

UNITED WAY OF DELAWARE COUNTY, INC.

DELAWARE, OHIO

FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

WOLF, ROGERS, DICKEY & CO.
Certified Public Accountants

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Independent Auditors' Report

To the Board of Directors of
United Way of Delaware County, Inc.

We have audited the accompanying statements of financial position of the United Way of Delaware County, Inc. (United Way) (a non-profit organization) as of June 30, 2010 and 2009 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the United Way's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the United Way of Delaware County, Inc. as of June 30, 2010 and 2009, 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.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

Delaware, Ohio
October 14, 2010

United Way of Delaware County, Inc.
Statements of Financial Position
June 30, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Current assets:		
Cash	\$ 878,196	1,505,687
Investments	768,916	-
Pledges receivable, net	1,612,156	1,355,183
Prepaid expenses	<u>3,205</u>	<u>8,806</u>
Total current assets	3,262,473	2,869,676
Property and equipment, net	27,285	25,952
Other assets:		
Endowment cash	106,000	106,000
Deposits	<u>402</u>	<u>402</u>
Total other assets	<u>106,402</u>	<u>106,402</u>
	<u>\$ 3,396,160</u>	<u>3,002,030</u>
 <u>Liabilities and Net Assets</u> 		
Current liabilities:		
Accounts payable	33,914	5,980
Due other counties and non United Way affiliates	341,279	370,298
Accrued expenses	10,754	26,611
Agency allocations	<u>2,209,669</u>	<u>1,914,472</u>
Total current liabilities	<u>2,595,616</u>	<u>2,317,361</u>
Net assets:		
Unrestricted	(822,756)	(704,536)
Temporarily restricted	1,517,300	1,283,205
Permanently restricted	<u>106,000</u>	<u>106,000</u>
Total net assets	<u>800,544</u>	<u>684,669</u>
	<u>\$ 3,396,160</u>	<u>3,002,030</u>

The notes to the financial statements are an integral part of these financial statements.

United Way of Delaware County, Inc.
Statements of Activities
For the Years Ended June 30, 2010 and 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Campaign:						
Contributions	\$ -	3,475,176	3,475,176	-	3,120,938	3,120,938
Less non-United Way agencies	-	(351,679)	(351,679)	-	(357,366)	(357,366)
Less other United Way agencies	-	(18,819)	(18,819)	-	(18,460)	(18,460)
Less uncollectible pledges	-	(263,305)	(263,305)	-	(376,559)	(376,559)
Net campaign revenue	-	2,841,373	2,841,373	-	2,368,553	2,368,553
Investment earnings	17,366	-	17,366	24,441	-	24,441
Net unrealized gain	5,578	-	5,578	-	-	-
Fund raising sponsors	5,241	-	5,241	10,065	-	10,065
Net realized gain	438	-	438	-	-	-
Other	2,430	-	2,430	2,025	-	2,025
Net assets released from restrictions	2,607,278	(2,607,278)	-	2,650,647	(2,650,647)	-
Total revenues	2,638,331	234,095	2,872,426	2,687,178	(282,094)	2,405,084
Expenses:						
Program services	2,324,837	-	2,324,837	1,975,759	-	1,975,759
Management and general	245,198	-	245,198	343,683	-	343,683
Fundraising	186,516	-	186,516	204,157	-	204,157
Total expenses	2,756,551	-	2,756,551	2,523,599	-	2,523,599
Change in net assets	(118,220)	234,095	115,875	163,579	(282,094)	(118,515)
Net assets – beginning	(704,536)	1,283,205	578,669	(868,115)	1,565,299	697,184
Net assets – ending	\$ (822,756)	1,517,300	694,544	(704,536)	1,283,205	578,669
Net assets – permanently restricted			106,000			106,000
			\$ 800,544			684,669

The notes to the financial statements are an integral part of these financial statements.

