

**UNIVERSITY OF WISCONSIN-
WHITEWATER FOUNDATION, INC.**
Whitewater, Wisconsin

FINANCIAL STATEMENTS
June 30, 2008 and 2007

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Independent Auditor's Report

Board of Directors
University of Wisconsin-Whitewater Foundation, Inc.
Whitewater, Wisconsin

We have audited the accompanying statements of financial position of University of Wisconsin-Whitewater Foundation, Inc. as of June 30, 2008 and 2007, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation'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 University of Wisconsin-Whitewater Foundation, Inc. as of June 30, 2008 and 2007, and the changes 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 accompanying supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Milwaukee, Wisconsin
September 26, 2008

UNIVERSITY OF WISCONSIN-WHITEWATER FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 262,308	\$ 258,163
Contributions receivable-current portion, net of allowance for doubtful accounts of \$140,000 in 2008 and \$130,000 in 2007	645,514	939,481
Accounts receivable	12,011	3,962
Prepaid expenses	<u>63,105</u>	<u>58,548</u>
Total current assets	<u>982,938</u>	<u>1,260,154</u>
INVESTMENTS	<u>15,939,726</u>	<u>17,122,392</u>
CONTRIBUTIONS RECEIVABLE, NET OF CURRENT PORTION ABOVE	<u>2,926,563</u>	<u>2,008,972</u>
OTHER ASSETS		
Cash value of life insurance	705,176	642,957
Land held for investment	713,000	713,000
Other	<u>908</u>	<u>908</u>
Total other assets	<u>1,419,084</u>	<u>1,356,865</u>
TOTAL ASSETS	<u><u>\$ 21,268,311</u></u>	<u><u>\$ 21,748,383</u></u>

LIABILITIES AND NET ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT LIABILITIES		
Accounts payable	\$ 1,627,034	\$ 449,286
Accrued liabilities	<u>1,094</u>	<u>343</u>
Total current liabilities	1,628,128	449,629
 LONG-TERM LIABILITIES		
Estimated trust obligations	<u>48,540</u>	<u>54,832</u>
Total liabilities	<u>1,676,668</u>	<u>504,461</u>
 NET ASSETS		
Unrestricted	(371,392)	1,372,519
Temporarily restricted	8,223,657	9,379,737
Permanently restricted	<u>11,739,378</u>	<u>10,491,666</u>
Total net assets	<u>19,591,643</u>	<u>21,243,922</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 21,268,311</u>	 <u>\$ 21,748,383</u>

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF WISCONSIN-WHITewater FOUNDATION, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions	\$ 279,498	\$ 2,524,348	\$ 1,252,108	\$ 4,055,954
Income-generating revenue	93,664	666,711	-	760,375
Interest and dividends	471,522	-	2,225	473,747
Realized and unrealized losses on investments	(1,212,857)	-	(6,621)	(1,219,478)
Other income	10,702	121,817	-	132,519
Net assets released from restrictions	<u>4,468,956</u>	<u>(4,468,956)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,111,485</u>	<u>(1,156,080)</u>	<u>1,247,712</u>	<u>4,203,117</u>
PROGRAM EXPENSES				
Student and faculty development				
Scholarship and awards	670,753	-	-	670,753
Support	556,331	-	-	556,331
Athletics	1,319,745	-	-	1,319,745
Alumni	82,470	-	-	82,470
Special purpose	2,349,294	-	-	2,349,294
Income-generating	21,226	-	-	21,226
Disbursements for the benefit of UW-Whitewater	<u>45,067</u>	<u>-</u>	<u>-</u>	<u>45,067</u>
Total program expenses	<u>5,044,886</u>	<u>-</u>	<u>-</u>	<u>5,044,886</u>
SUPPORT SERVICE EXPENSES				
Foundation administration	400,250	-	-	400,250
Uncollectible pledges	96,263	-	-	96,263
Investment expenses	53,734	-	-	53,734
Fund-raising	<u>260,263</u>	<u>-</u>	<u>-</u>	<u>260,263</u>
Total support service expenses	<u>810,510</u>	<u>-</u>	<u>-</u>	<u>810,510</u>
Total expenses	<u>5,855,396</u>	<u>-</u>	<u>-</u>	<u>5,855,396</u>
CHANGE IN NET ASSETS	(1,743,911)	(1,156,080)	1,247,712	(1,652,279)
NET ASSETS, BEGINNING OF YEAR	<u>1,372,519</u>	<u>9,379,737</u>	<u>10,491,666</u>	<u>21,243,922</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (371,392)</u>	<u>\$ 8,223,657</u>	<u>\$ 11,739,378</u>	<u>\$ 19,591,643</u>

