

**UNITED WAY  
OF YORK COUNTY**

**FINANCIAL STATEMENTS**  
With Supplementary Information

YEARS ENDED MARCH 31, 2011 AND 2010



# UNITED WAY OF YORK COUNTY

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**United Way of York County**  
800 East King Street  
York, Pennsylvania 17403

We have audited the accompanying Statements of Financial Position of **United Way of York County** (a nonprofit organization) as of March 31, 2011 and 2010, and the related Statements of Activities, Functional Expenses, and Cash Flows 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 audits 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 the Organization as of March 31, 2011 and 2010, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

York, Pennsylvania  
May 12, 2011

**UNITED WAY OF YORK COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**

	March 31,	
	2011	2010
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash	\$ 292,494	\$ 441,520
Cash - Restricted	11,876	1,193
<b>Accounts Receivable</b>		
2010/2011 and 2009/2010 Campaign - Less Allowance for Uncollectible Pledges of \$349,686 and \$430,929	3,991,194	3,846,371
2009/2010 and 2008/2009 Campaign - Less Allowance for Uncollectible Pledges of \$87,905 and \$134,972	45,082	26,275
2008/2009 and 2007/2008 Campaign - Less Allowance for Uncollectible Pledges of \$0	0	13,562
Investment Income	2,145	5,140
Grants Receivable	46,943	34,177
Miscellaneous	875	111
<b>Total Accounts Receivable</b>	4,086,239	3,925,636
<b>Investments</b>		
Unrestricted	2,144,680	1,864,366
Restricted - Beneficial Interest in Perpetual Trusts Held by Third Parties	460,481	430,086
Restricted - Endowment Funds	1,228,279	1,121,814
<b>Total Investments</b>	3,833,440	3,416,266
<b>Property and Equipment - At Cost, Less Accumulated Depreciation</b>	148,570	168,313
<b>Other Assets</b>		
Prepaid Expenses	16,900	11,922
<b>TOTAL ASSETS</b>	\$ 8,389,519	\$ 7,964,850
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts and Designations Payable, Accrued Expenses, and Custodian Accounts	\$ 2,956,266	\$ 2,640,774
Allocations Payable	779,800	805,880
<b>TOTAL LIABILITIES</b>	3,736,066	3,446,654
<b>NET ASSETS</b>		
Unrestricted	267,581	819,545
Unrestricted - Board Designated	536,173	0
<b>Total Unrestricted Net Assets</b>	803,754	819,545
Temporarily Restricted	2,149,063	2,145,558
Permanently Restricted	1,700,636	1,553,093
<b>TOTAL NET ASSETS</b>	4,653,453	4,518,196
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 8,389,519	\$ 7,964,850

See independent auditors' report and accompanying notes.

