

UNITED WAY IN WAUKESHA COUNTY, INC.

FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

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, 2010 and 2009, 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, 2010 and 2009, 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
July 13, 2010

FINANCIAL STATEMENTS

UNITED WAY IN WAUKESHA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2010 AND 2009

	2010	2009
CASH AND CASH EQUIVALENTS	\$ 1,800,394	\$ 1,787,393
CERTIFICATES OF DEPOSIT	1,075,000	1,100,000
ORGANIZATION ENDOWMENT INVESTMENT	142,527	90,936
PREPAID EXPENSES	27,223	40,371
ACCOUNTS RECEIVABLE	124,154	22,596
INTEREST RECEIVABLE	6,663	21,614
RESTRICTED CERTIFICATE OF DEPOSIT	8,000	8,000
PLEDGES RECEIVABLE		
2010-2011 campaign	10,020	5,000
2009-2010 campaign	2,610,645	13,270
2008-2009 campaign	412,405	3,054,099
2007-2008 campaign	-	329,081
TOTAL PLEDGES RECEIVABLE	3,033,070	3,401,450
Less - allowance for uncollectible pledges	637,116	562,990
NET PLEDGES RECEIVABLE	2,395,954	2,838,460
PROPERTY AND EQUIPMENT		
Building and improvements	571,087	571,087
Furniture and fixtures	42,868	42,868
Office equipment	154,633	152,398
TOTAL PROPERTY AND EQUIPMENT	768,588	766,353
Less - accumulated depreciation	424,099	383,660
NET PROPERTY AND EQUIPMENT	344,489	382,693
TOTAL ASSETS	\$ 5,924,404	\$ 6,292,063

The accompanying notes are an integral part of these statements.

	2010	2009
ACCOUNTS PAYABLE	\$ 68,912	\$ 149,162
ALLOCATIONS PAYABLE	3,132,556	3,176,128
DESIGNATIONS PAYABLE	134,683	123,931
COMMUNITY IMPACT GRANTS PAYABLE	-	43,321
SAFE AND STABLE FAMILIES GRANTS PAYABLE	89,740	109,490
DEFERRED PROGRAM REVENUES	25,640	27,760
TOTAL LIABILITIES	<u>3,451,531</u>	<u>3,629,792</u>

NET ASSETS		
Unrestricted		
Undesignated	1,982,952	2,224,432
Designated	406,581	362,941
Temporarily restricted	83,340	74,898
TOTAL NET ASSETS	<u>2,472,873</u>	<u>2,662,271</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,924,404</u>	<u>\$ 6,292,063</u>

UNITED WAY IN WAUKESHA COUNTY, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED MARCH 31, 2010 AND 2009

	2010	2009
UNRESTRICTED NET ASSETS		
Support and revenue		
Campaign funds raised	\$4,268,916	\$4,483,686
Windhover Challenge funds raised	-	428,340
Funds received from United Way of Greater Milwaukee, Inc.	1,226,370	1,201,611
Funds received from other United Ways	352,802	286,809
Service fees income	25,847	10,910
Volunteer Center dues and other revenues	28,416	53,701
Bequest/planned giving income	25,675	15,755
Donated services	14,853	12,046
Less provision for uncollectible pledges	(352,395)	(398,344)
Less amounts designated by donors for specific organizations	(766,970)	(1,058,637)
	4,823,514	5,035,877
Interest income	29,905	58,067
Investment gains (losses) on organization endowment investment, net of fees	30,816	(35,813)
Other income	4,981	4,799
Excess reserve on prior campaigns	42,084	2,497
	4,931,300	5,065,427
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	149,511	123,016
	5,080,811	5,188,443
EXPENSES		
Allocations		
Funds allocated to agencies	4,305,966	4,351,265
Less allocations funded through donor designations	(232,755)	(469,324)
	4,073,211	3,881,941
Community impact expenses	7,950	129,962
	4,081,161	4,011,903
Program services	372,506	405,917
	4,453,667	4,417,820