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF WISCONSIN-WHITewater FOUNDATION, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions	\$ 429,777	\$ 1,731,581	\$ 553,585	\$ 2,714,943
Income-generating revenue	73,858	609,959	-	683,817
Interest and dividends	506,709	-	2,177	508,886
Realized and unrealized gains on investments	1,670,520	-	8,073	1,678,593
Other income	15,420	89,058	-	104,478
Net assets released from restrictions	<u>2,090,796</u>	<u>(2,090,796)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,787,080</u>	<u>339,802</u>	<u>563,835</u>	<u>5,690,717</u>
PROGRAM EXPENSES				
Student and faculty development				
Scholarship and awards	554,518	-	-	554,518
Support	382,847	-	-	382,847
Athletics	572,758	-	-	572,758
Alumni	51,960	-	-	51,960
Special purpose	1,101,675	-	-	1,101,675
Income-generating	27,360	-	-	27,360
Disbursements for the benefit of UW-Whitewater	<u>33,851</u>	<u>-</u>	<u>-</u>	<u>33,851</u>
Total program expenses	<u>2,724,969</u>	<u>-</u>	<u>-</u>	<u>2,724,969</u>
SUPPORT SERVICE EXPENSES				
Foundation administration	455,672	-	-	455,672
Uncollectible pledges	135,083	-	-	135,083
Investment expenses	52,101	-	-	52,101
Fund-raising	<u>196,882</u>	<u>-</u>	<u>-</u>	<u>196,882</u>
Total support service expenses	<u>839,738</u>	<u>-</u>	<u>-</u>	<u>839,738</u>
Total expenses	<u>3,564,707</u>	<u>-</u>	<u>-</u>	<u>3,564,707</u>
CHANGE IN NET ASSETS	1,222,373	339,802	563,835	2,126,010
NET ASSETS, BEGINNING OF YEAR	<u>150,146</u>	<u>9,039,935</u>	<u>9,927,831</u>	<u>19,117,912</u>
NET ASSETS, END OF YEAR	<u>\$ 1,372,519</u>	<u>\$ 9,379,737</u>	<u>\$ 10,491,666</u>	<u>\$ 21,243,922</u>

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF WISCONSIN-WHITEWATER FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,652,279)	\$ 2,126,010
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Provision for uncollectible pledges	96,263	135,083
Writedown of land held for investment	-	5,000
Realized and unrealized (gains) losses on investments	1,219,478	(1,678,593)
Increase in cash surrender value of life insurance	(62,219)	(62,884)
Effects of changes in operating assets and liabilities		
Contributions receivable	(719,887)	371,584
Accounts receivable	(8,049)	15,411
Prepaid expenses	(4,557)	10,972
Accounts payable	1,177,748	292,032
Accrued and other liabilities	<u>(5,541)</u>	<u>767</u>
Net cash provided by operating activities	<u>40,957</u>	<u>1,215,382</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,473,964)	(4,647,962)
Proceeds from sale of investments	<u>3,437,152</u>	<u>3,437,152</u>
Net cash used in investing activities	<u>(36,812)</u>	<u>(1,210,810)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,145	4,572
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>258,163</u>	<u>253,591</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 262,308</u>	<u>\$ 258,163</u>