# UNITED WAY OF YORK COUNTY

## STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>				
Prior Year Campaign Results (2010)	\$ 473,823	\$ 0	\$ 0	\$ 473,823
Donor Designations	120,607	0	0	120,607
<b>Net Campaign Revenue (2010)</b>	594,430	0	0	594,430
Prior Year Campaign Pledges	6,197,277	(6,197,277)	0	0
Less: Provision for Uncollectible Pledges	(508,000)	508,000	0	0
Less: Donor Designations	(2,042,810)	2,042,810	0	0
<b>Net Assets Released from Restrictions</b>	3,646,467	(3,646,467)	0	0
Current Year Campaign Results (2011)	0	6,347,728	0	6,347,728
Less: Provision for Uncollectible Pledges	0	(485,000)	0	(485,000)
Less: Donor Designations	0	(2,212,756)	0	(2,212,756)
<b>Net Campaign Revenue (2011)</b>	0	3,649,972	0	3,649,972
Bequests and Donated Services	275,821	0	0	275,821
Grants	467,875	0	0	467,875
Investment Income - Net	81,326	0	26,847	108,173
Miscellaneous Income	955	0	0	955
Memberships/Donations	12,464	0	0	12,464
Rental Income	61,568	0	0	61,568
Service Fees	62,397	0	0	62,397
Unrealized Gain on Investments	149,309	0	67,213	216,522
Realized Gain on Investments	38,548	0	53,483	92,031
<b>TOTAL REVENUE</b>	5,391,160	3,505	147,543	5,542,208
<b>FUNCTIONAL EXPENSES</b>				
<b>Program Services</b>				
Gross Funds Awarded/Distributed	5,344,810	0	0	5,344,810
Spending Policy Distributions	25,570	0	0	25,570
Less: Donor Designations	(2,042,810)	0	0	(2,042,810)
<b>Total</b>	3,327,570	0	0	3,327,570
Community Impact	1,093,004	0	0	1,093,004
<b>Total Program Services</b>	4,420,574	0	0	4,420,574
<b>Supporting Services</b>				
Organizational Administration	450,243	0	0	450,243
Resource Development	536,134	0	0	536,134
<b>Total Supporting Services</b>	986,377	0	0	986,377
<b>TOTAL FUNCTIONAL EXPENSES</b>	5,406,951	0	0	5,406,951
<b>CHANGES IN NET ASSETS</b>	(15,791)	3,505	147,543	135,257
<b>NET ASSETS - MARCH 31, 2010</b>	819,545	2,145,558	1,553,093	4,518,196
<b>NET ASSETS - MARCH 31, 2011</b>	\$ 803,754	\$ 2,149,063	\$ 1,700,636	\$ 4,653,453

See independent auditors' report and accompanying notes.

# UNITED WAY OF YORK COUNTY

## STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>				
Prior Year Campaign Results (2009)	\$ 383,006	\$ 0	\$ 0	\$ 383,006
Donor Designations	22,031	0	0	22,031
<b>Net Campaign Revenue (2009)</b>	405,037	0	0	405,037
Prior Year Campaign Pledges	6,301,567	(6,301,567)	0	0
Less: Provision for Uncollectible Pledges	(555,000)	555,000	0	0
Less: Donor Designations	(2,162,411)	2,162,411	0	0
<b>Net Assets Released from Restrictions</b>	3,584,156	(3,584,156)	0	0
Current Year Campaign Results (2010)	0	6,197,277	0	6,197,277
Less: Provision for Uncollectible Pledges	0	(508,000)	0	(508,000)
Less: Donor Designations	0	(2,042,810)	0	(2,042,810)
<b>Net Campaign Revenue (2010)</b>	0	3,646,467	0	3,646,467
Bequests and Donated Services	139,783	0	0	139,783
Grants	376,034	0	0	376,034
Investment Income - Net	59,166	0	32,878	92,044
Miscellaneous Income	2,200	0	0	2,200
Memberships/Donations	12,611	0	0	12,611
Rental Income	69,279	0	0	69,279
Service Fees	71,738	0	0	71,738
Realized and Unrealized Gain on Investments	269,337	0	327,444	596,781
<b>TOTAL REVENUE</b>	4,989,341	62,311	360,322	5,411,974
<b>FUNCTIONAL EXPENSES</b>				
<b>Program Services</b>				
Gross Funds Awarded/Distributed	5,407,061	0	0	5,407,061
Spending Policy Distributions	47,223	0	0	47,223
Less: Donor Designations	(2,162,411)	0	0	(2,162,411)
Total	3,291,873	0	0	3,291,873
Community Impact	1,036,610	0	0	1,036,610
<b>Total Program Services</b>	4,328,483	0	0	4,328,483
<b>Supporting Services</b>				
Organizational Administration	410,275	0	0	410,275
Resource Development	548,243	0	0	548,243
<b>Total Supporting Services</b>	958,518	0	0	958,518
<b>TOTAL FUNCTIONAL EXPENSES</b>	5,287,001	0	0	5,287,001
<b>CHANGES IN NET ASSETS</b>	(297,660)	62,311	360,322	124,973
<b>NET ASSETS - MARCH 31, 2009</b>	1,117,205	2,083,247	1,192,771	4,393,223
<b>NET ASSETS - MARCH 31, 2010</b>	\$ 819,545	\$ 2,145,558	\$ 1,553,093	\$ 4,518,196

See independent auditors' report and accompanying notes.

