

UNITED WAY IN WAUKESHA COUNTY, INC.

FINANCIAL STATEMENTS

MARCH 31, 2009 AND 2008

WITH INDEPENDENT AUDITORS' REPORT

UNITED WAY IN WAUKESHA COUNTY, INC.

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS
INTEGRITY COUNTS IN A WORLD OF NUMBERS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
United Way in Waukesha County, Inc.

We have audited the accompanying statements of financial position of UNITED WAY IN WAUKESHA COUNTY, INC. as of March 31, 2009 and 2008, and the related statements of activities, cash flows and functional expenses for the years 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 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 in Waukesha County, Inc. as of March 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Vrakas/Blum, S.C.

Brookfield, Wisconsin
May 21, 2009

FINANCIAL STATEMENTS

UNITED WAY IN WAUKESHA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2009 AND 2008

	2009	2008
CASH AND CASH EQUIVALENTS	\$ 1,787,393	\$ 1,692,784
CERTIFICATES OF DEPOSIT	1,100,000	1,100,000
ORGANIZATION ENDOWMENT INVESTMENT	90,936	110,994
PREPAID EXPENSES	40,371	29,550
ACCOUNTS RECEIVABLE	22,596	2,574
INTEREST RECEIVABLE	21,614	39,755
RESTRICTED CERTIFICATE OF DEPOSIT	8,000	7,000
PLEDGES RECEIVABLE		
2010-2011 campaign	5,000	-
2009-2010 campaign	13,270	200
2008-2009 campaign	3,054,099	41,810
2007-2008 campaign	329,081	2,926,534
2006-2007 campaign	-	255,714
	3,401,450	3,224,258
TOTAL PLEDGES RECEIVABLE	3,401,450	3,224,258
Less - allowance for uncollectible pledges	562,990	391,389
	2,838,460	2,832,869
NET PLEDGES RECEIVABLE	2,838,460	2,832,869
PROPERTY AND EQUIPMENT		
Building and improvements	571,087	571,087
Furniture and fixtures	42,868	42,868
Office equipment	152,398	133,357
	766,353	747,312
TOTAL PROPERTY AND EQUIPMENT	766,353	747,312
Less - accumulated depreciation	383,660	347,177
	382,693	400,135
NET PROPERTY AND EQUIPMENT	382,693	400,135
TOTAL ASSETS	\$ 6,292,063	\$ 6,215,661

The accompanying notes are an integral part of these statements.

	2009	2008
ACCOUNTS PAYABLE	\$ 149,162	\$ 171,986
ALLOCATIONS PAYABLE	3,176,128	2,974,226
DESIGNATIONS PAYABLE	123,931	53,450
COMMUNITY IMPACT GRANTS PAYABLE	43,321	162,098
SAFE AND STABLE FAMILIES GRANTS PAYABLE	109,490	67,305
DEFERRED PROGRAM REVENUES	27,760	42,125
TOTAL LIABILITIES	<u>3,629,792</u>	<u>3,471,190</u>
NET ASSETS		
Unrestricted		
Undesignated	2,224,432	2,164,682
Designated	362,941	512,961
Temporarily restricted	74,898	66,828
TOTAL NET ASSETS	<u>2,662,271</u>	<u>2,744,471</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$6,292,063</u></u>	<u><u>\$6,215,661</u></u>

UNITED WAY IN WAUKESHA COUNTY, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