United Way of Delaware County, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>				<u>2009</u>			
	<u>Program</u>	<u>Management</u>	<u>Fund-</u>		<u>Program</u>	<u>Management</u>	<u>Fund-</u>	
	<u>Services</u>	<u>and General</u>	<u>Raising</u>	<u>Total</u>	<u>Services</u>	<u>and General</u>	<u>Raising</u>	<u>Total</u>
Grants and allocations	\$ 2,239,338	-	-	2,239,338	1,914,472	-	-	1,914,472
Payroll and payroll taxes	35,911	136,799	133,090	305,800	35,860	127,106	113,722	276,688
Office and campaign	2,921	40,894	14,605	58,420	-	68,744	22,915	91,659
Professional fees	24,738	6,188	3,364	34,290	17,195	46,243	24,479	87,917
Office rent	5,250	10,500	5,250	21,000	-	15,188	5,062	20,250
Retirement plan contributions	1,932	7,491	7,132	16,555	2,140	7,120	6,252	15,512
Employee benefits	1,731	6,592	6,413	14,736	2,003	7,102	6,354	15,459
Travel and conference	2,500	6,875	3,125	12,500	4,089	11,239	5,109	20,437
Dues to United Way organizations and other	2,864	5,727	2,864	11,455	-	10,577	3,526	14,103
Depreciation and amortization	2,200	4,398	2,200	8,798	-	7,751	2,584	10,335
Public relations	1,237	4,125	2,887	8,249	-	19,678	6,559	26,237
Telephone	1,678	3,354	1,678	6,710	-	5,718	1,906	7,624
Printing and postage	-	4,111	1,371	5,482	-	11,190	3,730	14,920
Investment fees	-	3,070	-	3,070	-	-	-	-
Loss on disposal of equipment	-	-	-	-	-	150	-	150
Other	<u>2,537</u>	<u>5,074</u>	<u>2,537</u>	<u>10,148</u>	<u>-</u>	<u>5,877</u>	<u>1,959</u>	<u>7,836</u>
	<u>\$ 2,324,837</u>	<u>245,198</u>	<u>186,516</u>	<u>2,756,551</u>	<u>1,975,759</u>	<u>343,683</u>	<u>204,157</u>	<u>2,523,599</u>

The notes to the financial statements are an integral part of these financial statements.

United Way of Delaware County, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ 115,875	(118,515)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,799	10,335
Loss on disposal of property and equipment	-	150
Net realized (gain) on investments	(438)	-
Net unrealized (gain) on investments	(5,578)	-
(Increase) decrease in pledges and other receivables	(256,973)	241,760
Decrease in prepaid expenses	5,601	6,894
Increase (decrease) accounts payable	27,934	(4,173)
Increase (decrease) in due other counties and non-United Way affiliates	(29,019)	22,673
(Decrease) in accrued expenses	(15,857)	(17,723)
Increase (decrease) in agency allocations	<u>295,197</u>	<u>(511,501)</u>
Net cash provided by (used in) operating activities	145,541	(370,100)
Cash flows from investing activities:		
Purchase of equipment	(10,132)	(11,264)
Net purchase of investments	<u>(762,900)</u>	<u>-</u>
Net cash used in investing activities	<u>(773,032)</u>	<u>(11,264)</u>
Net change in cash and cash equivalents	(627,491)	(381,364)
Cash and cash equivalents – beginning of the year	<u>1,611,687</u>	<u>1,993,051</u>
Cash and cash equivalents – end of the year	\$ <u>984,196</u>	<u>1,611,687</u>

The notes to the financial statements are an integral part of these financial statements.

United Way of Delaware County, Inc.
Notes to Financial Statements
June 30, 2010 and 2009

(1) Summary of Significant Accounting Policies

Organization

The United Way of Delaware County, Inc. (United Way) is a not for profit corporation organized to unite and mobilize community resources that will sustain improvement in the lives of individuals in Delaware County, Ohio. United Way is locally governed by a board of community volunteers.

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with *Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations*. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the United Way and changes therein are classified and reported 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 may or will be met by either actions of the United Way and/or the passage of time.

