

**INLAND EMPIRE UNITED WAY**

**Financial Statements and Supplemental  
Schedules for the Year Ended June 30, 2010  
and Independent Auditors' Report**

**INLAND EMPIRE UNITED WAY**

**June 30, 2010**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Inland Empire United Way  
9644 Hermosa Avenue  
Rancho Cucamonga, California 91730

We have audited the accompanying financial statements of the Inland Empire United Way (the Organization) as of June 30, 2010 and for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements that were audited by other auditors whose report dated November 4, 2009 expressed an unqualified opinion on those statements.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inland Empire United Way as of June 30, 2010, and the changes in its net assets, cash flows and functional expenses for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Vicenti, Lloyd + Stutzman LLP*  
VICENTI, LLOYD & STUTZMAN LLP

December 21, 2010

**INLAND EMPIRE UNITED WAY**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2010**

(With Comparative Totals for 2009)

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>Total 2010</u>	<u>Total 2009</u>
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and cash equivalents	\$ 517,614	\$	\$ 517,614	\$ 455,615
Pledges receivable		2,042,425	2,042,425	2,122,946
(Less) allowance for uncollectible		(343,580)	(343,580)	(331,197)
Designations receivable		34,198	34,198	49,682
Operating receivables	3,982		3,982	225
Short-term investments				158,683
Inventory	929,884		929,884	940,121
Prepaid expenses	41,738		41,738	60,757
Deposits	22,615		22,615	25,078
Total Current Assets	1,515,833	1,733,043	3,248,876	3,481,910
Non-Current Assets:				
Equipment and leasehold improvements	873,914		873,914	1,397,104
(Less) accumulated depreciation	(631,498)		(631,498)	(1,091,351)
Total Non-Current Assets	242,416	-	242,416	305,753
 Total assets	 \$ 1,758,249	 \$ 1,733,043	 \$ 3,491,292	 \$ 3,787,663
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Liabilities:				
Designations payable	\$ 33,750	\$	\$ 33,750	\$ 44,481
Operating accounts payable	27,681		27,681	21,192
Accrued expenses	133,468		133,468	125,048
Total liabilities	194,899	-	194,899	190,721
Net Assets:				
Unrestricted net assets				
Unappropriated	1,116,146		1,116,146	1,308,307
Board appropriated	447,204		447,204	447,204
Temporarily restricted		1,733,043	1,733,043	1,841,431
Total net assets	1,563,350	1,733,043	3,296,393	3,596,942
 Total liabilities and net assets	 \$ 1,758,249	 \$ 1,733,043	 \$ 3,491,292	 \$ 3,787,663

See accompanying auditors' report and notes to financial statements.