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF WISCONSIN-WHITewater FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The University of Wisconsin-Whitewater Foundation, Inc. (the Foundation) was established as a non-profit organization under Chapter 181 of the Wisconsin Statutes. The Foundation's primary funding sources are donor contributions and investment earnings. The Foundation is dedicated to providing fund development, program administration, account management, and consultation on charitable giving in order to provide funds to the University of Wisconsin-Whitewater, which would not otherwise be available from public sources. The Foundation achieves this goal through a variety of programs. The programs are described as follows:

Student and Faculty Development - The Foundation provides financial aid to students and awards for service to the faculty.

Athletics - The Foundation provides support for various aspects of the athletic programs.

Alumni - The Foundation conducts activities for and provides publications to alumni.

Special Purpose - The Foundation collects and disburses funds for special purposes.

Income-generating - The Foundation collects and disburses funds raised by various university organizations.

Disbursements for the benefit of UW-Whitewater - The Foundation provides funds to the university.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity 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, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Money market accounts held in accounts with investment brokers are classified as investments.

Investments

Investments are stated at fair market value based on quoted market prices. Contributed investments are recorded at their estimated fair market values on the date of donation.

UNIVERSITY OF WISCONSIN-WHITewater FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Land Held for Investment

Land held for investment is stated at fair market value, as determined by a recent appraisal.

Net Assets

Net assets are classified into one of three classes based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Unrestricted

Unrestricted net assets include all net assets which are neither temporarily or permanently restricted.

Temporarily Restricted

Temporarily restricted net assets represent contributed net assets for which donor-imposed time or purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted.

Permanently Restricted

Permanently restricted net assets represent contributed net assets 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 restrictions.

Contributions

Contributions, including unconditional promises to give, are recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give are reported at the present value of their net realizable value, using a risk-free interest rate. Contributions of the death benefit under life insurance policies are not recorded as revenues until received. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Functional Allocation of Expense

The Foundation allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly to such program according to their natural expenditure classification. Other expenses that are common to several functions are allocated by management's use of periodic time and expense studies.

UNIVERSITY OF WISCONSIN-WHITEWATER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and as such is exempt from federal and state income taxes.

New Accounting Standards

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 157 (SFAS 157), "Fair Value Measurements." SFAS 157 provides enhanced guidance for using fair value to measure assets and liabilities. The standard applies whenever other standards require (or permit) assets or liabilities to be measured at fair value. The standard does not expand the use of fair value in any new circumstances. Under the standard, fair value refers to the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants in the market in which the reporting entity is engaged. SFAS 157 will be effective for the Foundation on July 1, 2008. The Foundation is currently evaluating the financial statement impact, if any, of adopting SFAS 157.

In June 2006, the Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," an interpretation of FASB Statement No. 109 (FIN 48), to create a single model to address accounting for uncertainty in tax positions. FIN 48 clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, measurement, classification, interest and penalties, disclosure and transition. FIN 48 is effective for nonpublic entities for annual periods beginning after December 15, 2007. The Foundation will adopt FIN 48 in its June 30, 2009 financial statements as required. The cumulative effect of adopting FIN 48 will be recorded as an adjustment of net assets on July 1, 2008. The Foundation has not determined the effect, if any, the adoption of FIN 48 will have on the Foundation's financial position and changes in net assets.

UNIVERSITY OF WISCONSIN-WHITewater FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 2 - INVESTMENTS

Investments at June 30, 2008 and 2007 are summarized as follows:

	<u>2008</u>		<u>2007</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	\$ 105,195	\$ 105,195	\$ 104,000	\$ 104,000
Money market accounts	3,353,943	3,353,943	4,245,676	4,245,676
Mutual funds				
MFO Buffalo Small Cap Fund	665,865	643,727	566,278	846,803
MFO Fundamental Investors	1,750,473	1,755,147	1,613,694	1,854,403
MFO Mellon Instl Funds Investment Trust	-	-	301,313	387,825
MFO Oakmark International Fund	545,751	589,604	418,511	791,998
MFO Rowe T Price International Fund	651,660	588,738	286,628	403,584
MFO Vanguard Mid-Cap Index Fund	581,611	523,418	573,770	593,512
MFO Vanguard International Growth	716,769	655,015	712,324	817,968
MFO Vanguard Index Trust Fund	1,251,231	1,533,708	1,217,338	1,765,550
MFO Growth Fund of America	1,515,514	1,745,657	1,696,020	2,247,866
MFO Vanguard World Fund	585,201	557,441	-	-
Vanguard Total Bond Market Index Fund	19,525	27,084	19,716	26,681
Vanguard 500 Index Fund	41,859	40,770	43,253	43,379
U.S. Government and agency obligations	2,246,751	2,302,706	671,547	679,487
International Government and agency obligations	75,851	75,606	175,808	173,282
U.S. common stocks	57,760	60,711	57,597	76,228
U.S. corporate fixed income securities	<u>1,376,286</u>	<u>1,381,256</u>	<u>2,075,116</u>	<u>2,058,150</u>
Total	<u>\$15,541,245</u>	<u>\$15,939,726</u>	<u>\$14,778,589</u>	<u>\$17,122,392</u>

UNIVERSITY OF WISCONSIN-WHITEWATER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 3 - CONTRIBUTIONS RECEIVABLE

Unconditional Contributions

Contributions receivable consist of unconditional promises to give to the Foundation for years subsequent to June 30, 2008 and 2007. Contributions receivable are stated at the present value of estimated future cash flows using a discount rate of 4.46% and 4.91% at June 30, 2008 and 2007, respectively, compounded annually. Contributions receivable consist of the following:

	<u>2008</u>	<u>2007</u>
Total unconditional promises to give	\$ 5,109,817	\$ 4,511,506
Allowance for doubtful accounts	(140,000)	(130,000)
Discount to present value	<u>(1,397,740)</u>	<u>(1,433,053)</u>
Net unconditional promises to give	<u>\$ 3,572,077</u>	<u>\$ 2,948,453</u>

	<u>2008</u>				<u>2007</u>
	<u>Total</u>	<u>Doubtful Accounts</u>	<u>Present Value Discount</u>	<u>Net</u>	<u>Net</u>
Amount due in					
Current	\$ 871,016	\$ (140,000)	\$ (85,502)	\$ 645,514	\$ 939,481
1-5 years	2,062,425	-	(444,545)	1,617,880	793,282
More than 5 years	<u>2,176,376</u>	<u>-</u>	<u>(867,693)</u>	<u>1,308,683</u>	<u>1,215,690</u>
Total	<u>\$ 5,109,817</u>	<u>\$ (140,000)</u>	<u>\$(1,397,740)</u>	<u>\$ 3,572,077</u>	<u>\$ 2,948,453</u>

Conditional and Revocable Contributions

In accordance with generally accepted accounting principles, the Foundation has not recorded revocable contributions nor conditional contributions for which the specified conditions have not been substantially met. Such promises to give include the following:

The Foundation received notice from another foundation of its intent to give the Foundation 2% of its assets upon its liquidation. Liquidation is to occur upon the death of the second of three trustees. This gift could be revoked prior to liquidation. It is conditional on the Foundation's stewardship of prior gifts and compliance with certain distribution and investment standards. As of June 30, 2008, 2% of the donor foundation's net assets were \$983,722.

The Foundation has received matching employer gift pledges of \$144,440 from various donors for the College of Business and Economics Building Campaign. The matching gifts are dependent on the payment of the employee's pledge and, generally, dependent on the continued employment of the individual and continuation of the employer's matching program.

The Foundation has received numerous revocable promises to give and has been informed it has been named as a beneficiary in various individuals' wills.

