

UNITED WAY OF LINCOLN AND LANCASTER COUNTY

FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

DANA F. COLE & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
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DANA F. COLE & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS
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LINCOLN, NEBRASKA 68508

INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of Lincoln and Lancaster County
Lincoln, Nebraska

We have audited the accompanying statements of financial position of United Way of Lincoln and Lancaster County (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of United Way of Lincoln and Lancaster County's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide 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 as of June 30, 2010 and 2009, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule on page 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dana F Cole + Company, LLP

Lincoln, Nebraska
October 14, 2010

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
ASSETS						
Cash and cash equivalents	927,722	804,791	1,732,513	1,165,753	499,663	1,665,416
Certificates of deposit		987,593	987,593		1,085,405	1,085,405
Pledges from campaigns, less allowance for uncollected pledges of \$313,871 in 2010 and \$299,468 in 2009		2,206,057	2,206,057		2,085,450	2,085,450
Distributions designated in advance	644,843		644,843	786,143		786,143
Operating receivables	36,868		36,868	53,282		53,282
Prepaid expenses	27,414		27,414	33,131		33,131
Furniture and equipment, less accumulated depreciation of \$317,233 in 2010 and \$308,202 in 2009	25,965		25,965	30,568		30,568
TOTAL ASSETS	<u>1,662,812</u>	<u>3,998,441</u>	<u>5,661,253</u>	<u>2,068,877</u>	<u>3,670,518</u>	<u>5,739,395</u>

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

	2010			2009			
	Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted		Total
		Total	Total		Total	Total	
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts payable	9,844	27,370	37,214	98,156	26,142	124,298	
Vacation accrued	27,398		27,398	23,349		23,349	
Expenses accrued	4,513	9,800	14,313	1,196	32,913	34,109	
Operations payable	965,415		965,415	905,023		905,023	
Agency appropriations		252,069	252,069	201,498		201,498	
Custodial funds		45,842	45,842	43,719		43,719	
Deferred income		44,876	44,876	81,425		81,425	
Allocations payable		2,012,500	2,012,500		2,111,000	2,111,000	
Designations payable		1,515,460	1,515,460		1,485,941	1,485,941	
Total liabilities	<u>1,007,170</u>	<u>3,907,917</u>	<u>4,915,087</u>	<u>1,027,724</u>	<u>3,982,638</u>	<u>5,010,362</u>	
NET ASSETS							
Unrestricted	14,203		14,203	458,715		458,715	
Undesignated							
Designated							
Reserve for contingencies	67,421		67,421	67,421		67,421	
Reserve for operations	548,053		548,053	484,449		484,449	
Reserved - furniture, equipment and leasehold improvements	25,965		25,965	30,568		30,568	
Temporarily restricted		90,524	90,524		(312,120)	(312,120)	
Total net assets	<u>655,642</u>	<u>90,524</u>	<u>746,166</u>	<u>1,041,153</u>	<u>(312,120)</u>	<u>729,033</u>	
TOTAL LIABILITIES AND NET ASSETS	<u>1,662,812</u>	<u>3,998,441</u>	<u>5,661,253</u>	<u>2,068,877</u>	<u>3,670,518</u>	<u>5,739,395</u>	

See accompanying notes to financial statements.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010		2009	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
REVENUES AND OTHER SUPPORT				
Total amounts raised	3,567,333	2,263,779	5,831,112	2,175,239
Less: amounts designated by donors for specific organizations	<u>3,567,333</u>	<u>(2,263,779)</u>	<u>(2,263,779)</u>	<u>(2,175,239)</u>
Total contributions	3,567,333	3,567,333	3,453,704	3,453,704
Other revenue				
Investment income	31,425		53,738	53,738
Service fees	120,519		126,461	126,461
Sponsorship and special events revenues	75,520		72,613	72,613
Gift in-kind contributions	208,769		174,806	174,806
Other income	62,340		62,683	62,683
Unrestricted contributions transferred to temporarily restricted assets	<u>(402,644)</u>	<u>402,644</u>	<u>(419,059)</u>	<u>419,059</u>
Total revenues and other support	<u>3,663,262</u>	<u>402,644</u>	<u>4,065,906</u>	<u>419,059</u>
			<u>3,524,946</u>	<u>3,944,005</u>
PROGRAM DISTRIBUTIONS				
Allocations distributed to affiliated agencies	1,977,500		1,977,500	2,076,000
Community initiatives and other funds distributed to affiliated agencies	1,016,269		1,016,269	935,053
Funds distributed to nonaffiliated agencies	<u>1,676,378</u>		<u>1,676,378</u>	<u>1,536,395</u>
	4,670,147		4,670,147	4,547,448
Less: distributions funded through donor designations	<u>(2,263,779)</u>		<u>(2,263,779)</u>	<u>(2,175,239)</u>
Net program distributions	<u>2,406,368</u>		<u>2,406,368</u>	<u>2,372,209</u>