# UNITED WAY OF YORK COUNTY

## STATEMENTS OF FUNCTIONAL EXPENSES YEAR ENDED MARCH 31, 2011 WITH COMPARATIVE TOTAL FOR THE YEAR ENDED MARCH 31, 2010

	Program Services	Supporting Services		Total Supporting Services
	Community Impact	Organizational Administration	Resource Development	
<b>FUNCTIONAL EXPENSES</b>				
Allocation/Awards	\$5,344,810	\$ 0	\$ 0	\$ 0
Spending Policy Distributions	25,570	0	0	0
Less: Donor Designations	(2,042,810)	0	0	0
<b>Subtotal</b>	3,327,570	0	0	0
Salaries	601,525	238,356	193,008	431,364
Employee Benefits	81,463	51,707	41,869	93,576
Payroll Taxes	48,165	19,597	15,869	35,466
<b>Subtotal</b>	731,153	309,660	250,746	560,406
Accreditation and Training	50,491	0	0	0
Advertising	0	0	183,667	183,667
Campaign and Communications	16,721	20,100	17,240	37,340
Cash Management Fees	17,782	11,287	9,139	20,426
Computer	10,835	8,508	3,770	12,278
Conference and Training	3,984	1,037	840	1,877
Depreciation	14,651	9,299	7,530	16,829
Dues and Subscriptions	41,304	26,216	21,229	47,445
Education	47,845	0	0	0
Equipment Rental	2,676	1,699	1,376	3,075
Insurance	9,121	5,790	4,688	10,478
Meeting Expense	2,754	1,748	1,416	3,164
Mileage/Automobile	6,938	4,404	3,566	7,970
Occupancy	13,429	8,524	6,902	15,426
Other Expenses	4,328	2,747	2,224	4,971
Postage and Supplies	14,010	8,893	7,201	16,094
Professional Services	31,283	14,694	1,938	16,632
Quality Enhancement	49,063	0	0	0
Repairs and Maintenance	17,974	11,409	9,238	20,647
Telephone	6,662	4,228	3,424	7,652
<b>Subtotal</b>	361,851	140,583	285,388	425,971
<b>TOTAL FUNCTIONAL EXPENSES</b>	\$4,420,574	\$ 450,243	\$ 536,134	\$ 986,377

See independent auditors' report and accompanying notes.

<b>Total Expenses 2011</b>	<b>Total Expenses 2010</b>
\$ 5,344,810	\$ 5,407,061
25,570	47,223
(2,042,810)	(2,162,411)
3,327,570	3,291,873
1,032,889	1,007,942
175,039	162,333
83,631	81,827
1,291,559	1,252,102
50,491	14,048
183,667	182,169
54,061	78,222
38,208	38,561
23,113	30,882
5,861	8,003
31,480	36,307
88,749	91,451
47,845	14,020
5,751	6,460
19,599	17,841
5,918	6,361
14,908	14,444
28,855	28,020
9,299	9,132
30,104	30,834
47,915	43,564
49,063	42,465
38,621	35,012
14,314	15,230
787,822	743,026
<b>\$ 5,406,951</b>	<b>\$ 5,287,001</b>



# UNITED WAY OF YORK COUNTY

## STATEMENTS OF CASH FLOWS

	Years Ended	
	March 31,	
	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 135,257	\$ 124,973
<b>Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities</b>		
Depreciation	31,480	36,307
Provision for Uncollectible Pledges	(128,310)	13,230
Realized and Unrealized Gain on Investments	(308,553)	(596,781)
<b>(Increase) Decrease in</b>		
Accounts Receivable	(32,293)	239,808
Beneficial Interest in Perpetual Trusts Held by Third Parties	(30,395)	(112,431)
Prepaid Expenses	(4,978)	(178)
<b>Increase (Decrease) in</b>		
Accounts and Designations Payable, Accrued Expenses and Custodian Account		
Custodian Account	315,492	(368,588)
Allocations Payable	(26,080)	(86,960)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	(48,380)	(750,620)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditures	(11,737)	(3,142)
Proceeds from Sale of Investments	582,729	5,597,168
Purchases of Investments	(660,955)	(5,547,456)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	(89,963)	46,570
<b>NET DECREASE IN CASH</b>	(138,343)	(704,050)
<b>CASH - BEGINNING</b>	442,713	1,146,763
<b>CASH - ENDING</b>	\$ 304,370	\$ 442,713
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest Paid	\$ 6,431	\$ 4,895

See independent auditors' report and accompanying notes.

