500	500
One-Time Dollars	7,320	7,320
2-1-1	130,613	116,613
Gift-in-kind	417	417
Food and Hunger Initiatives	27,654	20,833
Community Impact	62,116	51,097
Born Learning Initiative	-	62
UW Foundation	6,681	5,262
Women's Leadership Council	72,753	-
Women in Philanthropy	18,002	-
	<u>\$ 364,961</u>	<u>\$ 252,069</u>

**NOTE F - OPERATING LEASES**

On May 1, 2009, the Organization entered into a 120-month operating lease for office space. Under the terms of the lease, monthly rent payments are \$5,681 and increase 2%-3% on each anniversary of the commencement of the lease, July 1, 2009. The Organization is also obligated for payment of the Organization's proportionate share of common area and facilities maintenance and real estate taxes.

On September 4, 2009, the Organization entered into a 36-month operating lease for a copier. The monthly minimum lease payments are \$256, plus applicable taxes. The Organization is liable for overages based on the number of pages used per month.

The financial statements include rent expense of \$68,571 and \$70,003 for the years ended June 30, 2011 and 2010, respectively.

Future minimum lease payments are as follows:

<u>Fiscal Year</u>	
2012	\$ 73,993
2013	73,099
2014	73,809
2015	76,025
2016	78,309
Thereafter	<u>249,298</u>
	<u>\$ 624,533</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE G - RETIREMENT PLAN**

The Organization has a 401(k) plan covering eligible employees. Under the plan, employer contributions are made to the account of each individual employee based on 3% of their annual compensation, with an additional matching contribution of 3%. An employee must have one year of service with the Organization before they can participate in the plan. Total expense incurred was \$35,827 and \$34,982 for the years ended June 30, 2011 and 2010, respectively.

**NOTE H - FAIR VALUE MEASUREMENTS**

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years June 30, 2011 and 2010.

*Mutual funds:* Valued at the observable net asset value (NAV) of shares held by the Organization at year end.

*Bond funds:* Valued at the observable net asset value (NAV) of shares held by the Organization at year end.

The preceding methods described may produce a fair value calculation 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 following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis as of June 30, 2011 and 2010.

<u>June 30, 2011</u>	<u>Fair Value</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>
Mutual funds				
International	\$ 75,778	\$ 75,778	\$ -	\$ -
Large cap	276,426	276,426	-	-
Mid cap	18,756	18,756	-	-
Bond funds				
Fixed income	<u>184,375</u>	<u>184,375</u>	<u>-</u>	<u>-</u>
	<u>\$ 555,335</u>	<u>\$ 555,335</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE H - FAIR VALUE MEASUREMENTS - CONTINUED**

<u>June 30, 2010</u>	<u>Fair Value</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>
Mutual funds				
International	\$ 51,734	\$ 51,734	\$ -	\$ -
Large cap	181,907	181,907	-	-
Mid cap	13,271	13,271	-	-
Small cap	13,547	13,547	-	-
Bond funds				
Fixed income	<u>207,536</u>	<u>207,536</u>	<u>-</u>	<u>-</u>
	<u>\$ 467,995</u>	<u>\$ 467,995</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE I - ENDOWMENT**

Endowment net asset composition by type of fund as of June 30, 2011 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated endowment funds	<u>\$ 366,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,389</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 260,722</u>	<u>\$ -</u>	<u>\$ 260,722</u>

Changes in endowment net assets for the year ended June 30, 2011 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance July 1, 2010	\$ 271,371	\$ 229,139	\$ -	\$ 500,510
Contributions	48,877	-	-	48,877
Investment performance	52,490	43,004	-	95,494
Investment fees	(2,768)	(2,271)	-	(5,039)
Amounts appropriated for expenditure	<u>(3,581)</u>	<u>(9,150)</u>	<u>-</u>	<u>(12,731)</u>
Balance June 30, 2011	<u>\$ 366,389</u>	<u>\$ 260,722</u>	<u>\$ -</u>	<u>\$ 627,111</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE I - ENDOWMENT - CONTINUED**

Endowment net asset composition by type of fund as of June 30, 2010 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated endowment funds	\$ 271,371	\$ -	\$ -	\$ 271,371
Donor-restricted endowment funds	\$ -	\$ 229,139	\$ -	\$ 229,139

Changes in endowment net assets for the year ended June 30, 2010 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance July 1, 2009	\$ 226,277	\$ 212,242	\$ -	\$ 438,519
Contributions	22,588	-	-	22,588
Investment performance	28,985	28,518	-	57,503
Investment fees	(2,302)	(2,121)	-	(4,423)
Amounts appropriated for expenditure	(4,177)	(9,500)	-	(13,677)
Balance June 30, 2010	\$ 271,371	\$ 229,139	\$ -	\$ 500,510

**NOTE J - CFC COMPLIANCE**

During the years ended June 30, 2011 and 2010, the Organization complied with the requirements of the Combined Federal Campaign (CFC) to honor designations made to each member agency by distributing a proportionate share of receipts based on donor designations to each member agency.