**INLAND EMPIRE UNITED WAY**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2010**

**(With Comparative Totals for 2009)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2010</u>	<u>Total 2009</u>
<b><u>PUBLIC SUPPORT AND OTHER REVENUES</u></b>				
Campaign Revenue:				
Gross campaign result (prior years)	\$ 191,042	\$	\$ 191,042	\$ 154,782
(Less) designations & pass-through	<u>(52,608)</u>	<u>          </u>	<u>(52,608)</u>	<u>(82,205)</u>
Net campaign revenue (prior years)	<u>138,434</u>	<u>-</u>	<u>138,434</u>	<u>72,577</u>
Gross campaign result (current year)	54,021	3,052,256	3,106,277	3,410,661
(Less) designations & pass through		<u>(1,066,718)</u>	<u>(1,066,718)</u>	<u>(851,698)</u>
(Less) provision for uncollectible		<u>(329,687)</u>	<u>(329,687)</u>	<u>(147,440)</u>
Net campaign revenue (current year)	<u>54,021</u>	<u>1,655,851</u>	<u>1,709,872</u>	<u>2,411,523</u>
Net campaign revenue	<u>192,455</u>	<u>1,655,851</u>	<u>1,848,306</u>	<u>2,484,100</u>
Other Revenues:				
Gifts in kind	1,308,231		1,308,231	1,275,291
Service fees	48,656		48,656	23,154
Program fees	98,633		98,633	82,106
Grants and contracts	1,095,183		1,095,183	1,139,041
Investment income	2,566		2,566	8,756
Unrealized gain (loss) on investments	<u>(653)</u>		<u>(653)</u>	<u>(4,877)</u>
Sales and miscellaneous income	1,985		1,985	4,142
Sponsorships	3,500		3,500	6,610
Net assets released from restriction	<u>1,764,239</u>	<u>(1,764,239)</u>		
Total other revenue	<u>4,322,340</u>	<u>(1,764,239)</u>	<u>2,558,101</u>	<u>2,534,223</u>
Total public support and other revenues	<u>4,514,795</u>	<u>(108,388)</u>	<u>4,406,407</u>	<u>5,018,323</u>
<b><u>EXPENSES</u></b>				
Program Services:				
Gross funds awarded/distributed	1,592,556		1,592,556	1,550,712
Less donor designations	<u>(1,057,435)</u>		<u>(1,057,435)</u>	<u>(918,126)</u>
Net funds awarded/distributed	<u>535,121</u>	<u>-</u>	<u>535,121</u>	<u>632,586</u>
Community Programs:				
211 Initiative	1,113,618		1,113,618	1,171,043
Education & Health Initiative	1,892,328		1,892,328	1,748,588
Financial Stability Initiative	69,706		69,706	102,985
Volunteer Initiative	421,156		421,156	379,147
Other initiatives	<u>115,940</u>		<u>115,940</u>	<u>400,068</u>
Total Community Service	<u>3,612,748</u>	<u>-</u>	<u>3,612,748</u>	<u>3,801,831</u>
Supporting Services:				
Management and general	105,651		105,651	92,073
Fund raising	<u>453,436</u>		<u>453,436</u>	<u>483,892</u>
Total supporting services	<u>559,087</u>	<u>-</u>	<u>559,087</u>	<u>575,965</u>
Total expenses	<u>4,706,956</u>	<u>-</u>	<u>4,706,956</u>	<u>5,010,382</u>
Decrease in net assets	(192,161)	(108,388)	(300,549)	7,941
Net Assets - beginning of year	<u>1,755,511</u>	<u>1,841,431</u>	<u>3,596,942</u>	<u>3,589,001</u>
Net Assets - end of year	<u>\$ 1,563,350</u>	<u>\$ 1,733,043</u>	<u>\$ 3,296,393</u>	<u>\$ 3,596,942</u>

See accompanying auditors' report and notes to financial statements.

**INLAND EMPIRE UNITED WAY**

**STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2010**

(With Comparative Totals for 2009)

	<b>2010</b>	<b>2009</b>
<b>Reconciliation of Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities</b>		
Increase (decrease) in net assets	\$ (300,549)	\$ 7,941
<b>Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities</b>		
Non-cash gifts received	(1,308,231)	(1,275,291)
Non-cash gifts made	1,311,753	1,266,471
Unrealized loss on investment	653	4,877
Depreciation	148,611	167,569
Loss (gain) on uncollectible pledges	12,383	(134,373)
(Increase)/decrease in:		
Pledge and other receivables	92,248	(73,144)
Inventory	6,715	(13,792)
Prepaid expenses & deposits	21,482	3,061
Increase/(Decrease) in:		
Designations payable	(10,731)	(44,269)
Accrued expenses and operating account payable	<u>14,909</u>	<u>(138,262)</u>
Total adjustments	<u>289,792</u>	<u>(237,153)</u>
<b>Net Cash Used by Operating Activities</b>	<u>(10,757)</u>	<u>(229,212)</u>
<b>Cash Flows from Investing Activities</b>		
Leasehold improvement and equipment acquisitions	(85,274)	(31,712)
Maturity of short-term investments	<u>158,030</u>	<u>260,793</u>
<b>Net Cash Provided by Investing Activities</b>	<u>72,756</u>	<u>229,081</u>
<b>Net Increase (Decrease) in Cash</b>	61,999	(131)
<b>Cash - Beginning of Year</b>	<u>455,615</u>	<u>455,746</u>
<b>Cash - End of Year</b>	<u>517,614</u>	<u>455,615</u>

See accompanying auditors' report and notes to financial statements.

