

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
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DANA F. COLE & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

1248 O STREET, SUITE 500

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, 2009 and 2008, 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, 2009 and 2008, 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
November 4, 2009

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

	2009		2008		Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	
ASSETS					
Cash and cash equivalents	1,431,984	233,432	1,665,416	1,215,212	1,391,762
Certificates of deposit	1,085,405		1,085,405	985,405	985,405
Pledges from campaigns, less allowance for uncollected pledges of \$299,468 in 2009 and \$194,984 in 2008		2,085,450	2,085,450	58,577	2,241,561
Distributions designated in advance		786,143	786,143	876,426	876,426
Operating receivables	53,282		53,282	28,894	58,577
Prepaid expenses	33,131		33,131		28,894
Furniture and equipment, less accumulated depreciation of \$308,202 in 2009 and \$298,662 in 2008	30,568		30,568	35,443	35,443
TOTAL ASSETS	<u>2,634,370</u>	<u>3,105,025</u>	<u>5,739,395</u>	<u>2,323,531</u>	<u>5,618,068</u>

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable	98,156	26,142	124,298	38,472	27,123	65,595
Accrued vacation	23,349		23,349	21,793		21,793
Accrued expenses	1,196	32,913	34,109	1,689	8,668	10,357
Operations payable	905,023		905,023	864,969		864,969
Agency appropriations		201,498	201,498		337,177	337,177
Custodial funds		43,719	43,719		41,997	41,997
Deferred income		81,425	81,425		104,158	104,158
Allocations payable		2,111,000	2,111,000		2,192,000	2,192,000
Designations payable		1,485,941	1,485,941		1,314,593	1,314,593
Total liabilities	<u>1,027,724</u>	<u>3,982,638</u>	<u>5,010,362</u>	<u>926,923</u>	<u>4,025,716</u>	<u>4,952,639</u>
NET ASSETS						
Unrestricted	1,024,208		1,024,208	874,379		874,379
Designated						
Reserve for contingencies	67,421		67,421	67,421		67,421
Reserve for operations	484,449		484,449	419,365		419,365
Reserved - furniture, equipment and leasehold improvements	30,568		30,568	35,443		35,443
Temporarily restricted		(877,613)	(877,613)		(731,179)	(731,179)
Total net assets	<u>1,606,646</u>	<u>(877,613)</u>	<u>729,033</u>	<u>1,396,608</u>	<u>(731,179)</u>	<u>665,429</u>
TOTAL LIABILITIES AND NET ASSETS	<u>2,634,370</u>	<u>3,105,025</u>	<u>5,739,395</u>	<u>2,323,531</u>	<u>3,294,537</u>	<u>5,618,068</u>

See accompanying notes to financial statements.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2009 AND 2008

	2009		2008			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT						
Total amounts raised	3,453,704	2,175,239	5,628,943	3,583,619	2,198,966	5,782,585
Less: amounts designated by donors for specific organizations		<u>(2,175,239)</u>	<u>(2,175,239)</u>	<u>3,583,619</u>	<u>(2,198,966)</u>	<u>(2,198,966)</u>
Total contributions	3,453,704		3,453,704	3,583,619		3,583,619
Other revenue						
Investment income	53,738		53,738	80,076		80,076
Service fees	126,461		126,461	127,095		127,095
Sponsorship and special events revenues	72,613		72,613	73,342		73,342
Gift in-kind contributions	174,806		174,806	164,166		164,166
Other income	62,683		62,683	5,146		5,146
Other net assets released from restriction	146,434	<u>(146,434)</u>		206,167	<u>(206,167)</u>	
Total revenues and other support	<u>4,090,439</u>	<u>(146,434)</u>	<u>3,944,005</u>	<u>4,239,611</u>	<u>(206,167)</u>	<u>4,033,444</u>
PROGRAM DISTRIBUTIONS						
Allocations distributed to affiliated agencies	2,076,000		2,076,000	2,157,000		2,157,000
Community initiatives and other funds distributed to affiliated agencies	935,053		935,053	968,623		968,623
Funds distributed to nonaffiliated agencies	1,536,395		1,536,395	1,786,992		1,786,992
	4,547,448		4,547,448	4,912,615		4,912,615
Less: distributions funded through donor designations	<u>(2,175,239)</u>		<u>(2,175,239)</u>	<u>(2,198,966)</u>		<u>(2,198,966)</u>
Net program distributions	<u>2,372,209</u>		<u>2,372,209</u>	<u>2,713,649</u>		<u>2,713,649</u>