**NOTE K - INCOME TAXES**

United Way and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the years ended June 30, 2011 and 2010, United Way and the Foundation had no tax liability on unrelated business activity. United Way and the Foundation believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

United Way and the Foundation's federal Returns of Organization Exempt from Income Tax (Form 990) for June 30, 2011, 2010, and 2009 are subject to examination by the IRS, generally for three years after they were filed.

**NOTE L - DESIGNATED NET ASSETS**

Reserve for Operations

The Board of Directors has established a reserve for operations to help ensure the financial stability of the Organization's internal operations and for programs receiving allocations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE M - ANNUAL CAMPAIGN SUPPORT**

Public support recorded as unconditional promises to give consist of:

	<u>2011</u>	<u>2010</u>
Total public support	\$ 6,048,928	\$ 5,847,700
Less provision for uncollectibles	<u>(317,852)</u>	<u>(313,871)</u>
	5,731,076	5,533,829
Less payments received prior to June 30	<u>(3,535,672)</u>	<u>(3,327,772)</u>
Unconditional promises to give at June 30	<u>\$ 2,195,404</u>	<u>\$ 2,206,057</u>

Unconditional promises to give are due in the following periods:

<u>Fiscal year</u>	
2012	\$ 2,177,404
2013	6,000
2014	6,000
2015	<u>6,000</u>
	<u>\$ 2,195,404</u>

**NOTE N - PRIOR PERIOD ADJUSTMENT**

Subsequent to the issuance of the financial statements for the year ended June 30, 2010, it was determined that funds disbursed and previously recorded as distributions designated in advance were actually expenses as incurred. As a result, the 2010 financial statements have been adjusted. The June 30, 2010 beginning of the year unrestricted net assets have been decreased by \$786,143, distributions designated in advance have been decreased by \$644,843, and community initiatives and other funds distributed to affiliated agencies have been decreased by \$141,300 as of June 30, 2010. In addition, the Organization reclassified its net assets. Unrestricted net assets decreased by \$312,120 and temporarily restricted net assets increased by \$312,120.

**NOTE O - RECLASSIFICATIONS**

Certain amounts in the year ended June 30, 2010 financial statements have been reclassified to conform with current year presentation. These reclassifications had no effect on the 2010 increase in net assets.

**NOTE P - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the audit report date, the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2011  
(Audited)

ASSETS

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 2,236,587	\$ 258,438	\$ -	\$ 2,495,025
Certificates of deposit	989,321	-	-	989,321
Investments	-	555,335	-	555,335
Unconditional promises to give from campaigns	2,166,904	10,500	-	2,177,404
Accounts receivable	41,714	6,681	(11,779)	36,616
Prepaid expenses	35,813	-	-	35,813
<b>Total current assets</b>	<b>5,470,339</b>	<b>830,954</b>	<b>(11,779)</b>	<b>6,289,514</b>
<b>PROPERTY AND EQUIPMENT</b>	<b>37,737</b>	<b>-</b>	<b>-</b>	<b>37,737</b>
<b>PROMISES TO GIVE - LONG-TERM</b>	<b>-</b>	<b>18,000</b>	<b>-</b>	<b>18,000</b>
<b>Total assets</b>	<b>\$ 5,508,076</b>	<b>\$ 848,954</b>	<b>\$ (11,779)</b>	<b>\$ 6,345,251</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 50,164	\$ 5,098	\$ (11,779)	\$ 43,483
Accrued vacation	29,493	-	-	29,493
Accrued expenses	3,486	-	-	3,486
Operations payable	989,911	-	-	989,911
Agency appropriations	364,961	-	-	364,961
Custodial funds	44,279	-	-	44,279
Deferred revenue	62,262	5,000	-	67,262
Allocations payable	2,012,500	146,970	-	2,159,470
Designations payable	1,594,047	-	-	1,594,047
<b>Total current liabilities</b>	<b>5,151,103</b>	<b>157,068</b>	<b>(11,779)</b>	<b>5,296,392</b>
<b>NET ASSETS</b>				
Unrestricted				
Undesignated	-	64,775	-	64,775
Designated				
Reserve for operations	356,973	-	-	356,973
Board designated endowment	-	366,389	-	366,389
Temporarily restricted	-	260,722	-	260,722
<b>Total net assets</b>	<b>356,973</b>	<b>691,886</b>	<b>-</b>	<b>1,048,859</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,508,076</b>	<b>\$ 848,954</b>	<b>\$ (11,779)</b>	<b>\$ 6,345,251</b>