	2009	2008
UNRESTRICTED NET ASSETS		
Support and revenue		
Campaign funds raised	\$ 4,483,686	\$ 4,650,231
Windhover Challenge funds raised	428,340	-
Funds received from United Way of Greater Milwaukee, Inc.	1,201,611	1,157,883
Funds received from other United Ways	286,809	175,455
Service fees income	10,910	9,930
Volunteer Center dues and other revenues	53,701	13,448
Bequest/planned giving income	15,755	6,859
Donated services	12,046	17,779
Less provision for uncollectible pledges	(398,344)	(225,091)
Less amounts designated by donors for specific organizations	(1,058,637)	(916,418)
	<hr/>	<hr/>
	5,035,877	4,890,076
Interest income	58,067	94,512
Investment losses on organization endowment investment	(35,813)	(7,765)
Other income	4,799	8,992
Volunteer Center gift to United Way for strategic alliance costs	-	19,587
Excess reserve on prior campaigns	2,497	35,524
	<hr/>	<hr/>
Total unrestricted support and revenue before net assets released from restrictions	5,065,427	5,040,926
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	123,016	161,319
	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	5,188,443	5,202,245
EXPENSES		
Allocations		
Funds allocated to agencies	4,351,265	3,975,393
Less allocations funded through donor designations	(469,324)	(261,271)
	<hr/>	<hr/>
Net allocations to agencies	3,881,941	3,714,122
Community impact expenses	129,962	216,130
	<hr/>	<hr/>
Total allocations	4,011,903	3,930,252
Program services	405,917	384,016
	<hr/>	<hr/>
Total allocations and program services	4,417,820	4,314,268

The accompanying notes are an integral part of these statements.

UNITED WAY IN WAUKESHA COUNTY, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

	2009	2008
Supporting services	\$ 691,322	\$ 644,811
United Way of America dues	46,555	43,070
Restricted funds utilized		
Loaned executives	24,097	29,701
Sponsorship expenses	16,958	29,820
Safe and stable families expenses	81,961	101,798
	<hr/>	<hr/>
Total restricted funds utilized	123,016	161,319
	<hr/>	<hr/>
TOTAL EXPENSES	5,278,713	5,163,468
	<hr/>	<hr/>
Change in unrestricted net assets	(90,270)	38,777
TEMPORARILY RESTRICTED NET ASSETS		
Safe and stable families support	82,125	101,875
Sponsorship contributions	48,961	50,659
Volunteer Center gift to United Way	-	48,091
Net assets released from restrictions	(123,016)	(161,319)
	<hr/>	<hr/>
Change in temporarily restricted net assets	8,070	39,306
	<hr/>	<hr/>
CHANGE IN NET ASSETS	(82,200)	78,083
NET ASSETS		
Beginning of year	2,744,471	2,666,388
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End of year	\$ 2,662,271	\$ 2,744,471
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The accompanying notes are an integral part of these statements.

UNITED WAY IN WAUKESHA COUNTY, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (82,200)	\$ 78,083
Add (deduct)		
Depreciation	36,483	29,846
Provision for uncollectible pledges	398,344	225,091
Investment losses on organization endowment investment	35,813	7,765
Increase (decrease) in cash and cash equivalents due to changes in		
Prepaid expenses	(10,821)	(10,508)
Accounts receivable	(20,022)	14,256
Interest receivable	18,141	1,738
Pledges receivable	(403,935)	(295,533)
Accounts payable	(22,824)	6,708
Allocations payable	201,902	(166,070)
Designations payable	70,481	15,092
Community impact grants payable	(118,777)	162,098
Safe and stable families grants payable	42,185	67,305
Deferred program revenues	(14,365)	42,125
Unemployment compensation fund payable	-	(13,232)
NET CASH FLOW - OPERATING ACTIVITIES	130,405	164,764
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(16,755)	(6,384)
Purchases of property and equipment	(19,041)	(79,026)
NET CASH FLOW - INVESTING ACTIVITIES	(35,796)	(85,410)
NET CHANGE IN CASH AND CASH EQUIVALENTS	94,609	79,354
CASH AND CASH EQUIVALENTS		
Beginning of year	1,692,784	1,613,430
End of year	<u>\$ 1,787,393</u>	<u>\$ 1,692,784</u>

The accompanying notes are an integral part of these statements.