UNIVERSITY OF WISCONSIN-WHITEWATER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 4 - LIFE INSURANCE POLICIES

The Foundation is the owner and benefactor of a number of life insurance policies. The cash value of these policies at June 30, 2008 and 2007 was \$705,176 and \$642,957, respectively, and is recorded in the accompanying statements of financial position. The aggregate face value of the death benefits attributable to these policies was \$4,028,317 and \$4,030,222 as of June 30, 2008 and 2007, respectively, and is not recognized in the financial statements until received. There were no policy loans outstanding at June 30, 2008 and 2007.

NOTE 5 - SPLIT INTEREST AGREEMENT

The Foundation is the trustee of a charitable remainder unitrust. The trust contains an obligation to provide a variable benefit to the beneficiaries over their lifetime. The remainder of the trust's assets is to be given as a charitable gift to the Foundation upon expiration of the trust. The obligation for the variable benefit is computed using estimated interest rates, discount rates and mortality tables. The value of this split interest agreement is included in the financial statements as follows:

	<u>2008</u>	<u>2007</u>
Investments in trust	\$ 67,854	\$ 76,060
Estimated trust obligations	<u>(48,540)</u>	<u>(54,832)</u>
Restricted net assets	<u>\$ 19,314</u>	<u>\$ 21,228</u>

NOTE 6 - NOTES PAYABLE - BANK

The Foundation had a \$500,000 revolving line-of-credit with a bank in which no amounts were drawn during June 30, 2007. On June 22, 2007, the line-of-credit was closed.

The Foundation had two \$750,000 letters of credit with banks. Amounts drawn against the letters of credit were payable December 31, 2008 and bore interest at prime rate plus 1% (9.25% at June 30, 2007) payable monthly. As of June 30, 2007, no amounts had been drawn against the letters of credit. In March of 2008, the UW System no longer required letters of credit and the letters were rescinded.

UNIVERSITY OF WISCONSIN-WHITEWATER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2008</u>	<u>2007</u>
Art gallery	\$ 825	\$ 100,000
Athletic facility	1,344	40,992
Life insurance policy donations	686,176	619,981
Program expenses	1,660,550	1,363,207
Scholarships	317,233	581,227
Pledges receivable	3,684,751	3,153,021
Business and economics building	1,732,049	3,129,336
Athletics	27,624	310,163
Equipment	<u>113,105</u>	<u>81,810</u>
Total	<u>\$ 8,223,657</u>	<u>\$ 9,379,737</u>

NOTE 8 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets represent permanent endowments that are restricted for scholarships and special purposes, such as professional and capital improvements. Investment income that is prorated by the Foundation to the endowment funds is recorded in unrestricted net assets since the Foundation reserves the right to rescind all prorated amounts.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Effective September 1994, the Foundation entered into an agreement to have an unrelated foundation manage the Foundation's gift annuities. The manager of the annuities is required to make annual annuity payments to the donor until termination of the annuity agreement upon death of the donor. The annual annuity payments are based on actuarial tables and assumptions and life expectancy and may exceed the total gift received. If the gift received is totally depleted and the manager has to continue with the annuity payments from its own separate funds, the Foundation is liable for the payments the manager makes from its separate funds. If the Foundation does not reimburse the manager prior to a required payment date, the Foundation must reimburse the manager the amount of the payment plus interest at the prime rate.

During the fiscal year ended June 30, 2008, the Foundation committed to fund renovation of the University's athletic fields. As of June 30, 2008, the Foundation has recorded an expense of \$437,213 for work performed under the renovation contract. The estimated remaining balance that will be due as work is completed is \$863,283.

UNIVERSITY OF WISCONSIN-WHITewater FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 10 - RELATED PARTIES

For the years ended June 30, 2008 and 2007, the Foundation received contributions in cash and stock of \$114,789 and \$128,504, respectively, and pledges of \$66,500 and \$40,320, respectively, from its board members and members of management. Outstanding contributions receivable from board members totaled \$66,500 and \$139,941 at June 30, 2008 and 2007, respectively.