**UNITED WAY OF YORK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2011 AND 2010**

**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of United Way of York County's (the Organization) significant accounting policies in accordance with accounting principles generally accepted in the United States of America consistently applied in the preparation of the accompanying financial statements are as follows:

Form of Financial Statements

The financial statements reflect only the results of operations of the Organization and do not include the operations of any affiliated organization.

Nature of Operations

The Organization administers an annual fundraising campaign in York County, Pennsylvania and uses those funds to support a variety of human service programs in York County.

Organizational Mission Statement

The mission statement of the Organization is to improve people's lives by building a strong community through cultivating financial generosity, volunteerism, and civic engagement.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization's financial statement presentation follows the recommendations of Accounting Standards Codification (ASC) No. 958, *"Not-for-Profit Entities Presentation of Financial Statements."* Under ASC No. 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present the Statements of Cash Flows. Under the provisions of ASC No. 958, net assets and changes therein are classified and reported, based on the existence or absence of donor-imposed stipulations as follows:

- \* ***Unrestricted Net Assets*** - Net assets that are not subject to donor-imposed stipulations.
- \* ***Temporarily Restricted Net Assets*** - Net assets subject to donor-imposed stipulations that will be met either by action of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the Statements of Activities as net assets released from restrictions.
- \* ***Permanently Restricted Net Assets*** - Net assets subject to permanent donor-imposed stipulations that they be maintained permanently. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets for general or specific purposes.



**UNITED WAY OF YORK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2011 AND 2010**

**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Comparative Financial Information

The Statements of Functional Expenses include prior year summarized comparative information in total, but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2010.

Cash and Cash Equivalents

The Organization considers unrestricted cash deposits and cash held in restricted - endowment funds to be cash equivalents.

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 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.

Community care donations and pledges are recorded as temporarily restricted revenue in the current campaign year and released into unrestricted net assets as time restrictions are satisfied in the subsequent year. 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 the campaign results, from which the amounts are then deducted to arrive at the campaign revenue.

Unconditional promises to give, without readily determinable fair values, are stated at the fair value on a nonrecurring basis. The fair value is determined, based on estimates of fair value based on assumptions that are not observable, which is a Level 3 valuation input, as defined in Note 1 - "Fair Value Measurements."

The provision for uncollectible pledges is computed based upon a historical average, adjusted by management's estimates of current economic factors applied to gross campaign, excluding donor designations.

Donor designated pledges are assessed fundraising and processing fees, based on actual historical costs in accordance with United Way Worldwide's membership standards as outlined in its publication titled *United Way of America Implementation Requirements for Membership Standard M (Cost Deduction for Designated Funds)*.

Investment Securities

In accordance with ASC No. 958-320, "Not-for-Profit Entities Investments - Debt and Equity Securities" investments in marketable securities, with readily determinable fair values and all investments in debt securities, are recorded at the fair values on a recurring basis on the Statements of Financial Position. Investment income, restricted by donor-imposed stipulations, is reported as an increase in unrestricted net assets, if the restrictions are met in the same year in which the income is recognized. The unrealized gain and loss is included in the changes in net assets.