UNITED WAY IN WAUKESHA COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MARCH 31, 2009

	Program services				Supporting services			
	Labor relations	Volunteer Center	Community impact	Fund distributions	Total	Management and general	Fund-raising	Total
Salaries	\$24,860	\$100,377	\$ 69,904	\$42,971	\$238,112	\$147,718	\$241,501	\$389,219
Employee benefits	4,753	19,186	13,362	8,213	45,514	28,236	46,160	74,396
Payroll taxes	1,840	7,428	5,174	3,180	17,622	10,931	17,869	28,800
Professional fees *	1,421	6,247	3,444	2,061	13,173	6,314	12,865	19,179
Employee recruitment	44	264	70	42	420	128	377	505
Supplies	133	583	321	192	1,229	589	1,201	1,790
Telephone	733	3,220	1,775	1,062	6,790	3,255	7,754	11,009
Postage/shipping	324	1,425	786	470	3,005	1,441	5,782	7,223
Occupancy	2,096	9,211	5,078	3,038	19,423	9,311	18,970	28,281
Rent/maintenance of equipment	1,667	7,325	4,038	2,416	15,446	7,405	15,087	22,492
Printing and publications	530	2,327	1,283	768	4,908	2,352	4,793	7,145
Travel/professional expense	602	2,645	1,458	872	5,577	2,673	5,447	8,120
Conferences and conventions	646	2,840	1,566	937	5,989	2,871	5,851	8,722
Depreciation	1,602	7,044	3,883	2,324	14,853	7,121	14,508	21,629
United Way of Wisconsin dues	290	1,274	702	420	2,686	1,288	2,625	3,913
Insurance	455	1,998	1,101	659	4,213	2,020	4,114	6,134
Miscellaneous	751	3,299	1,819	1,088	6,957	3,335	6,781	10,116
Campaign printing	-	-	-	-	-	-	19,937	19,937
Campaign supplies/public relations	-	-	-	-	-	-	20,320	20,320
Awards	-	-	-	-	-	-	2,392	2,392
Subtotal	42,747	176,693	115,764	70,713	405,917	236,988	454,334	691,322
United Way of America dues **	2,045	8,989	4,955	2,965	18,954	9,087	18,514	27,601
	<u>\$44,792</u>	<u>\$185,682</u>	<u>\$120,719</u>	<u>\$73,678</u>	<u>\$424,871</u>	<u>\$246,075</u>	<u>\$472,848</u>	<u>\$718,923</u>

* Includes final \$10,269 for consulting services related to completion of strategic planning.

** United Way of America now allows its dues to be allocated across all functional areas.

The accompanying notes are an integral part of this statement.

UNITED WAY IN WAUKESHA COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MARCH 31, 2008

	Program services					Supporting services			
	Labor relations	Volunteer Center	Community impact	Fund distributions	Total	Management and general	Fund-raising	United Way of America dues	Total
Salaries	\$31,400	\$ 80,338	\$ 81,230	\$30,479	\$223,447	\$153,061	\$198,903	\$ -	\$351,964
Employee benefits	6,311	16,149	16,326	6,125	44,911	30,769	39,985	-	70,754
Payroll taxes	2,389	6,110	6,179	2,318	16,996	11,641	15,129	-	26,770
Professional fees *	1,568	5,703	4,743	1,627	13,641	7,265	10,838	-	18,103
Employee recruitment	109	265	220	75	669	337	1,215	-	1,552
Supplies	237	862	716	246	2,061	1,097	1,637	-	2,734
Telephone	763	2,775	2,308	792	6,638	3,535	6,389	-	9,924
Postage/shipping	581	2,114	1,758	603	5,056	2,692	8,221	-	10,913
Occupancy	1,931	7,026	5,843	2,004	16,804	8,950	13,352	-	22,302
Rent/maintenance of equipment	1,596	5,808	4,830	1,656	13,890	7,398	11,037	-	18,435
Printing and publications	558	2,028	1,687	579	4,852	2,584	3,855	-	6,439
Travel/professional expense	599	2,180	1,813	622	5,214	2,776	4,142	-	6,918
Conferences and conventions	928	3,377	2,809	963	8,077	4,302	6,418	-	10,720
Depreciation	1,473	5,363	4,459	1,530	12,825	6,831	10,190	-	17,021
United Way of Wisconsin dues	312	1,136	945	324	2,717	1,447	2,159	-	3,606
Insurance	445	1,620	1,347	462	3,874	2,063	3,078	-	5,141
Miscellaneous	274	978	814	278	2,344	1,247	1,859	-	3,106
Campaign printing	-	-	-	-	-	-	21,028	-	21,028
Campaign supplies/public relations	-	-	-	-	-	-	34,886	-	34,886
Awards	-	-	-	-	-	-	2,495	-	2,495
Subtotal	51,474	143,832	138,027	50,683	384,016	247,995	396,816	-	644,811
United Way of America dues	-	-	-	-	-	-	-	43,070	43,070
	<u>\$51,474</u>	<u>\$143,832</u>	<u>\$138,027</u>	<u>\$50,683</u>	<u>\$384,016</u>	<u>\$247,995</u>	<u>\$396,816</u>	<u>\$43,070</u>	<u>\$687,881</u>