The Foundation reimburses the University of Wisconsin-Whitewater (the University) for employee wages and office expenses attributable to the Foundation's operations. Amounts paid to reimburse the University for Foundation operating expenses totaled \$314,979 and \$287,272 for the years ended June 30, 2008 and 2007, respectively.

NOTE 11 - MAJOR DONORS

During the year ended June 30, 2008, one donor accounted for approximately 20% of total contributions totaling approximately \$800,000.

During the year ended June 30, 2007, one donor accounted for approximately 12% of total contributions totaling approximately \$314,000.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL SCHEDULES

UNIVERSITY OF WISCONSIN-WHITEWATER FOUNDATION, INC.
SCHEDULE OF SUPPORT SERVICE EXPENSES
Year Ended June 30, 2008

	<u>Foundation Administration</u>	<u>Uncollectible Pledges</u>	<u>Investment Expenses</u>	<u>Fund- Raising</u>	<u>Total</u>
Salary and benefits	\$ 312,788	\$ -	\$ -	\$ 80,146	\$ 392,934
Scholarships and awards	-	-	-	5,718	5,718
Printing	-	-	-	6,768	6,768
Meals and entertainment	1,604	-	-	1,500	3,104
Contracted services	26,590	-	-	48,599	75,189
Equipment	3,005	-	-	25,074	28,079
Telephone	3,014	-	-	12,466	15,480
Office space and utilities	2,040	-	-	-	2,040
Postage and shipping	-	-	-	4,592	4,592
Dues and subscriptions	95	-	-	-	95
Legal and professional	30,825	-	-	-	30,825
Travel	50	-	-	48,948	48,998
Marketing	-	-	-	18,054	18,054
Professional development	6,528	-	-	-	6,528
Insurance	4,221	-	-	-	4,221
Supplies	4,078	-	-	-	4,078
Other expenses	3,668	-	-	-	3,668
Commissions and fees	-	-	53,734	-	53,734
Uncollectible pledges	-	96,263	-	-	96,263
Stewardship	-	-	-	4,997	4,997
Miscellaneous	1,744	-	-	3,401	5,145
TOTAL EXPENSES	<u>\$ 400,250</u>	<u>\$ 96,263</u>	<u>\$ 53,734</u>	<u>\$ 260,263</u>	<u>\$ 810,510</u>

UNIVERSITY OF WISCONSIN-WHITEWATER FOUNDATION, INC.
SCHEDULE OF SUPPORT SERVICE EXPENSES
Year Ended June 30, 2007

	<u>Foundation Administration</u>	<u>Uncollectible Pledges</u>	<u>Investment Expenses</u>	<u>Fund- Raising</u>	<u>Total</u>
Salary and benefits	\$ 328,074	\$ -	\$ -	\$ 69,600	\$ 397,674
Scholarships and awards	-	-	-	8,036	8,036
Printing	-	-	-	16,908	16,908
Meals and entertainment	2,214	-	-	1,500	3,714
Contracted services	32,002	-	-	-	32,002
Equipment	4,256	-	-	24,606	28,862
Telephone	4,471	-	-	14,131	18,602
Office space and utilities	2,545	-	-	-	2,545
Postage and shipping	-	-	-	5,174	5,174
Dues and subscriptions	2,025	-	-	-	2,025
Legal and professional	13,362	-	-	-	13,362
Travel	1,011	-	-	39,304	40,315
Marketing	-	-	-	16,602	16,602
Professional development	16,597	-	-	-	16,597
Insurance	4,220	-	-	-	4,220
Supplies	2,611	-	-	-	2,611
Other expenses	31,261	-	-	-	31,261
Commissions and fees	11,023	-	52,101	-	63,124
Uncollectible pledges	-	135,083	-	-	135,083
Miscellaneous	-	-	-	1,021	1,021
TOTAL EXPENSES	<u>\$ 455,672</u>	<u>\$ 135,083</u>	<u>\$ 52,101</u>	<u>\$ 196,882</u>	<u>\$ 839,738</u>