**INLAND EMPIRE UNITED WAY**

**Statement of Functional Expenses  
For the Year Ended June 30, 2010**

**(With Comparative Totals for 2009)**

	Community Programs					Supporting Services			Total		
	211 Initiative	Education & Health Initiative	Financial Stability Initiative	Volunteer Initiative	Other Initiatives	Total	Management & General	Fund Raising	Total	2010	2009
<b>Personnel Expenses:</b>											
Salaries and wages	\$ 668,892	\$ 265,959	\$ 29,296	\$ 245,417	\$ 59,387	\$ 1,268,951	\$ 44,394	\$ 248,855	\$ 293,249	\$ 1,562,200	\$ 1,641,981
Payroll taxes	61,106	23,390	2,413	20,358	5,130	112,397	3,563	23,512	27,075	139,472	154,128
Travel and per diem	4,966	2,956	2,012	9,068	1,474	20,476	856	8,027	8,883	29,359	35,456
Employee benefits	125,325	47,557	7,197	20,988	4,812	205,879	4,237	30,412	34,649	240,528	269,090
<b>Total Personnel Expenses</b>	<b>860,289</b>	<b>339,862</b>	<b>40,918</b>	<b>295,831</b>	<b>70,803</b>	<b>1,607,703</b>	<b>53,050</b>	<b>310,806</b>	<b>363,856</b>	<b>1,971,559</b>	<b>2,100,655</b>
<b>Other Operating Expenses:</b>											
Consulting		12,000			13,800	25,800				25,800	28,770
Contract labor					7,683	7,683	4,362	4,555	8,917	16,600	4,558
Events	103	103	1	4,924	2	5,133	1	323	324	5,457	2,784
Fees	545	707	78	439	89	1,858	247	9,727	9,974	11,832	9,138
Food		85,012				85,012				85,012	126,213
Gifts in-kind	74	1,304,571		5,000	2,107	1,311,752				1,311,752	1,266,471
Insurance	11,025	5,626	873	3,713	1,474	22,711	683	4,948	5,631	28,342	25,876
Legal and accounting	2,275				6,856	9,131	25,990	4,688	30,678	39,809	56,354
Maintenance/repairs - equipment	2,792	3,973	207	880	349	8,201	162	5,697	5,859	14,060	14,599
Maintenance/repairs - facility	6,136	4,808	455	2,782	212	14,393	111	2,954	3,065	17,458	23,436
Misc expenses	6,372	2,450	301	1,364	569	11,056	1,423	2,462	3,885	14,941	16,581
Printing	4,963	741	203	881	111	6,899	56	6,535	6,591	13,490	17,105
Rent/lease - equipment	775	1,043	84	660	52	2,614	33	836	869	3,483	9,459
Rent/lease - facility	82,722	71,348	9,870	47,602	3,827	215,369	2,072	50,947	53,019	268,388	258,496
Seminar/training expense	4,179	1,609	655	749	1,649	8,841	1,247	888	2,135	10,976	9,230
Subscriptions, dues and association fees	4,879	1,138	444	1,707	251	8,419	66	1,604	1,670	10,089	16,954
Supplies	8,336	8,137	411	5,909	621	23,414	346	6,108	6,454	29,868	42,244
Technical support	5,291					5,291				5,291	4,785
Telephone & internet	33,474	10,058	11,912	13,934	2,464	71,842	1,217	8,691	9,908	81,750	88,872
Utilities	8,810	11,777	1,960	4,118	668	27,333	340	7,518	7,858	35,191	35,125
Volunteer meetings and meals	934	503	15	2,546	27	4,025	956	607	1,563	5,588	4,253
<b>Total Other Functional Expense</b>	<b>183,685</b>	<b>1,525,604</b>	<b>27,469</b>	<b>97,208</b>	<b>42,811</b>	<b>1,876,777</b>	<b>39,312</b>	<b>119,088</b>	<b>158,400</b>	<b>2,035,177</b>	<b>2,061,303</b>
Depreciation expense	63,230	23,589	811	25,956	1,468	115,054	12,892	20,664	33,556	148,610	167,569
United Way Fairshare	6,414	3,273	508	2,161	858	13,214	397	2,878	3,275	16,489	48,269
<b>Total Operating Expense</b>	<b>1,113,618</b>	<b>1,892,328</b>	<b>69,706</b>	<b>421,156</b>	<b>115,940</b>	<b>3,612,748</b>	<b>105,651</b>	<b>453,436</b>	<b>559,087</b>	<b>4,171,835</b>	<b>4,377,796</b>
Funds awarded/distributed					1,592,556	1,592,556				1,592,556	1,550,712
Less donor designations					(1,057,435)	(1,057,435)				(1,057,435)	(918,126)
<b>Total Functional Expense</b>	<b>\$ 1,113,618</b>	<b>\$ 1,892,328</b>	<b>\$ 69,706</b>	<b>\$ 421,156</b>	<b>\$ 651,061</b>	<b>\$ 4,147,869</b>	<b>\$ 105,651</b>	<b>\$ 453,436</b>	<b>\$ 559,087</b>	<b>\$ 4,706,956</b>	<b>\$ 5,010,382</b>

See the accompanying notes to the financial statements.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**

**NATURE OF AND MISSION OF ORGANIZATION**

The Inland Empire United Way (the Organization) was organized under the laws of the State of California as a nonprofit public benefit corporation on January 14, 1992, as the Mt. Baldy United Way. The Organization works in partnership with local community leaders, businesses, government agencies, nonprofit organizations and individuals to build a stronger community. The mission of the Organization is to engage the caring power of communities to make positive, sustainable changes, improve lives, and assist in times of disaster.