See accompanying notes to financial statements.

United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2010  
(Unaudited)  
(as restated)

ASSETS

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,732,513	\$ 688,450	\$ -	\$ 2,420,963
Certificates of deposit	987,593	-	-	987,593
Investments	-	467,995	-	467,995
Unconditional promises to give from campaigns	2,206,057	-	-	2,206,057
Accounts receivable	36,868	5,262	(5,262)	36,868
Prepaid expenses	27,414	-	-	27,414
<b>Total current assets</b>	<b>4,990,445</b>	<b>1,161,707</b>	<b>(5,262)</b>	<b>6,146,890</b>
<b>PROPERTY AND EQUIPMENT</b>	<b>25,965</b>	<b>-</b>	<b>-</b>	<b>25,965</b>
<b>Total assets</b>	<b>\$ 5,016,410</b>	<b>\$ 1,161,707</b>	<b>\$ (5,262)</b>	<b>\$ 6,172,855</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 37,215	\$ -	\$ (5,262)	\$ 31,953
Accrued vacation	27,399	-	-	27,399
Accrued expenses	4,513	-	-	4,513
Operations payable	965,415	-	-	965,415
Agency appropriations	252,069	-	-	252,069
Custodial funds	45,842	-	-	45,842
Deferred revenue	54,676	5,000	-	59,676
Allocations payable	2,012,500	608,799	-	2,621,299
Designations payable	1,515,460	-	-	1,515,460
<b>Total current liabilities</b>	<b>4,915,089</b>	<b>613,799</b>	<b>(5,262)</b>	<b>5,523,626</b>
<b>NET ASSETS</b>				
Unrestricted				
Undesignated	-	47,398	-	47,398
Designated				
Reserve for operations	101,321	-	-	101,321
Board designated endowment	-	271,371	-	271,371
Temporarily restricted	-	229,139	-	229,139
<b>Total net assets</b>	<b>101,321</b>	<b>547,908</b>	<b>-</b>	<b>649,229</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,016,410</b>	<b>\$ 1,161,707</b>	<b>\$ (5,262)</b>	<b>\$ 6,172,855</b>

See accompanying notes to financial statements.

United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2011

(Audited)

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
<b>REVENUE AND OTHER SUPPORT</b>				
Total amounts raised	\$ 6,007,550	\$ 48,878	\$ (7,500)	\$ 6,048,928
Less: amounts designated by donors for specific organizations	<u>(2,218,680)</u>	<u>-</u>	<u>-</u>	<u>(2,218,680)</u>
Total contributions	3,788,870	48,878	(7,500)	3,830,248
Other revenue				
Investment income	19,789	112,871	-	132,660
Service fees	123,792	-	-	123,792
Sponsorship and special events	93,599	-	-	93,599
In-kind contributions	203,839	-	-	203,839
Grant income	<u>53,740</u>	<u>-</u>	<u>-</u>	<u>53,740</u>
Total other revenue	494,759	112,871	-	607,630
Total revenue and support	<u>4,283,629</u>	<u>161,749</u>	<u>(7,500)</u>	<u>4,437,878</u>
Program distributions				
Allocations distributed to affiliated agencies	1,977,500	-	-	1,977,500
Community initiatives and other funds distributed to affiliated agencies	907,683	-	-	907,683
Funds distributed to nonaffiliated agencies	<u>1,873,813</u>	<u>9,150</u>	<u>(7,500)</u>	<u>1,875,463</u>
	4,758,996	9,150	(7,500)	4,760,646
Less: distributions funded through donor designations	<u>(2,218,680)</u>	<u>-</u>	<u>-</u>	<u>(2,218,680)</u>
Net program distributions	<u>2,540,316</u>	<u>9,150</u>	<u>(7,500)</u>	<u>2,541,966</u>
Expenses				
Management and general	171,486	-	-	171,486
Campaign	641,770	-	-	641,770
Fund distribution and planning	485,644	-	-	485,644
Marketing and communications	165,082	-	-	165,082
United Way of Lincoln and Lancaster County Foundation, Inc.	-	8,621	-	8,621
Other program expenses	<u>23,679</u>	<u>-</u>	<u>-</u>	<u>23,679</u>
Total functional expenses	<u>1,487,661</u>	<u>8,621</u>	<u>-</u>	<u>1,496,282</u>
INCREASE IN NET ASSETS	255,652	143,978	-	399,630
Net assets at beginning of year	<u>101,321</u>	<u>547,908</u>	<u>-</u>	<u>649,229</u>
Net assets, end of year	<u>\$ 356,973</u>	<u>\$ 691,886</u>	<u>\$ -</u>	<u>\$ 1,048,859</u>