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010		2009		Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	
FUNCTIONAL EXPENSES					
Management and general Campaign	161,906		162,208		162,208
Fund distribution and planning	596,528		545,057		545,057
Marketing and communications	507,810		461,689		461,689
Other program expenses	165,068		174,995		174,995
	211,093		164,243		164,243
Total functional expenses	<u>1,642,405</u>		<u>1,508,192</u>		<u>1,508,192</u>
CHANGE IN NET ASSETS	(385,511)	402,644	(355,455)	419,059	63,604
NET ASSETS, beginning of period	<u>1,041,153</u>	<u>(312,120)</u>	<u>1,396,608</u>	<u>(731,179)</u>	<u>665,429</u>
NET ASSETS, end of period	<u>655,642</u>	<u>90,524</u>	<u>1,041,153</u>	<u>(312,120)</u>	<u>729,033</u>

See accompanying notes to financial statements.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010

	Management and General	Campaign	Fund Distribution and Planning	Marketing and Communications	Total
Salaries	77,376	275,253	228,084	73,787	654,500
Employee benefits	13,084	42,062	31,755	14,082	100,983
Payroll taxes	5,600	20,557	16,845	5,431	48,433
Total salaries and related expenses	96,060	337,872	276,684	93,300	803,916
Professional fees	8,460	8,755	5,184	2,299	24,698
Supplies	913	3,540	2,586	1,037	8,076
Telephone	1,825	4,391	3,070	1,503	10,789
Postage	1,390	2,764	796	14	4,964
Occupancy	10,189	33,585	24,993	11,070	79,837
Rental, purchase and maintenance of equipment	7,610	25,252	19,762	8,171	60,795
Printing and advertising	1,958	64,521	122,607	34,554	223,640
Campaign supplies		26,166			26,166
Awards and recognition	2,187	1,188	294		3,669
Duplicating	981	2,644	991	647	5,263
Travel and meetings	1,379	3,829	1,593	629	7,430
Conferences, conventions, and other training	4,721	1,160	283		6,164
Membership dues	9,260	23,742	17,881	7,973	58,856
Subscriptions and publications	26	187	64	28	305
Insurance	743	2,351	1,804	800	5,698
Miscellaneous	1,647	5,516	4,003	1,775	12,941
Interviewing and relocation	47				47
Program initiatives			14,056		14,056
Special events	11,332	45,339	8,300		64,971
Total before depreciation	160,728	592,802	504,951	163,800	1,422,281
Depreciation of furniture and equipment	1,178	3,726	2,859	1,268	9,031
TOTAL EXPENSES	<u>161,906</u>	<u>596,528</u>	<u>507,810</u>	<u>165,068</u>	<u>1,431,312</u>

See accompanying notes to financial statements.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009

	Management and General	Campaign	Fund Distribution and Planning	Marketing and Communications	Total
Salaries	75,390	262,139	197,609	66,432	601,570
Employee benefits	12,340	39,079	29,987	13,298	94,704
Payroll taxes	5,407	19,472	14,518	4,864	44,261
Total salaries and related expenses	93,137	320,690	242,114	84,594	740,535
Professional fees	10,390	15,889	9,826	4,216	40,321
Supplies	1,687	3,267	2,469	1,166	8,589
Telephone	1,458	3,780	2,696	1,408	9,342
Postage	1,516	2,964	536	285	5,301
Occupancy	7,697	24,666	18,749	8,346	59,458
Rental, purchase and maintenance of equipment	8,013	27,117	21,217	8,627	64,974
Printing and advertising	3,368	62,825	121,644	41,832	229,669
Campaign supplies		13,492			13,492
Awards and recognition	2,681	1,236	92	10	4,019
Duplicating	1,099	3,896	906	917	6,818
Travel and meetings	2,129	4,225	1,171	766	8,291
Conferences, conventions, and other training	6,844	3,555	30		10,429
Memberships dues	8,998	22,292	17,118	7,617	56,025
Subscriptions and publications	26	209	64	28	327
Insurance	744	2,353	1,805	800	5,702
Miscellaneous	1,882	5,977	4,570	2,027	14,456
Interviewing and relocation					50
Program initiatives	9,245	22,687	10,103		10,103
Special events	160,964	541,120	3,558	11,016	46,506
Total before depreciation		541,120	458,668	173,655	1,334,407
Depreciation of furniture and equipment	1,244	3,937	3,021	1,340	9,542
TOTAL EXPENSES	<u>162,208</u>	<u>545,057</u>	<u>461,689</u>	<u>174,995</u>	<u>1,343,949</u>