**UNITED WAY OF YORK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2011 AND 2010**

**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Donated Material, Services, and Fixed Assets

Several companies have made in-kind donations to the Organization. Various organizations donated materials, advertising, and consulting services to aid the Organization's fundraising campaign. The value, based on the fair value, of materials and services was \$131,312 and \$138,530 for the years ended March 31, 2011 and 2010, respectively. Donated materials and services are included on the Organization's Statements of Activities as revenue and expenses. Additionally, a substantial number of volunteers have donated significant amounts of their time in the Organization's fundraising campaign. The value of this contributed time is not reflected in the financial statements. Investments, which are contributed, are promptly sold and recognized as a collection of campaign pledges at their sale price. Donated equipment is capitalized at the fair value, which is determined at the date of donation.

Federal Income Taxes

The Organization is exempt from federal income taxes as an organization described under the Internal Revenue Code (IRC) Section 501(c)(3), except for net income derived from unrelated business activities, if any. The Organization's open audit periods are 2007 through 2009. In accordance with ASC No. 740-10, "Income Taxes" that was issued and prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose uncertain tax positions taken on its tax return. The Organization believes that it has appropriate support for tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Contributions

In accordance with ASC No. 958-605, "Revenue Recognition," contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed stipulations.

Support that is restricted by the donor, other than donor designated gifts received through the annual campaign, is reported as an increase in unrestricted net assets, if the restriction expires in the reporting period in which the support is recognized. All other donor-imposed restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, which is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the Statements of Activities as net assets released from restrictions.

Unconditional promises to give, which are expected to be collected in periods in excess of one year, are recognized at the present value of the estimated future cash flows at the time the pledge is received. The change in present value, due to the passage of time, is recognized as contribution revenue. Management annually reviews these assets to determine the net realizable value of the pledge.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated useful lives. The straight-line method of accounting for depreciation is followed for financial reporting purposes.

**UNITED WAY OF YORK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2011 AND 2010**

**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

The preparation of the 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, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Accordingly, actual results could differ from these estimates. Significant estimates include allowances for uncollectible pledges. Because of the inherent uncertainties in estimating uncollectible pledges, it is reasonably possible that management's estimates could change in the near-term.

Functional Expenses

Expenses are charged to each program, based on direct expenditures incurred. Program expenses, not directly chargeable, are allocated to programs, based on the annual time study method recommended by United Way Worldwide in its publication *United Way Worldwide Functional Expenses and Overhead Reporting Standards (Revised 2004)*.

Fair Values of Financial Instruments

ASC No. 820 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 assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC No. 820 are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

*Level 2* - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, directly or indirectly, for substantially the full-term of the financial instrument.

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Advertising

Advertising is expensed as incurred. Advertising costs for the years ended March 31, 2011 and 2010 were \$183,667 and \$182,169, respectively.

Reclassifications

Certain amounts in the 2010 financial statements have been reclassified to conform to the 2011 presentation. Such reclassifications had no effect on previously reported net income.

**UNITED WAY OF YORK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2011 AND 2010**

**2. CONCENTRATION OF CREDIT RISK**

The Organization's cash funds in various financial institutions, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. Management regularly monitors the financial condition of the banking institution, along with their cash balances and tries to keep potential risks to a minimum. The Organization has not experienced any such losses on these accounts.

**3. INVESTMENTS - UNRESTRICTED**

Investments - unrestricted consist of the following at March 31:

	<b>2011</b>		<b>2010</b>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash	\$ 51,113	\$ 51,113	\$ 7,939	\$ 7,939
<b>Unrestricted - Investments</b>				
Certificates of Deposit	243,000	253,276	520,000	538,156
Mutual Funds	<u>1,722,713</u>	<u>1,891,404</u>	<u>1,233,474</u>	<u>1,326,210</u>
Subtotal - Unrestricted Investments	<u>1,965,713</u>	<u>2,144,680</u>	<u>1,753,474</u>	<u>1,864,366</u>
Total	<u>\$ 2,016,826</u>	<u>\$ 2,195,793</u>	<u>\$ 1,761,413</u>	<u>\$ 1,872,305</u>

The following is a summary of activity for the years ended March 31:

	<b>2011</b>	<b>2010</b>
Beginning Balance	\$ 1,872,305	\$ 1,836,489
Contribution	143,934	0
Investment Income	83,970	63,699
Administrative Fees	(11,039)	(11,574)
Distribution	0	(250,000)
Realized and Unrealized Gain	<u>106,623</u>	<u>233,691</u>
Ending Balance	<u>\$ 2,195,793</u>	<u>\$ 1,872,305</u>

Management regularly monitors the financial conditions of its investments in an effort to minimize potential risks and losses.