* Includes \$10,000 for consulting services related to strategic planning.

UNITED WAY IN WAUKESHA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization - United Way in Waukesha County, Inc. (the organization) is a Wisconsin nonstock, not-for-profit corporation organized to meet the human-service needs of Waukesha County. It is organized exclusively for charitable purposes and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

On July 23, 2007, the Volunteer Center of Waukesha County, Inc. a Wisconsin non-stock corporation, gifted its organization and certain assets to United Way in Waukesha County, Inc. The Volunteer Center operations from August 2007 forward are included in the accompanying financial statements.

Cash, cash equivalents and investments - The organization considers its highly liquid bank repurchase account to be a cash equivalent. As of March 31, 2009 and 2008, respectively, \$1,385,000 and \$1,457,000 was invested in this repurchase account. Securities that are direct obligations of the United States government or its agencies are pledged as collateral for the investment in the repurchase account. Certificates of deposit have original maturities of six months to one year. These certificates earn interest ranging from 1.60% to 3.99% as of March 31, 2009. Certificates that mature are frequently reinvested in new certificates of deposit at the same institution. The organization has an "organization endowment" fund with the Waukesha County Community Foundation which consists of various mutual funds and common stocks and is classified as an organization endowment investment. The carrying amounts reported in the statements of financial position for financial instruments approximate their fair values.

United Way in Waukesha County, Inc. maintains bank accounts and certificates of deposit in which the account balances exceed the amount insured by federal insurance agencies by approximately \$260,000 and \$242,000 as of March 31, 2009 and 2008, respectively. The Federal Deposit Insurance Corporation (FDIC) provides limited insurance on cash deposits. At times, the organization's cash deposits may exceed the FDIC insurance limit; however, the organization does not expect to experience any losses on its cash deposits. The monies are insured by the FDIC up to \$250,000 through December 31, 2009. The federal deposit insurance will return to a limit of \$100,000, effective January 1, 2010, unless it is extended by the federal government. The bank repurchase account is not insured by the FDIC.

Allowance for uncollectible pledges - The allowance for uncollectible pledges is computed as a percentage of the campaign funds raised. As of March 31, 2009 and 2008, nearly

100% of the oldest campaign year's pledges receivable was reserved for as uncollectible. In addition, an allowance of 7.0% and 4.5% of the remaining pledges receivable was recorded as of March 31, 2009 and 2008, respectively.

Property and equipment - Donated property and equipment are recorded at fair value on the date of the donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Major additions and improvements are capitalized. Maintenance and repairs are expensed currently.

Depreciation is computed using the straight-line method over the following estimated useful lives of the assets.

Building and improvements	31.5 years
Furniture and fixtures	5 - 10 years
Office equipment	3 - 10 years

Long-lived assets - The organization annually considers whether indicators of impairment of long-lived assets held for use are present. If such indicators are present, the organization determines whether the sum of the estimated undiscounted future cash flow attributable to such assets is less than their carrying amounts, and if so, the organization would recognize an impairment loss based on the excess of the carrying amount of the assets over their fair value. Management has determined that no such impairment was present as of March 31, 2009 and 2008.

Temporarily restricted net assets - Temporarily restricted net assets represent unspent contributions which are donor-restricted for a specific purpose. As the monies are spent for the purpose intended, the net assets are transferred to unrestricted.