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
 STATEMENTS OF ACTIVITIES
 YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
FUNCTIONAL EXPENSES						
Management and general Campaign	162,208		162,208	137,244		137,244
Fund distribution and planning	545,057		545,057	462,083		462,083
Marketing and communications	461,689		461,689	404,981		404,981
Other program expenses	174,995		174,995	164,111		164,111
Total functional expenses	<u>1,508,192</u>		<u>1,508,192</u>	<u>1,254,714</u>		<u>1,254,714</u>
CHANGE IN NET ASSETS						
NET ASSETS, beginning of period	210,038	(146,434)	63,604	271,248	(206,167)	65,081
NET ASSETS, end of period	<u>1,396,608</u>	<u>(731,179)</u>	<u>665,429</u>	<u>1,125,360</u>	<u>(525,012)</u>	<u>600,348</u>
NET ASSETS, end of period	<u>1,606,646</u>	<u>(877,613)</u>	<u>729,033</u>	<u>1,396,608</u>	<u>(731,179)</u>	<u>665,429</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	262,138	197,609	66,432	601,569
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	<u>93,137</u>	<u>320,689</u>	<u>242,114</u>	<u>84,594</u>	<u>740,534</u>
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	3,781	2,696	1,408	9,343
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
Membership dues	8,998	22,292	17,118	7,617	56,025
Subscriptions and publications	26	209	64	29	328
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			10,103		10,103
Special events	<u>9,245</u>	<u>22,687</u>	<u>3,558</u>	<u>11,016</u>	<u>46,506</u>
Total before depreciation	<u>160,964</u>	<u>541,120</u>	<u>458,668</u>	<u>173,656</u>	<u>1,334,408</u>
Depreciation of furniture and equipment	<u>1,244</u>	<u>3,937</u>	<u>3,021</u>	<u>1,339</u>	<u>9,541</u>
TOTAL EXPENSES	<u><u>162,208</u></u>	<u><u>545,057</u></u>	<u><u>461,689</u></u>	<u><u>174,995</u></u>	<u><u>1,343,949</u></u>

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2008

	Management and General	Campaign	Fund Distribution and Planning	Marketing and Communications	Total
Salaries	66,496	234,435	178,978	61,529	541,438
Employee benefits	12,438	39,248	30,117	13,356	95,159
Payroll taxes	4,812	17,533	13,244	4,461	40,050
Total salaries and related expenses	<u>83,746</u>	<u>291,216</u>	<u>222,339</u>	<u>79,346</u>	<u>676,647</u>
Professional fees	7,706	3,736	2,867	1,270	15,579
Supplies	1,520	2,884	2,149	982	7,535
Telephone	1,646	3,420	2,568	1,344	8,978
Postage	1,683	3,411	595	418	6,107
Occupancy	7,299	23,623	17,709	7,881	56,512
Rental, purchase and maintenance of equipment	5,146	17,853	15,417	5,432	43,848
Printing and advertising	1,339	57,013	79,027	51,162	188,541
Campaign supplies		12,156			12,156
Awards and recognition	1,799	2,263	179	151	4,392
Duplicating	1,178	3,170	1,454	1,433	7,235
Travel and meetings	2,246	4,689	1,161	753	8,849
Conferences, conventions, and other training	4,593	3,679	1,256	1,382	10,910
Membership dues	1,451	1,140	311	227	3,129
Subscriptions and publications	25	205	61	27	318
Insurance	772	2,331	1,789	793	5,685
Miscellaneous	1,894	4,233	3,248	1,440	10,815
Program initiatives			48,817		48,817
Special events	11,873	20,858	809	8,640	42,180
Total before depreciation	<u>135,916</u>	<u>457,880</u>	<u>401,756</u>	<u>162,681</u>	<u>1,158,233</u>
Depreciation of furniture and equipment	1,328	4,203	3,225	1,430	10,186
TOTAL EXPENSES	<u>137,244</u>	<u>462,083</u>	<u>404,981</u>	<u>164,111</u>	<u>1,168,419</u>