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, 2010 AND 2009

	2010	2009
Supporting services	\$ 626,770	\$ 691,322
United Way Worldwide dues	48,703	46,555
Restricted funds utilized		
Loaned executives	10,054	24,097
Sponsorship expenses	34,558	16,958
Volunteer Center	6,097	-
Safe and stable families expenses	98,802	81,961
	<hr/>	<hr/>
Total restricted funds utilized	149,511	123,016
	<hr/>	<hr/>
TOTAL EXPENSES	5,278,651	5,278,713
	<hr/>	<hr/>
Change in unrestricted net assets	(197,840)	(90,270)
TEMPORARILY RESTRICTED NET ASSETS		
Safe and stable families support	101,875	82,125
Volunteer Center	9,950	-
Sponsorship contributions	46,128	48,961
Net assets released from restrictions	(149,511)	(123,016)
	<hr/>	<hr/>
Change in temporarily restricted net assets	8,442	8,070
	<hr/>	<hr/>
CHANGE IN NET ASSETS	(189,398)	(82,200)
NET ASSETS		
Beginning of year	2,662,271	2,744,471
	<hr/>	<hr/>
End of year	\$ 2,472,873	\$ 2,662,271
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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, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (189,398)	\$ (82,200)
Add (deduct)		
Depreciation	40,439	36,483
Provision for uncollectible pledges	352,395	398,344
(Gains) losses on organization endowment investment	(30,816)	35,813
Increase (decrease) in cash and cash equivalents due to changes in		
Prepaid expenses	13,148	(10,821)
Accounts receivable	(101,558)	(20,022)
Interest receivable	14,951	18,141
Pledges receivable	90,111	(403,935)
Accounts payable	(80,250)	(22,824)
Allocations payable	(43,572)	201,902
Designations payable	10,752	70,481
Community impact grants payable	(43,321)	(118,777)
Safe and stable families grants payable	(19,750)	42,185
Deferred program revenues	(2,120)	(14,365)
NET CASH FLOW - OPERATING ACTIVITIES	11,011	130,405
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of certificates of deposit	300,000	-
Purchases of certificates of deposit	(275,000)	-
Purchases of investments	(20,775)	(16,755)
Purchases of property and equipment	(2,235)	(19,041)
NET CASH FLOW - INVESTING ACTIVITIES	1,990	(35,796)
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,001	94,609
CASH AND CASH EQUIVALENTS		
Beginning of year	1,787,393	1,692,784
End of year	<u>\$ 1,800,394</u>	<u>\$ 1,787,393</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, 2010

	Program services					Supporting services		
	Labor relations	Volunteer Center	Community impact	Fund distributions	Total	Management and general	Fund-raising	Total
Salaries	\$27,620	\$101,019	\$40,407	\$ 63,666	\$232,712	\$ 91,236	\$290,728	\$381,964
Employee benefits	4,343	15,883	6,354	10,011	36,591	19,440	45,714	65,154
Payroll taxes	2,013	7,361	2,945	4,643	16,962	6,649	21,188	27,837
Professional fees	609	2,354	730	1,131	4,824	1,558	5,373	6,931
Employee recruitment	-	-	-	-	-	-	-	-
Supplies	128	493	153	237	1,011	326	1,125	1,451
Telephone	895	3,457	1,072	1,661	7,085	2,288	8,891	11,179
Postage/shipping	329	1,272	394	611	2,606	842	5,134	5,976
Occupancy	2,756	10,650	3,302	5,117	21,825	7,047	24,309	31,356
Rent/maintenance of equipment	2,141	8,271	2,565	3,974	16,951	5,473	18,880	24,353
Printing and publications	109	420	130	202	861	278	958	1,236
Travel/professional expense	640	2,474	767	1,189	5,070	1,637	5,648	7,285
Conferences and conventions	57	220	68	106	451	145	502	647
Depreciation	2,096	8,098	2,511	3,891	16,596	5,359	18,484	23,843
United Way of Wisconsin dues	365	1,411	437	678	2,891	934	3,221	4,155
Insurance	462	1,785	553	858	3,658	1,181	4,074	5,255
Miscellaneous	305	1,180	360	567	2,412	3,154	2,694	5,848
Campaign printing	-	-	-	-	-	-	12,732	12,732
Campaign supplies/public relations	-	-	-	-	-	-	8,711	8,711
Awards	-	-	-	-	-	-	857	857
Subtotal	44,868	166,348	62,748	98,542	372,506	147,547	479,223	626,770
United Way Worldwide dues	2,524	9,753	3,024	4,686	19,987	6,454	22,262	28,716
	<u>\$47,392</u>	<u>\$176,101</u>	<u>\$65,772</u>	<u>\$103,228</u>	<u>\$392,493</u>	<u>\$154,001</u>	<u>\$501,485</u>	<u>\$655,486</u>

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, 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	14,509	21,630
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	6,780	10,115
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 Worldwide 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 IN WAUKESHA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

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.

Basis of presentation - All financial statements are prepared using the accrual basis of accounting.

Accounting 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent events - The preparation of these financial statements includes management's evaluation of events and transactions occurring subsequent to March 31, 2010 through July 13, 2010, which is the date the financial statements were available to be issued.

Cash, cash equivalents and investments - The organization considers its highly liquid bank repurchase account to be a cash equivalent. As of March 31, 2010 and 2009, respectively, \$1,500,000 and \$1,385,000 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 greater than three months. These certificates earn interest ranging from .75% to 2.32% as of March 31, 2010. 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 \$58,000 and \$260,000 as of March 31, 2010 and 2009, 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, 2013. The federal deposit insurance will return to a limit of \$100,000, effective January 1, 2014, unless it is extended by the federal government. The bank repurchase account is not insured by the FDIC.

Fair value measurements - New accounting guidance relating to fair value measurements under accounting principles generally accepted in the United States of America establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes 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 investments (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 - Valuation is based upon quoted prices in active markets for identical investments.
- Level 2 - Valuation is based upon other significant observable inputs (including quoted prices for similar investments).
- Level 3 - Valuation is based upon significant unobservable inputs (including the plan's assumptions in determining the fair value of investments).