Investments in mutual funds, with readily determinable fair values, are stated at the fair value on a recurring basis. The fair value is determined based on quoted prices for identical investments in their respective active markets, which is a Level 1 valuation input as defined in Note 1 - "Fair Value Measurements."

**4. RESTRICTED - BENEFICIAL INTEREST IN PERPETUAL TRUSTS HELD BY THIRD PARTIES**

The value of York County Community Foundation Heritage Fund, held for the benefit of the Organization, was \$460,481 and \$430,086 at March 31, 2011 and 2010, respectively. These funds, which are legally owned by York County Community Foundation Heritage Fund, generate investment income, which may be paid to the Organization in the year in which the income is earned. The Organization made no contributions to the fund and received distributions of \$20,247 and \$21,133 for the years ended March 31, 2011 and 2010, respectively.

**UNITED WAY OF YORK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2011 AND 2010**

**4. RESTRICTED - BENEFICIAL INTEREST IN PERPETUAL TRUSTS HELD BY THIRD PARTIES (Continued)**

The total amount is comprised of the following at March 31:

	Agency Contribution Component	Third-Party Donor Component	Total
2011	\$ 460,481	\$ 20,948	\$ 481,429
2010	\$ 430,086	\$ 17,920	\$ 448,006

ASC No. 958-605, "*Not-for-Profit Entities Financially Interrelated Entities*," requires that agency contributions be considered an asset of the Organization. Conversely, third-party donor contributions are to be reported as an asset of York County Community Foundation Heritage Fund.

The fair value of the Organization's beneficial interest in assets held by a charitable organization is determined, based on management's assumptions that market participants would use in pricing the assets. The assumptions are developed, based on the best information available, which is a level 3 valuation input as defined in Note 1 - "*Fair Value Measurements*."

The following is a summary of activity for the years ended March 31:

	2011	2010
Beginning Balance	\$ 448,006	\$ 330,891
Net Investment Return	57,826	141,652
Administrative Fees	(4,156)	(3,404)
Distributions	(20,247)	(21,133)
Ending Balance	\$ 481,429	\$ 448,006

**5. RESTRICTED - ENDOWMENT FUNDS**

During the year ended March 31, 2002, the Organization received a pledge by an individual to contribute \$1,000,000 to an endowment fund. These gifts are currently, and will continue to be, invested in the Organization's permanent endowment fund. The Organization's policy regarding the distribution of the restricted endowment funds is based upon 4.5 percent of the rolling average calculated annually at June 30, based on the fair value of the preceding twelve quarters.

The average fair value reduced by the distribution amount shall be no less than \$1,000,000 and \$1,170,000 (base amount) for the years ended March 31, 2011 and 2010, respectively. There shall be no distributions made, if the average fair value is lower than the base amount. In establishing the policy, the Organization considered the long-term expected return on the endowment. The distributions shall be directed by the board or its designee to carry out charitable, cultural, education, and scientific purposes of the Organization.

**UNITED WAY OF YORK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2011 AND 2010**

**5. RESTRICTED - ENDOWMENT FUNDS (Continued)**

Restricted - endowment funds consist of the following at March 31:

	<u>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash - Restricted	\$ 11,876	\$ 11,876	\$ 1,193	\$ 1,193
<b>Restricted - Investments</b>				
Bonds and Certificates of Deposits	0	0	100,000	101,220
Mutual Funds	828,739	1,031,677	749,512	882,535
International Equity Mutual Funds	150,188	196,602	116,779	138,059
Subtotal - Restricted Investments	<u>978,927</u>	<u>1,228,279</u>	<u>966,291</u>	<u>1,121,814</u>
Total	<u>\$ 990,803</u>	<u>\$ 1,240,155</u>	<u>\$ 967,484</u>	<u>\$ 1,123,007</u>

The fair value of the Organization's restricted - endowment funds is determined, based on quoted prices for identical investments in their respective active markets that represent a Level 1 valuation input, as defined in Note 1 - "Fair Value Measurements."