See accompanying notes to financial statements.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	63,604	65,081
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	9,541	10,186
(Increase) decrease in pledges receivable	156,111	(215,468)
(Increase) decrease in distributions designated in advance	90,283	187,644
(Increase) decrease in operating receivables	5,295	(7,732)
(Increase) decrease in prepaid expenses	(4,237)	8,008
Increase (decrease) in accounts payable	58,703	(31,250)
Increase (decrease) in accrued vacation	1,556	1,346
Increase (decrease) in accrued expenses	23,752	4,745
Increase (decrease) in operations payable	40,054	86,295
Increase (decrease) in agency appropriations	(135,679)	59,472
Increase (decrease) in custodial funds	1,722	1,908
Increase (decrease) in deferred income	(22,733)	70,033
Increase (decrease) in allocations payable	(81,000)	60,763
Increase (decrease) in designations payable	<u>171,348</u>	<u>49,023</u>
Net cash provided by operating activities	<u>378,320</u>	<u>350,054</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and leasehold improvements	(4,666)	(9,316)
Purchase of certificates of deposit	<u>(100,000)</u>	<u>(198,101)</u>
Net cash used in investing activities	<u>(104,666)</u>	<u>(207,417)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	273,654	142,637
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,391,762</u>	<u>1,249,125</u>
CASH AND CASH EQUIVALENTS, end of year	<u>1,665,416</u>	<u>1,391,762</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

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. SFAS No. 116 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. 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, 2009 and 2008.

Donated Materials and Services

The Organization records various types of in-kind support including professional services, advertising and materials. Contributed professional services are recognized 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 support are offset by like amounts included in expenses or additions to property and equipment.

Volunteers

Additionally, the Organization receives a significant amount of skilled, contributed time which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

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.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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).

The Organization has elected to defer the provisions of FIN 48, "Accounting for Income Taxes", under the provisions of FSP FIN 48-3. The Organization uses a FAS 5, "Loss Contingencies", approach for evaluating uncertain tax positions. We continually evaluate expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Employees' vacation benefits are recognized in the period earned.

Advertising

Advertising costs of the Organization are expensed as incurred. Advertising expense was \$209,935 and \$167,594 for the years ended June 30, 2009 and 2008, 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 2009 and \$100,000 for 2008. 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, 2009 and 2008:

	<u>Date of Purchase</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
June 30, 2009				
First State Bank	8/24/07	99,087	4.91%	2/24/10
First National Bank	11/28/07	98,010	4.11%	8/23/09
Pinnacle Bank	2/27/08	99,176	3.42%	4/03/10
Union Bank	6/07/08	98,000	3.75%	10/8/09
West Gate Bank	6/09/09	98,132	1.74%	6/09/10
TierOne Bank	6/14/08	97,000	3.69%	8/23/09
Cattle National Bank	8/25/08	99,000	3.70%	5/25/10
US Bank	6/12/08	99,000	3.68%	1/12/10
Cornhusker Bank	6/28/08	99,000	3.46%	9/28/09
Mutual of Omaha Bank	2/12/09	99,000	2.52%	2/12/11
Community Bank of Lincoln	11/14/08	<u>100,000</u>	3.55%	12/14/09
Total		<u>1,085,405</u>		

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CERTIFICATES OF DEPOSIT (Continued)

June 30, 2008	<u>Date of Purchase</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
First State Bank	8/24/07	99,087	4.91%	2/24/10
First National Bank	11/28/07	98,010	4.11%	8/23/09
Pinnacle Bank	2/27/08	99,176	3.42%	4/03/10
Union Bank	6/07/08	98,000	3.75%	10/8/09
West Gate Bank	6/09/08	98,132	2.48%	6/09/09
TierOne Bank	6/14/08	97,000	3.69%	8/23/09
Cattle National Bank	11/25/06	99,000	4.52%	8/25/08
US Bank	6/12/08	99,000	3.68%	1/12/10
Cornhusker Bank	6/28/08	99,000	3.46%	9/28/09
Mutual of Omaha Bank	2/12/07	<u>99,000</u>	5.15%	2/12/09
Total		<u>985,405</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 \$- 0 - of additions to improvements for the years ended June 30, 2009 and 2008. Depreciation in the amount of \$1,784 and \$1,144 was charged to the Leasehold Improvement Fund balance for the years ended June 30, 2009 and 2008, 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 \$4,668 and \$9,316 for the years ended June 30, 2009 and 2008, respectively. Depreciation in the amount of \$9,541 and \$9,041 was charged to the furniture and equipment fund balance for the years ended June 30, 2009 and 2008, 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.

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

	2009	2008
Background check	8,987	8,650
Planning/Needs Assessment	40,000	40,000
Outcome Measurements	500	500

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 6. PROGRAM APPROPRIATIONS (Continued)

	2009	2008
One-Time Dollars	8,080	8,185
2-1-1	69,886	90,318
Gift-in-kind	417	417
Food and Hunger Initiatives	14,268	14,396
Community Impact	54,597	168,966
Born Learning Initiative	324	745
UW Foundation	<u>4,439</u>	<u>5,000</u>
	<u>201,498</u>	<u>337,177</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 \$65,084 and \$100,380 during the years ended June 30, 2009 and 2008, 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, 2009 and 2008.