See accompanying notes to financial statements.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	17,133	63,604
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	9,031	9,541
(Increase) decrease in pledges receivable	(120,607)	156,111
(Increase) decrease in distributions designated in advance	141,300	90,283
(Increase) decrease in operating receivables	16,414	5,295
(Increase) decrease in prepaid expenses	5,717	(4,237)
Increase (decrease) in accounts payable	(87,084)	58,703
Increase (decrease) in vacation accrued	4,049	1,556
Increase (decrease) in expenses accrued	(19,796)	23,752
Increase (decrease) in operations payable	60,392	40,054
Increase (decrease) in agency appropriations	50,571	(135,679)
Increase (decrease) in custodial funds	2,123	1,722
Increase (decrease) in deferred income	(36,549)	(22,733)
Increase (decrease) in allocations payable	(98,500)	(81,000)
Increase (decrease) in designations payable	29,519	171,348
	<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	<u>(26,287)</u>	<u>378,320</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and leasehold improvements	(4,427)	(4,666)
Redemptions of certificates of deposit	97,811	
Purchase of certificates of deposit		(100,000)
	<u> </u>	<u> </u>
Net cash provided by (used in) investing activities	<u>93,384</u>	<u>(104,666)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,097	273,654
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,665,416</u>	<u>1,391,762</u>
CASH AND CASH EQUIVALENTS, end of year	<u>1,732,513</u>	<u>1,665,416</u>

See accompanying notes to financial statements.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activity

United Way of Lincoln and Lancaster County 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 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 services programs in Lancaster County.

Basis of Accounting

The accompanying financial statements of the United Way of Lincoln and Lancaster County have been prepared on the accrual basis of accounting.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the FASB ASC 958-205 "Financial Statements of Not-for-Profit Organizations". Under this standard, 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. A description of the three net asset categories utilized by the Organization follows:

Unrestricted Net Assets

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 or losses on investments and any other assets or liabilities are reported as increases in unrestricted net assets unless their use is limited by donor stipulations or by laws.

Unrestricted net assets consist of the following:

United Way Operations, which include the revenues and expenses associated with the operations of the Organization.

Furniture and Equipment: Furniture and equipment are recorded at cost or fair market value for items donated to the Organization. Major expenditures for fixed assets and expenditures which substantially increase useful lives are capitalized. Expenditures for maintenance, repairs, and minor renewals are expensed as incurred.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Unrestricted Net Assets (Continued)

Board Designated Reserves include the Permanent Operating Reserve and the Reserve for Contingencies which have been designated for use by the Organization's Board of Directors.

Temporarily Restricted Net Assets

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met, trust activity, deferred gifts and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted or determined.

Permanently Restricted Net Assets

Permanently restricted net assets include gifts, trusts, and pledges receivable which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor. The Organization had no permanently restricted net assets as of June 30, 2010 and 2009.

Contributions

The Organization utilizes FASB ASC 958-605, "Not-for-Profit Entities Revenue Recognition. This standard requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributed Materials and Services

The Organization records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Volunteers

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with their operations. The volunteer hours have not been recorded in the financial statements since those services do not meet the criteria for recognition.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in accordance 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.

Cash and Cash Equivalents

Cash equivalents consist of resources invested in money market funds, repurchase accounts and certificates of deposit maturing within thirty days.

Pledges and Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. The Organization uses the allowance method to account for uncollectible pledges receivable.

Property and Equipment

Property and equipment are stated at cost, if purchased or fair value, if donated. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Depreciation

The Organization provides for depreciation of property and equipment using annual rates which are sufficient to amortize the cost of depreciable assets using the straight-line method over their estimated useful lives which range from 5 to 7 years.

Compensated Absences

Employees' vacation benefits are recognized in the period earned.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Organization has adopted the provisions of FASB ASC 740-10, "Accounting for Uncertain Tax Positions". The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

Advertising

Advertising costs of the Organization are expensed as incurred. Advertising expense was \$197,491 and \$195,634 for the years ended June 30, 2010 and 2009, respectively.