The changes in the restricted - endowment funds are the result of the following activity for the years ended March 31:

	<u>2011</u>	<u>2010</u>
Beginning Balance	\$ 1,123,007	\$ 964,017
Investment Income	26,847	26,053
Administrative Fees	(5,871)	(6,546)
Distributions	(51,140)	(94,447)
Realized and Unrealized Gain	147,312	233,930
Ending Balance	<u>\$ 1,240,155</u>	<u>\$ 1,123,007</u>

**6. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at March 31:

	<u>Useful Lives</u>	<u>2011</u>	<u>2010</u>
Land		\$ 26,063	\$ 26,063
Building	5 - 40 Years	743,781	732,044
Furniture and Equipment	3 - 10 Years	28,864	28,864
Computer Equipment	3 - 5 Years	156,298	156,298
Automobile	3 Years	19,675	19,675
Total Property and Equipment		<u>974,681</u>	<u>962,944</u>
Less: Accumulated Depreciation		<u>(826,111)</u>	<u>(794,631)</u>
Net Book Value		<u>\$ 148,570</u>	<u>\$ 168,313</u>

Depreciation for the years ended March 31, 2011 and 2010 was \$31,480 and \$36,307, respectively.

**UNITED WAY OF YORK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2011 AND 2010**

**7. LINE OF CREDIT**

The Organization has an unsecured line of credit agreement with M&T Bank, up to the maximum amount of \$750,000. The interest rate charged is equal to the one-month London Interbank Offer Rate (LIBOR), plus 2.75 basis points. There were no borrowings against the line of credit at March 31, 2011 and 2010.

**8. RETIREMENT PLANS**

The Organization has a defined contribution pension plan. The plan covers substantially all eligible employees. Contributions to the plan will be paid by the Organization at a rate of 8.0 percent of their compensation (as defined). The costs of the plan for the years ended March 31, 2011 and 2010 were \$2,142 and \$2,280 and contributions to the plan were \$60,052 and \$61,656, respectively.

The Organization's tax savings plan covers all eligible employees, who elect to contribute to the plan. The Organization did not contribute to the plan for each of the years ended March 31, 2011 and 2010.

**9. UNRESTRICTED - BOARD DESIGNATED NET ASSETS**

On September 20, 2010, the Organization's board of directors established a board restricted fund utilizing current investments held in the operating fund, a certificate of deposit held by the Organization, and funds received as the result of an unrestricted bequest.

Additional amounts will be added to the board restricted fund when unrestricted bequests are received by the Organization. Upon approval by the Organization's board of directors, a distribution from this fund will be made each year based upon 4.5 percent of the rolling average calculated annually at December 31, based on the fair value of the preceding twelve quarters, calculated annually at December 31. The amount of unrestricted board designated net assets was \$536,173 at March 31, 2011.

**10. SUBSEQUENT EVENTS**

Management of the Organization has evaluated subsequent events through May 12, 2011, which is the date the financial statements were available to be issued and determined no material subsequent events occurred.



**SUPPLEMENTARY INFORMATION**





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**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

To the Board of Directors  
**United Way of York County**  
800 East King Street  
York, Pennsylvania 17403

Our report on our audits of the basic financial statements of **United Way of York County** (a nonprofit organization) as of and for the years ended March 31, 2011 and 2010 appears on Page 1. The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in the Schedules of Activities is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audits of the basic financial statements and in our opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