Expense allocation - Expenses are allocated to various functional activities using the United Way of America's full-time equivalents method of allocation, which is based on actual time spent in each area by the organization's employees.

Donated materials and services - Donated materials are reflected as contributions in the accompanying statements at their estimated values at date of receipt. Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. In 2009 and 2008, respectively, there were donated services of \$12,046 and \$17,779 primarily related to campaign and advertising expense in both years. In 2009 and 2008, a substantial number of volunteers have donated significant amounts of their time in the organization's program services and in its fund-raising campaigns. The organization receives more than 8,100 volunteer hours per year. These volunteer services are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 have not been met.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Prior year information - Certain 2008 amounts have been reclassified to conform to the 2009 presentation.

2. AGENCY ALLOCATIONS

Agency allocations for the upcoming calendar year are recognized as an expense in the current year when the organization's board of directors approves the allocations and the agencies are notified. Any subsequent modifications made to these allocations are recorded in the year they are approved. Agency initial allocations approved in 2009 and 2008 are presented below.

All allocations to agencies fund specific programs. A description of these programs can be found on the website "<http://www.unitedwaywaukesha.org/>".

	2009	2008
Adaptive Community Approach	\$ 18,977	\$ 18,977
Addiction Resource Council, Inc.	-	4,417
American Red Cross	128,578	128,578
Association for the Rights of Citizens with Handicaps	113,824	113,824
Big Brothers & Big Sisters of Metro Milwaukee and Waukesha	34,800	34,800
Boy Scouts of America	195,400	195,400
Boys & Girls Club	70,997	-
Catholic Charities	305,388	305,388
Community Outreach Center	7,900	7,900
Curative Rehabilitation Services	10,000	10,000
Donna Lexa Community Art Centers	50,000	50,000
Easter Seals/Kindcare	30,000	30,000
Energy Services of Waukesha County	16,000	16,000
Family Service of Waukesha County	358,529	348,529
Girl Scouts of Wisconsin Southeast	108,405	108,405
Greater Milwaukee Foundation	15,000	-
Hamilton School District	500	-
Healthy Families in Waukesha County	49,879	49,879
Hebron House of Hospitality	345,095	325,095
Interfaith Senior Programs - Transportation	111,528	110,917
Interfaith Senior Programs - Caregiver Support	145,555	-
La Casa de Esperanza	231,497	231,497
Lutheran Social Services	189,361	189,361
Mental Health Association in Waukesha County	228,819	206,445
Mukwonago School District	31,506	-
National Alliance for the Mentally Ill	33,500	33,500
Nonprofit Management Fund	15,000	20,000

	2009	2008
Oconomowoc School District	\$ 10,162	\$ -
Pregnancy Support Connection	84,739	89,428
Prevention and Protection of Abused Children - Born Learning	107,511	111,566
Prevention and Protection of Abused Children - other programs	28,168	28,168
Richard's Place	40,000	40,000
St. Aemilian's - Lakeside, Inc.	33,615	33,615
St. Joseph's Medical and Dental Clinic	121,704	121,704
Salvation Army - Waukesha	138,182	138,182
Stillwaters Center	40,629	40,629
Sussex Area Outreach Services	34,420	7,000
The Caring Place	62,570	62,570
Volunteer Recognition Awards	2,500	-
Waukesha County Literacy Council	25,738	25,738
Waukesha Family YMCA	209,722	209,722
Waukesha Training Center	142,224	142,224
Wisconsin Community Services	134,930	40,983
Women's Center	279,967	279,967
YMCA at Pabst Farms	124,746	124,746
Volunteer Center	-	(51,579)
Waukesha Memorial - Caregiver Support	(83,889)	-
Mukwonago School District	(29,935)	-
Other	(2,476)	(8,182)
	<u>\$4,351,265</u>	<u>\$3,975,393</u>

3. UNITED WAY OF GREATER MILWAUKEE, INC. ALLOCATIONS

United Way of Greater Milwaukee, Inc. partially reimburses United Way in Waukesha County, Inc. for the campaign contributions from the eastern tier of Waukesha County and for Waukesha County residents who work in Milwaukee County. These contributions are paid as allocations to Waukesha County agencies by the United Way in Waukesha County, Inc.