See accompanying notes to financial statements.



United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2010  
(Unaudited)  
(as restated)

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
<b>REVENUE AND OTHER SUPPORT</b>				
Revenue and support				
Total amounts raised	5,831,112	\$ 22,588	\$ (6,000)	\$ 5,847,700
Less: amounts designated by donors for specific organizations	(2,263,779)	-	-	(2,263,779)
Total contributions	3,567,333	22,588	(6,000)	3,583,921
Other revenue				
Investment income	31,425	80,877	-	112,302
Service fees	120,519	-	-	120,519
Sponsorship and special events	75,520	-	-	75,520
In-kind contributions	208,769	-	-	208,769
Grant income	62,340	-	-	62,340
Total other revenue	498,573	80,877	-	579,450
Total revenue and support	4,065,906	103,465	(6,000)	4,163,371
Program distributions				
Allocations distributed to affiliated agencies	1,977,500	-	-	1,977,500
Community initiatives and other funds distributed to affiliated agencies	1,017,782	-	-	1,017,782
Funds distributed to nonaffiliated agencies	1,676,378	7,000	(6,000)	1,677,378
Total program distributions	4,671,660	7,000	(6,000)	4,672,660
Less: distributions funded through donor designations	(2,263,779)	-	-	(2,263,779)
Net program distributions	2,407,881	7,000	(6,000)	2,408,881
Expenses				
Management and general	161,908	-	-	161,908
Campaign	596,528	-	-	596,528
Fund distribution and planning	507,810	-	-	507,810
Marketing and communications	165,068	-	-	165,068
United Way of Lincoln and Lancaster County Foundation, Inc.	-	11,098	-	11,098
Other program expenses	68,280	-	-	68,280
Total functional expenses	1,499,594	11,098	-	1,510,692
<b>INCREASE IN NET ASSETS</b>	158,431	85,367	-	243,798
Net assets at beginning of year, as previously stated	729,033	462,541	-	1,191,574
Prior period adjustment	(786,143)	-	-	(786,143)
Net assets at beginning of year, as restated	(57,110)	462,541	-	405,431
Net assets, end of year	\$ 101,321	\$ 547,908	\$ -	\$ 649,229

See accompanying notes to financial statements.

United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATING STATEMENT OF EXPENSES

Year ended June 30, 2011

(Audited)

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Consolidated
Salaries	\$ 665,123	\$ -	\$ 665,123
Employee benefits	101,544	-	101,544
Payroll taxes	48,710	-	48,710
	<hr/>	<hr/>	<hr/>
Total salaries and related expenses	815,377	-	815,377
Professional fees	27,298	578	27,876
Supplies	7,473	-	7,473
Telephone	11,229	-	11,229
Postage	4,825	1,108	5,933
Occupancy	80,896	-	80,896
Rental, purchase and maintenance of equipment	26,481	-	26,481
Printing and advertising	240,347	1,452	241,799
Campaign supplies	24,498	-	24,498
Awards and recognition	3,573	-	3,573
Duplicating	4,463	-	4,463
Travel and meetings	7,202	303	7,505
Conferences, conventions, and other training	19,240	-	19,240
Membership dues	59,076	-	59,076
Subscriptions and publications	355	-	355
Insurance	5,910	-	5,910
Investment fees	-	2,271	2,271
Miscellaneous	13,299	2,909	16,208
Interviewing and relocation	108	-	108
Program initiatives	7,633	-	7,633
Loss on disposed assets	6,804	-	6,804
Special events	89,504	-	89,504
	<hr/>	<hr/>	<hr/>
Total before depreciation	1,455,591	8,621	1,464,212
Depreciation of property and equipment	8,391	-	8,391
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	<b>\$ 1,463,982</b>	<b>\$ 8,621</b>	<b>\$ 1,472,603</b>

See accompanying to financial statements.