Reclassification

In certain instances, figures for the prior year have been reclassified to place them on a basis comparable with the current year.

NOTE 2. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for 2010 and 2009. At times during the year the Organization has deposits in financial institutions in excess of the federally insured limit by the FDIC. The Organization does not believe it is exposed to any significant credit risk on cash and cash equivalents.

NOTE 3. CERTIFICATES OF DEPOSIT

Investments in bank certificates of deposit consisted of the following at June 30, 2010 and 2009:

	<u>Date of Purchase</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
June 30, 2010				
First State Bank	8/24/2007	99,136	2.25%	3/5/2012
Pinnacle Bank	2/27/2008	99,176	2.74%	5/3/2012
Union Bank	6/7/2008	98,000	2.10%	5/8/2011
West Gate Bank	6/9/2009	98,132	1.00%	6/9/2011
Great Western Bank	8/1/2009	97,149	2.36%	2/28/2011
Cattle National Bank	8/25/2008	99,000	1.35%	2/25/2012
US Bank	6/12/2008	99,000	1.73%	12/12/2011
Cornhusker Bank	6/28/2008	99,000	2.00%	12/28/2010
Mutual of Omaha Bank	2/12/2009	99,000	2.55%	2/12/2011
Nebraska Bank of Commerce	11/14/2008	<u>100,000</u>	2.00%	10/14/2011
Total		<u>987,593</u>		

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CERTIFICATES OF DEPOSIT (Continued)

	Date of Purchase	Amount	Interest Rate	Maturity Date
June 30, 2009				
First State Bank	8/24/2007	99,087	4.91%	2/24/2010
First National Bank	11/28/2007	98,010	4.11%	8/23/2009
Pinnacle Bank	2/27/2008	99,176	3.42%	4/3/2010
Union Bank	6/7/2008	98,000	3.75%	10/8/2009
West Gate Bank	6/9/2009	98,132	1.74%	6/9/2010
TierOne Bank	6/14/2008	97,000	3.69%	8/23/2009
Cattle National Bank	8/25/2008	99,000	3.70%	5/25/2010
US Bank	6/12/2008	99,000	3.68%	1/12/2010
Cornhusker Bank	6/28/2008	99,000	3.46%	9/28/2009
Mutual of Omaha Bank	2/12/2009	99,000	2.52%	2/12/2011
Community Bank of Lincoln	11/14/2008	100,000	3.55%	12/14/2009
Total		<u>1,085,405</u>		

NOTE 4. LEASEHOLD IMPROVEMENTS

Amortization of leasehold improvements is provided on a straight-line basis over the four to ten year estimated useful lives of the improvements. There were no additions to improvements for the years ended June 30, 2010 and 2009. Depreciation in the amount of \$-0- and \$1,784 was charged to the Leasehold Improvement Fund balance for the years ended June 30, 2010 and 2009, respectively.

NOTE 5. FURNITURE AND EQUIPMENT

Depreciation of furniture and equipment is provided on a straight-line basis over the five year estimated useful lives of the assets. Additions to furniture and equipment totaled \$4,427 and \$4,668 for the years ended June 30, 2010 and 2009, respectively. Depreciation in the amount of \$9,031 and \$9,541 was charged to the furniture and equipment fund balance for the years ended June 30, 2010 and 2009, respectively.

NOTE 6. 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.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PROGRAM APPROPRIATIONS (Continued)

The following distributions were recorded as agency appropriations at June 30:

	2010	2009
Background check	9,965	8,987
Planning/Needs Assessment	40,000	40,000
Outcome Measurements	500	500
One-Time Dollars	7,320	8,080
2-1-1	116,613	69,886
Gift-in-kind	417	417
Food and Hunger Initiatives	20,833	14,268
Community Impact	51,097	54,597
Born Learning Initiative	62	324
UW Foundation	<u>5,262</u>	<u>4,439</u>
	<u>252,069</u>	<u>201,498</u>

NOTE 7. BOARD DESIGNATION OF NET ASSETS

Reserve for Operations

The Board of Directors has established a reserve for operations to satisfy community needs during a time of economic reversal.

The Board of Directors approved recommendations by the Finance Committee to increase the reserve by \$63,604 and \$65,084 during the years ended June 30, 2010 and 2009, respectively.