The Organization's service area covers regions of Los Angeles, San Bernardino and Riverside counties in California.

**CAMPAIGN PLEDGES AND APPROPRIATIONS**

An annual fundraising campaign is conducted each Fall to obtain donations and pledges to fund the subsequent year's operations. Accordingly, a receivable is recorded at year-end for outstanding campaign pledges with an allowance for amounts estimated to be uncollectible. Substantially all of the pledges receivable at June 30, 2010 are from corporations and individuals. The Organization maintains reserves for potential uncollectible pledges which, in the aggregate, have not exceeded management's expectations. After two years, uncollected campaign pledges are written off.

Donations and pledges to specific programs are recorded as temporarily restricted revenues in the campaign year and released into unrestricted net assets as time restrictions are satisfied in the subsequent years. Donor designated pledges are accounted for as a liability until dispensed to the designated agency. Those amounts are not accounted for as revenue by the Organization but are reported as part of campaign results from which the amounts are then deducted to arrive at campaign revenue.

Provision for uncollectible pledges is computed based upon historical averages adjusted by management estimates of current economic factors, applied to gross campaign excluding donor designations.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**

**CAMPAIGN PLEDGES AND APPROPRIATIONS** (continued)

Donor designated pledges are assessed both a fundraising and a processing fee based on actual historical costs in accordance with United Way of America membership standards as outlined in their publication entitled *United Way of America Implementation Requirements for Membership Standard M (Cost Deduction for Designated Funds)*.

**BASIS OF PRESENTATION**

The Organization follows standards of accounting and financial reporting for voluntary health and welfare organizations as described in the American Institute of Certified Public Accountants' *Audit and Accounting Guide for Not-For-Profit Organizations*. Accordingly, the financial statements are prepared on the accrual basis of accounting.

The organization maintains its accounts in accordance with the principles of fund accounting. All financial transactions have been recorded on and reported by the following net asset groups:

Unrestricted net assets represent resources over which the Board of Directors has discretionary control and are used to carry out operations of the Organization in accordance with its bylaws. The use of portions of these assets have been designated by the Board of Directors for specific purposes.

Temporarily Restricted net assets are primarily comprised of pledges receivable from the annual campaign, which are restricted for allocation to agencies, program funding and operating expenses in the coming year, or which carry time or purpose restrictions as specified by the donor.

**ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of certain estimates by management. The significant items in these statements that are affected by management estimates are allowance for doubtful accounts, depreciation, valuation of donated services and materials, and allocations of functional expenses.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**  
**(continued)**

**CONTRIBUTIONS**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional, and are recorded as unrestricted or temporarily restricted depending on the existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets depending on the nature of the restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of demand deposits in banks, cash on hand and money market accounts. For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**INVENTORY AND GIFTS IN-KIND**

Inventory consists primarily of school supplies, children's books, children's clothing and foodstuffs, and is valued at the lower of cost or net realizable value, on the first-in-first out method. This inventory is held primarily for distribution, without charge, to schools, teachers and children through the Organization's various programs. Significant portions of the inventory are donated, primarily by large corporations within the Organization's service area. These donations are recorded as in-kind gifts at the estimated net realizable value of the items.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**  
**(continued)**

**PROPERTY AND EQUIPMENT AND DEPRECIATION**

It is the practice of the Organization to capitalize equipment and leasehold improvements in excess of \$500. Purchased equipment and leasehold improvements are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value on the date of the gift. Major improvements and renewals are capitalized, while ordinary maintenance and repairs are expensed. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation is calculated using the straight-line method over 3 to 7 years.

**FUNCTIONAL EXPENSES**

Functional expenses are charged to each program based on direct expenditures incurred. Any program expenses not directly chargeable are allocated to program services and supporting services based on analysis of personnel time as recommended by the United Way in its publication, *United Way of America Functional Expenses and Overhead Reporting Standards* (revised 2003).

**DONATED SERVICES**

During the year ended June 30, 2010, the value of contributed services received that met the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization at its facilities, but these services do not meet the criteria for recognition as contributed services.

**INCOME TAXES**

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and section 23701d of the California Revenue and Taxation Code. It is classified by the Internal Revenue Service as other than a private foundation.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**  
**(continued)**

**INCOME TAXES (continued)**

The Organization has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of any audit by taxing authorities at the federal and state levels. The primary tax positions evaluated relate to the Organization's continued qualification as a tax-exempt organization and whether there are unrelated business income activities that would be taxable. Management has determined that all income tax positions will more likely than not (>50%) be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

The Organization files informational returns in the U.S. federal jurisdiction and the state of California. With few exceptions, the Organization is no longer subject to U.S. federal and state examinations by tax authorities for years before 2005.