United Way of Lincoln and Lancaster County and Controlled Organization

CONSOLIDATING STATEMENT OF EXPENSES

Year ended June 30, 2010  
(Unaudited)  
(as restated)

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Consolidated
Salaries	\$ 654,500	\$ -	\$ 654,500
Employee benefits	100,983	-	100,983
Payroll taxes	48,433	-	48,433
	<hr/>	<hr/>	<hr/>
Total salaries and related expenses	803,916	-	803,916
Professional fees	24,698	525	25,223
Supplies	8,076	-	8,076
Telephone	10,789	-	10,789
Postage	4,964	353	5,317
Occupancy	79,837	-	79,837
Rental, purchase and maintenance of equipment	60,795	-	60,795
Printing and advertising	223,640	2,972	226,612
Campaign supplies	26,166	-	26,166
Awards and recognition	3,669	-	3,669
Duplicating	5,263	-	5,263
Travel and meetings	7,430	327	7,757
Conferences, conventions, and other training	6,164	-	6,164
Membership dues	58,856	-	58,856
Subscriptions and publications	305	-	305
Insurance	5,698	-	5,698
Investment fees	-	2,121	2,121
Miscellaneous	12,943	4,800	17,743
Interviewing and relocation	47	-	47
Program initiatives	14,056	-	14,056
Loss on disposed assets	64,971	-	64,971
	<hr/>	<hr/>	<hr/>
Total before depreciation	1,422,283	11,098	1,433,381
Depreciation of property and equipment	9,031	-	9,031
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	<b>\$ 1,431,314</b>	<b>\$ 11,098</b>	<b>\$ 1,442,412</b>

See accompanying notes to financial statements.

United Way of Lincoln and Lancaster County and Controlled Organization

SCHEDULE OF AGENCY ALLOCATIONS,  
GRANTS, CONTRACTS AND DESIGNATIONS

Year ended June 30, 2011

American Red Cross, Cornhusker Chapter	\$ 101,000
The Arc of Lincoln/Lancaster County	49,371
Asian Community and Cultural Center	10,000
Boys and Girls Clubs of Lincoln/Lancaster County	18,000
CASA for Lancaster County (Court Appointed Special Advocates)	20,000
Catholic Social Services	26,000
CEDARS Youth Services	385,000
Center for People in Need	30,000
City Impact	29,000
Clyde Malone Community Center	65,000
Community Action Partnership of Lancaster and Saunders County	87,000
Community CROPS	5,000
Cornhusker Council #324 Boy Scouts of America	5,000
El Centro de las Americas	27,556
Family Service Association of Lincoln	148,000
Food Bank of Lincoln	25,000
Fresh Start Home	17,500
Friendship Home of Lincoln	70,000
Good Neighbor Community Center	12,000
Heartland Big Brothers/Big Sisters	69,500
HUB - Central Access Point for Young Adults	36,209
Indian Center, Inc.	18,000
League of Human Dignity, Inc.	5,000
Legal Aid of Nebraska	10,000
Lighthouse	65,000
Lincoln Council on Alcoholism and Drugs	41,058
Lincoln Literacy Council	30,000
Lincoln Medical Education Partnership	21,556
Lincoln/Lancaster County Child Advocacy Center	62,000
Lincoln/Lancaster County Child Guidance Center	149,500
Matt Talbot Kitchen and Outreach	25,000
Mourning Hope	10,000
Northeast Family Center	49,000
People's City Mission	17,000
St. Monica's Home	34,250
Tabitha Inc.	15,000
TeamMates Mentoring Program of LPS	57,000
Salvation Army Lincoln, Nebraska Corps.	37,000
Voices of Hope, Lincoln	65,000
Volunteer Partners	10,000
Willard Community Center	10,000
YWCA Lincoln	10,000
Designations and other funds distributed to affiliated agencies	907,683
Designations and other funds distributed to nonaffiliated agencies	<u>1,875,463</u>
	<u>\$ 4,760,646</u>
Affiliated agencies	\$ 2,885,183
Nonaffiliated agencies	<u>1,875,463</u>
	<u>\$ 4,760,646</u>

See accompanying notes to financial statements.