4. UNEMPLOYMENT COMPENSATION FUND

United Way in Waukesha County, Inc. has elected reimbursement financing whereby it is required to maintain an \$8,000 certificate of deposit to cover potential unemployment compensation claims.

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following unspent contributions which are donor-restricted for specific purposes as of March 31.

	2009	2008
Sponsor's program fund	\$ 6,833	\$ (1,073)
Safe and stable families fund	19,974	19,810
Volunteer Center fund	48,091	48,091
	<u>\$ 74,898</u>	<u>\$ 66,828</u>

6. BOARD DESIGNATED NET ASSETS

Board designated net assets consist of the following unspent contributions, which are board-designated for specific purposes, as of March 31.

	2009	2008
Bequest/planned giving fund	\$ 91,411	\$111,469
Impact council fund	1,957	1,957
Community impact fund	269,573	399,535
	<u>\$362,941</u>	<u>\$512,961</u>

The change in Community impact fund between years of \$129,962 is comprised of the following.

La Casa de Esperanza	\$ 70,000
Nissen Staffing	59,962
	<u>\$129,962</u>

7. SIMPLIFIED EMPLOYEE PENSION PLAN

The organization has a simplified employee pension plan. Under the plan the organization has contributed a discretionary amount of each participating employee's salary (6.75% in 2009 and 2008). Employees are eligible to participate beginning January 1 following their date of hire. All contributions and earnings are 100% vested. Contributions for the years ended March 31, 2009 and 2008 were \$36,367 and \$36,618, respectively.

8. OVERHEAD RATIO

The overhead ratio as prescribed by United Way of America (UWA) is equal to supporting services and UWA dues divided by total unrestricted revenue and support as reported on the organization's federal form 990.

	2009	2008
Numerator: Supporting services	\$ 718,923	\$ 687,881
Denominator: Total unrestricted revenue and support	\$5,188,443	\$5,202,245
Less restricted funds utilized on loaned executives and sponsorship expenses	41,055	59,521
	<u>\$5,147,388</u>	<u>\$5,142,724</u>
Numerator/denominator expressed as a percent	<u>13.97%</u>	<u>13.38%</u>

In June 2008, UWA announced that the average overhead rate for all United Ways was 14.2% and the average overhead rate for "Metro 2", the category that United Way in Waukesha County, Inc. is included, was 15.3%. These statistics reported by UWA are findings from their "2004 - 2005 Income and Expense" study.

9. LINE OF CREDIT GUARANTY

During 2009, the organization signed a limited guaranty of 33% of the \$20,000 line of credit provided to Moreland Commons Condominium Inc. by its bank. The organization owns the building in which it and the condominium association have their offices. The balance on the line of credit as of March 31, 2009 is \$12,711.

10. PENDING ACCOUNTING PRONOUNCEMENT RELATED TO INCOME TAXES

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*. FIN 48 clarifies FASB Statement No. 109, *Accounting for Income Taxes* and applies to all entities that prepare financial statements in accordance with accounting principles generally accepted in the United States of America. FASB Staff Position (FSP) FIN 48-3, *Effective Date of Interpretation No. 48 for Certain Nonpublic Enterprises*, was issued in December 2008. This FSP defers the effective date of FIN 48 for most nonpublic enterprises. The provisions of FIN 48 will be adopted by the organization in 2010 unless there are further amendments or deferrals. Currently, management evaluates all material income tax positions in accordance with FASB Statement No. 5, *Accounting for Contingencies*.

Under FIN 48, the accounting for all material tax positions taken (or expected to be taken) will be assessed by management related to recognition, measurement and disclosure for all tax years that are still subject to assessment or challenge by relevant taxing authorities. Management will assess tax positions such as Unrelated Business Income Tax (UBIT) issues that impact the decision to file a tax return in a particular jurisdiction for which such a return might be required. The adoption of FIN 48 is not expected to have a significant impact on the organization's March 31, 2010 financial statements.