**CONCENTRATION OF CREDIT RISK**

The Organization maintains deposits in three banks located in Southern California which are secured by the Federal Deposit Insurance Corporation up to \$250,000 at each bank. The balances in these banks at June 30, 2010 exceed the insured limit by approximately \$87,676. Management does not consider this concentration to be a significant credit risk.

**SUMMARIZED PRIOR YEAR INFORMATION**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2009, from which the summarized information was derived. Certain reclassifications have been made to the 2008-09 financial statements to conform to the 2009-10 financial statement presentation.

**INLAND EMPIRE UNITED WAY**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010**

**NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**  
(continued)

**SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through December 21, 2010 which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

**NOTE 2 — CASH:**

Cash and cash equivalents consist of the following:

	<u>2010</u>	<u>2009</u>
Petty cash	\$ 1,100	\$ 1,400
Cash in interest bearing checking and savings accounts	366,100	283,732
Cash in money market accounts	<u>150,415</u>	<u>170,483</u>
	<u>\$ 517,615</u>	<u>\$ 455,615</u>

**NOTE 3 — PLEDGES RECEIVABLE:**

Pledges receivable consist of:

	<u>2010</u>	<u>2009</u>
Current year's campaign	\$ 1,369,972	\$ 1,697,371
Prior year's campaigns	672,453	425,575
Designations receivable	<u>34,198</u>	<u>49,682</u>
	2,076,623	2,172,628
Less allowance for uncollectible	<u>(343,580)</u>	<u>(331,197)</u>
	<u>\$ 1,733,043</u>	<u>\$ 1,841,431</u>

Pledge receivables from six major corporate donors, which also collect individual employee pledges and remit them to the Organization, comprise approximately 33% of the total gross receivables for both the current and prior campaign years.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 4 — EQUIPMENT AND LEASEHOLD IMPROVEMENTS:**

Equipment and leasehold improvements include the following at June 30,

	<u>2010</u>	<u>2009</u>
Leasehold improvements	\$ 341,476	\$ 261,370
Vehicles	106,439	106,439
Computer equipment	99,176	375,506
Furniture and equipment	250,605	425,179
Computer software	<u>76,218</u>	<u>228,610</u>
	873,914	1,397,104
Less: accumulated depreciation	<u>(631,498)</u>	<u>(1,091,351)</u>
Net equipment and leasehold improvements	<u>\$ 242,416</u>	<u>\$ 305,753</u>

**NOTE 5 — NET ASSETS:**

The components of net assets were as follows on June 30:

	<u>2010</u>	<u>2009</u>
Unrestricted:		
Designated for campaign reserve	\$ 321,028	\$ 321,028
Quasi-endowment, United Way of East Valley	<u>126,176</u>	<u>126,176</u>
Total Designated	447,204	447,204
Undesignated	<u>1,116,146</u>	<u>1,308,307</u>
Total Unrestricted	1,563,350	1,755,511
Temporarily Restricted:		
Pledges & designations receivable, net of allowance for uncollectible	<u>1,733,043</u>	<u>1,841,431</u>
Total net assets	<u>\$ 3,296,393</u>	<u>\$ 3,596,942</u>

**INLAND EMPIRE UNITED WAY**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010**

**NOTE 6 — OPERATING LEASES:**

The Organization leases office space under operating leases. These leases expire on various dates through June 30, 2011. In addition to the base rent, the Organization is required to pay utilities, insurance, and maintenance. Rental expense for the year ended June 30, 2010 was \$ 268,389. The future minimum commitment under this lease for June 30, 2011 is \$167,940.

**NOTE 7 — EMPLOYEE BENEFITS:**

Employee benefits payable consist of payroll taxes, 403(b) retirement plan, health care benefits, long-term disability and workers' compensation insurance. Accrued vacation totaled \$56,542 at June 30, 2010.

**NOTE 8 – RETIREMENT PLAN:**

Effective November 1, 1993, Mt. Baldy United Way established a 403(b) retirement plan for its employees. All employees are eligible for salary deferrals and employer matching contributions immediately upon employment. The employees may contribute up to 20% of their annual wages and the Organization will match 25% of the employee contribution up to 8% of employee compensation. The Board may change the employer contribution annually. Employer matching contributions to the plan were \$2,431 for the year ended June 30, 2010. Participants are 100% vested in all contributions.