NOTE 8. COMMITMENTS

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

At June 30, 2009, a schedule of the future minimum rental payments required under the above is as follows:

Years Ending June 30,	
2010	68,167
2011	69,511
2012	70,921
2013	72,331
2014	73,809
Thereafter	<u>403,632</u>
	<u>758,371</u>

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

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:

	2009	2008
Purpose restricted net assets (assets distributed in satisfaction of donors' restrictions)	<u>144,867</u>	<u>206,167</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, 2009 was \$5,782,585 and \$5,358,427 for the year ended June 30, 2008. Public support recorded as pledges receivable at June 30, 2009 was as follows:

	2009	2008
Total public support	5,628,943	5,782,585
Less provision for uncollectibles	<u>(299,468)</u>	<u>(194,984)</u>
	5,329,475	5,587,601
Less payments received prior to June 30	<u>(3,244,025)</u>	<u>(3,346,040)</u>
Pledges receivable at June 30	<u>2,085,450</u>	<u>2,241,561</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 \$30,167 and \$27,946 for the years ended June 30, 2009 and 2008, respectively.

NOTE 12. CFC COMPLIANCE

During the years ended June 30, 2009 and 2008, 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.

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 13. LINCOLN COMMUNITY FOUNDATION FUNDS

United Way has an agreement with the Lincoln Community Foundation, Inc. to form the United Way Endowment Fund. These funds are not included in the financial statements of United Way. Under the terms of the agreement, the Foundation agreed to maintain the fund and administer contributions received on behalf of the United Way in the nature of permanently restricted funds and invest the funds intact in a manner consistent with generation of capital appreciation and realization of income.

The investment income of the fund is to be expended for purposes consistent with the tax-exempt status and by-laws of the United Way and, is to be distributed by the Lincoln Foundation, Inc. to the United Way after approval by the Foundation's Board of Directors of written requests submitted by the United Way. The fund was closed in the year ended June 30, 2009.

The balance in the fund was as follows:

	2009	2008
United Way Endowment Fund	<u>-0 -</u>	<u>29,536</u>

NOTE 14. 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. \$90,283 and \$187,644 was applied to this amount for the years ended June 30, 2009 and June 30, 2008, respectively.

ACCOMPANYING INFORMATION

UNITED WAY OF LINCOLN AND LANCASTER COUNTY
 SCHEDULE OF AGENCY ALLOCATIONS,
 GRANTS, CONTRACTS AND DESIGNATIONS
 YEAR ENDED JUNE 30, 2009

American Red Cross, Cornhusker Chapter	118,000
The Arc of Lincoln/Lancaster County	37,000
Asian Community and Cultural Center	5,000
CASA for Lancaster County (Court Appointed Special Advocates)	16,000
Catholic Social Services	17,500
Cedars Youth Services	386,500
Center for People in Need	24,000
City Impact	50,000
Clyde Malone Community Center	65,000
Community CROPS	5,000
Cornhusker Council Boy Scouts	35,000
El Centro de las Americas	10,000
Family Service Association of Lincoln	220,500
Food Bank of Lincoln	20,000
Fresh Start Home	15,000
Friendship Home of Lincoln	80,000
Good Neighbor Community Center	12,500
Heartland Big Brothers/Big Sisters	124,000
Indian Center, Inc.	10,000
League of Human Dignity, Inc.	7,000
Legal Aid of Nebraska	27,500
Lighthouse	50,000
Lincoln Action Program	24,500
Lincoln Council on Alcoholism and Drugs	60,500
Lincoln Medical Education Partnership	20,000
Lincoln/Lancaster County Child Advocacy Center	27,500
Lincoln/Lancaster County Child Guidance Center	183,000
Madonna Rehabilitation Hospital	30,000
Matt Talbot Kitchen and Outreach	30,000
Mourning Hope	15,000
Northeast Family Center	23,000
People's City Mission	22,000
Salvation Army Lincoln, Nebraska Corps	32,000
St. Monica's Home	7,000
Tabitha Health Care Services	38,000
The HUB - Central Access Point for Young Adults	40,000
Voices of Hope (formerly Rape/Spouse Abuse Crisis Center)	102,000
Volunteer Partners	10,000
Willard Community Center	18,000
Young Women's Christian Association	58,000
Designations and other funds distributed to affiliated agencies	935,053
Designations and other funds distributed to nonaffiliated agencies	1,536,395
	<u>4,547,448</u>
Affiliated agencies	3,011,053
Nonaffiliated agencies	<u>1,536,395</u>
	<u>4,547,448</u>