Reserve for Contingencies

During 1993, the Board of Directors established a Reserve for Contingencies to respond to the unexpected needs of human service agencies. The balance in the reserve was \$67,421 at June 30, 2010 and 2009.

NOTE 8. COMMITMENTS

The Organization conducts its operations with offices leased under a 10-year noncancellable lease expiring in June 2019.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 8. COMMITMENTS (Continued)

At June 30, 2010, a schedule of the future minimum rental payments required under the above is as follows:

Years Ending June 30,	
2011	69,511
2012	70,921
2013	72,331
2014	73,809
2015	76,025
Thereafter	<u>327,607</u>
	<u>690,204</u>

NOTE 9. NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions through the expiration of time or satisfaction of the donors' restriction as follows:

	2010	2009
Purpose restricted net assets (assets distributed in satisfaction of donors' restrictions)	<u>402,644</u>	<u>419,059</u>

NOTE 10. ANNUAL CAMPAIGN SUPPORT

Public support received in the form of pledges during the fundraising campaigns held during the year ended June 30, 2010 was \$5,782,585 and \$5,358,427 for the year ended June 30, 2009. Public support recorded as pledges receivable at June 30, 2010 was as follows:

	2010	2009
Total public support	5,831,111	5,628,943
Less provision for uncollectibles	<u>(313,871)</u>	<u>(299,468)</u>
	5,517,240	5,329,475
Less payments received prior to June 30	<u>(3,311,183)</u>	<u>(3,244,025)</u>
	2,206,057	2,085,450
Pledges receivable at June 30	<u>2,206,057</u>	<u>2,085,450</u>

NOTE 11. RETIREMENT PLAN

The Organization has established a 401(k) plan to allow participants to make pretax contributions pursuant to salary reduction agreements under Section 401(k) of the Internal Revenue Code. Under the plan, employer-matching contributions are made to the account of each individual employee based on 3% of their annual compensation, with an additional matching contribution of 3%, at the discretion of the Board of Directors. An employee must have one year of service with the Organization before they can participate in the plan. Total Organization expense was \$34,982 and \$30,167 for the years ended June 30, 2010 and 2009, respectively.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 12. CFC COMPLIANCE

During the years ended June 30, 2010 and 2009, 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 13. DISTRIBUTIONS DESIGNATED IN ADVANCE

United Way elected to change its fiscal year and operated and reported under an eighteen-month reporting period for the eighteen months ended June 30, 2001. As a result of this change, allocations approved for a prior reporting period were paid during the period from January 1, 2000 through June 20, 2000, for which there had been no direct campaign.

By direction of the Board, the payment of the allocations was reported as Distributions Designated in Advance with the intent that future campaign revenues in excess of the actual campaign proceeds allocated be applied to this amount until such time as it was fully amortized. \$141,300 and \$90,283 was applied to this amount for the years ended June 30, 2010 and June 30, 2009, respectively.

NOTE 14. SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 14, 2010, the date the financial statements were available to be issued.

ACCOMPANYING INFORMATION

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
SCHEDULE OF AGENCY ALLOCATIONS,
GRANTS, CONTRACTS AND DESIGNATIONS
YEAR ENDED JUNE 30, 2010

American Red Cross, Cornhusker Chapter	101,000
The Arc of Lincoln/Lancaster County	49,000
Asian Community and Cultural Center	10,000
Boys and Girls Clubs	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 CROPS	5,000
Cornhusker Council Boy Scouts	5,000
El Centro de las Americas	27,000
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
Indian Center, Inc.	18,000
League of Human Dignity, Inc.	5,000
Legal Aid of Nebraska	10,000
Lighthouse	65,000
Lincoln Action Program	87,000
Lincoln Council on Alcoholism and Drugs	40,000
Lincoln Literacy Council	30,000
Lincoln Medical Education Partnership	21,000
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
Salvation Army Lincoln, Nebraska Corps	37,000
St. Monica's Home	38,000
Tabitha Health Care Services	15,000
TeamMates of LPS	57,000
The HUB - Central Access Point for Young Adults	35,000
Voices of Hope (formerly Rape/Spouse Abuse Crisis Center)	65,000
Volunteer Partners	10,000
Willard Community Center	10,000
Young Women's Christian Association	10,000
Designations and other funds distributed to affiliated agencies	1,016,269
Designations and other funds distributed to nonaffiliated agencies	1,676,378
	<u>4,670,147</u>
 Affiliated agencies	 2,993,769
Nonaffiliated agencies	1,676,378
	<u>4,670,147</u>