York, Pennsylvania  
May 12, 2011

**UNITED WAY OF YORK COUNTY**  
**SCHEDULES TO STATEMENTS OF ACTIVITIES**  
**COMMUNITY INITIATIVES**

	Years Ended	
	March 31,	
	2011	2010
<b>REVENUE</b>		
Grants	\$ 255,428	\$ 222,475
Interest Income	36	52
United Way Allocation	89,500	89,400
<b>TOTAL REVENUE</b>	<b>344,964</b>	<b>311,927</b>
<b>EXPENSES</b>		
Conference and Training	2,196	2,507
Consultant Fees	8,000	4,000
Depreciation	217	384
Dues and Subscriptions	75	0
Employee Benefits	15,987	14,380
Insurance	1,900	2,119
Meeting Expense	196	0
Mileage/Automobile	2,911	1,954
Payroll Taxes	21,227	20,378
Postage and Supplies	2,900	2,063
Printing	0	1,897
Salaries	269,050	261,034
<b>TOTAL EXPENSES</b>	<b>324,659</b>	<b>310,716</b>
<b>CHANGES IN NET ASSETS</b>	<b>\$ 20,305</b>	<b>\$ 1,211</b>

See independent auditors' report on supplementary information.

# UNITED WAY OF YORK COUNTY

## SCHEDULES TO STATEMENTS OF ACTIVITIES

### FOCUS ON OUR FUTURE - A CHILD CARE INITIATIVE

	Years Ended	
	March 31,	
	2011	2010
<b>REVENUE</b>		
Donations	\$ 9,506	\$ 10,179
Grants	147,492	96,487
Interest Income	4,805	1,655
United Way Allocation	25,000	0
<b>TOTAL REVENUE</b>	<b>186,803</b>	<b>108,321</b>
 <b>EXPENSES</b>		
Accreditation and Training	50,491	14,048
Conference and Training	155	1,622
Consultant Fees	7,536	10,462
Depreciation	0	35
Dues and Subscriptions	270	370
Education	47,845	14,020
Employee Benefits	13,614	11,073
Meeting Expense	955	1,481
Mileage/Automobile	1,255	1,060
Payroll Taxes	5,145	4,121
Postage and Supplies	3,459	3,869
Printing	2,945	2,338
Quality Enhancement	49,063	42,465
Salaries	58,573	52,655
Telephone	20	16
<b>TOTAL EXPENSES</b>	<b>241,326</b>	<b>159,635</b>
 <b>CHANGES IN NET ASSETS</b>	<b>\$ (54,523)</b>	<b>\$ (51,314)</b>

See independent auditors' report on supplementary information.

## UNITED WAY OF YORK COUNTY

### SCHEDULES TO STATEMENTS OF ACTIVITIES

#### FREE INFORMATION AND REFERRAL SYSTEM TELELINE (FIRST)

	Years Ended March 31,	
	2011	2010
<b>REVENUE</b>		
Directory Sales	\$ 255	\$ 2,184
Interest Income	116	134
United Way Allocation	30,000	30,000
York County Allocation	47,817	51,842
<b>TOTAL REVENUE</b>	<b>78,188</b>	<b>84,160</b>
 <b>EXPENSES</b>		
Computer	3,500	3,500
Consultant Fees	11,975	9,577
Dues and Subscriptions	200	150
Employee Benefits	5,917	7,717
Payroll Taxes	5,003	5,328
Postage and Supplies	1,565	2,433
Rent	2,400	2,400
Salaries	45,893	58,076
Telephone	1,581	1,842
<b>TOTAL EXPENSES</b>	<b>78,034</b>	<b>91,023</b>
 <b>CHANGES IN NET ASSETS</b>	<b>\$ 154</b>	<b>\$ (6,863)</b>

See independent auditors' report on supplementary information.



**UNITED WAY OF YORK COUNTY**  
**SCHEDULES TO STATEMENTS OF ACTIVITIES**

**HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)**

	Years Ended March 31,	
	2011	2010
<b>REVENUE</b>		
Grants	\$ 16,092	\$ 0
<b>EXPENSES</b>		
Payroll Taxes	1,143	0
Salaries	14,949	0
<b>TOTAL EXPENSES</b>	16,092	0
 <b>CHANGES IN NET ASSETS</b>	 \$ 0	 \$ 0

See independent auditors' report on supplementary information.