Following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of deposit - Valued based on cost, which closely approximates fair value.

Organization endowment investment - Valued at the net asset value ("NAV") of shares held by the organization at year-end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the association 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 organization determines by level, within the fair value hierarchy, the organization's investments at fair value as of March 31, 2010 and 2009 and has categorized the certificates of deposit and organization endowment investment, which invests in mutual funds, as level 1.

Allowance for uncollectible pledges - The allowance for uncollectible pledges is computed as a percentage of the campaign funds raised. As of March 31, 2010 and 2009, nearly 100% of the oldest campaign year's pledges receivable was reserved for as uncollectible. In addition, an allowance of 7.0% of the original campaign pledges was recorded as of March 31, 2010 and 2009. There is no allowance provided on funds received from United Way of Greater Milwaukee, Inc.

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, 2010 and 2009.

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 Worldwide's (UWW), formerly known as United Way of America, 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 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 2010 and 2009, respectively, there were donated services of \$14,853 and \$12,046 primarily related to advertising expense in both years. In 2010 and 2009, 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 8,200 volunteer hours per year. These volunteer services are not recognized as contributions in the financial statements since the recognition criteria under generally accepted accounting principles have not been met.

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 2010 and 2009 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/>".

	2010	2009
Adaptive Community Approach	\$ 18,977	\$ 18,977
American Red Cross	93,378	128,578
Association for the Rights of Citizens with Handicaps	111,574	113,824
Big Brothers & Big Sisters of Metro Milwaukee and Waukesha	34,800	34,800
Boy Scouts of America	185,650	195,400
Boys & Girls Club	70,997	70,997
Catholic Charities	289,725	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	342,628	358,529
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	325,095	345,095
Interfaith Senior Programs - other programs	82,925	85,925
Interfaith Senior Programs - Transportation Initiative	25,603	25,603
Interfaith Senior Programs - Caregiver Support	119,143	145,555
La Casa de Esperanza - other programs	221,497	221,497
La Casa de Esperanza - Clinic Services	2,250	10,000
La Casa de Esperanza - Financial Stability	129,962	-
Lutheran Social Services - other programs	126,250	126,250
Lutheran Social Services - Child Care Early Intervention	14,200	63,111

	2010	2009
Mental Health Association in Waukesha County	\$ 209,332	\$ 228,819
Mukwonago School District	18,378	31,506
National Alliance for the Mentally Ill	31,710	33,500
Nonprofit Management Fund	12,000	15,000
Oconomowoc School District	5,928	10,162
Pregnancy Support Connection	84,739	84,739
Prevention and Protection of Abused Children - Born Learning	107,511	107,511
Prevention and Protection of Abused Children - other programs	28,168	28,168
Richard's Place	39,000	40,000
St. Aemilian's - Lakeside, Inc.	30,254	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	34,420
The Caring Place	62,570	62,570
Volunteer Recognition Awards	3,000	2,500
Waukesha County Literacy Council	25,738	25,738
Waukesha Family YMCA	200,052	209,722
Waukesha Training Center	142,224	142,224
Wisconsin Community Services	134,930	134,930
Women's Center	279,967	279,967
YMCA at Pabst Farms	121,090	124,746
Interfaith Senior Programs - Caregiver Support	(32,398)	-
Waukesha Memorial - Caregiver Support	-	(83,889)
Mukwonago School District	-	(29,935)
Other	-	(2,476)
	<u>\$4,305,966</u>	<u>\$4,351,265</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. in accordance with donor designation policy and the allocation distributions approved by the United Way in Waukesha County, Inc. board of directors.

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.

	2010	2009
Sponsor's program fund	\$ 8,349	\$ 6,833
Safe and stable families fund	23,047	19,974
Volunteer Center fund	46,381	48,091
Volunteer Center COAD Grant	5,563	-
	<u>\$ 83,340</u>	<u>\$ 74,898</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.

	2010	2009
Bequest/planned giving fund	\$143,001	\$ 91,411
Impact council fund	1,957	1,957
Community impact fund	261,623	269,573
	<u>\$406,581</u>	<u>\$362,941</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 (3.00% for the year ended March 31, 2010 and 6.75% for the year ended March 31, 2009). 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, 2010 and 2009 were \$18,201 and \$36,367, respectively.

8. OVERHEAD RATIO

The overhead ratio as prescribed by UWW is equal to supporting services and UWW dues divided by total unrestricted revenue and support as reported on the organization's federal form 990.

	2010	2009
Numerator: Supporting services	\$ 655,486	\$ 718,923
Denominator: Total unrestricted revenue and support	\$5,080,811	\$5,188,443
Less restricted funds utilized on loaned executives and sponsorship expenses	44,612	41,055
	<u>\$5,036,199</u>	<u>\$5,147,388</u>
Numerator/denominator expressed as a percent	<u>13.02%</u>	<u>13.97%</u>

In June 2008, UWW 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 UWW are findings from their "2004 - 2005 Income and Expense" study.

9. LINE OF CREDIT GUARANTY

The organization has a limited guaranty of 52% 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, 2010 is \$12,711.