Permanently restricted net assets

Net assets subject to donor-imposed stipulations that they will be maintained permanently by the United Way. Earnings on these assets are available for normal operating purposes.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, accrued interest receivable, and contributions receivable approximates fair value because of the short maturity of these financial instruments. The fair value of investments and funds held in trust by others is disclosed in other notes and is based upon values provided by external investment managers or quoted market values. The carrying value of indebtedness approximates the fair value because these financial instruments bear interest rates which approximate current market rates for debt with similar terms.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks and certificates of deposit maturing within one year.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are stated at fair value. The cost assigned to investments received by gift is the fair value at the date the gift is received. Purchase and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average historical value (cost of securities if purchased or the fair market value at the date of gift if received by donation). Dividends and interest income is

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2010 and 2009

(1) Summary of Significant Accounting Policies, continued

Investments, continued

recorded on this accrual basis. In accordance with the policy of stating investments at fair value, the net change in unrealized appreciation or depreciation for the year is reflected in the statement of activities.

The various investments in stocks, securities, mutual funds, and other investments are exposed to a variety of uncertainties, including interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these instruments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the organization.

Contributions

Annual campaigns begin in the spring to raise funds for member agencies for the following calendar year. Campaign contributions received and receivable are recognized as support in the year the unconditional promise is made. The revenues are temporarily restricted as to time because they represent future payments by donors.

Allowance for Doubtful Accounts

The United Way uses the allowance method to estimate uncollectible receivables. The allowances are based on prior experience and management analysis of specific receivables and promises to give. If collections are made in excess of this allowance, the funds are available to be allocated to the member agencies with the next campaign.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets generally ranging from 5 to 7 years.

Donated Services

Contributed services are recorded when they meet the criteria of (1) creating or enhancing nonfinancial assets or (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A large number of volunteers donate substantial amounts of time toward the campaign and the various program activities. Such services are not reflected in the financial statements, as those services do not meet this definition.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2010 and 2009

(1) Summary of Significant Accounting Policies, continued

Donor Designations

The United Way allows donors the choice to designate all or part of their contributions. Designations to specific not-for-profit organizations other than the United Way are deducted from contributions revenue. When the agency receives contributions designated for a specific purpose by the donor, a restricted fund is established.

Income Taxes

The United Way is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization has also been classified as an entity that is not a private foundation within the meaning of section 509(a) and qualifies for deductible contributions as provided in Section 170(6)(1)(A)(iv). No provision has been made for income tax as the United Way has no unrelated business income.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions which 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 and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued and Upcoming Accounting Pronouncements

During the year ended June 30, 2010, the United Way adopted Accounting Standard Codification (ASC) 820-10, *Fair Value Measurements and Disclosures*, issued by the Financial Accounting Standards Board (FASB). ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under ASC 820-10 as assumptions market participants would use in pricing an asset or liability. United Way has added the required disclosures in Note 12 of the financial statements.

In August 2008, the FASB issued ASC 958-205 and subsections (formerly FASB Staff Position No. FAS 117-1), *Endowments of Not-for-Profit Organization: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*. ASC 958-205 and subsections provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). ASC 958-205 and subsections also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the Organization is subject to UPMIFA.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2010 and 2009

(1) Summary of Significant Accounting Policies, continued

Recently Issued and Upcoming Accounting Pronouncements, continued

In February 2010, FASB issued ASC 885, *Subsequent Events*. This statement is effective for interim and annual periods ending after June 15, 2009. This statement is intended to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an organization has evaluated subsequent events and the basis for that date – that is, whether that date represents the date the financial statements were issued or were available to be issued. This disclosure should alert all users of financial statements that an organization has not evaluated subsequent events after that date in the set of financial statements being presented. United Way has adopted the statement and incorporated the required disclosure in Note 13.

Reclassifications

Certain 2009 amounts have been reclassified to conform to the 2010 presentation.

(2) Cash and Concentration of Credit Risk

Cash consists of the following at June 30:

	<u>2010</u>	<u>2009</u>
Checking and cash	\$ 953,512	678,323
Money market	30,684	-
Certificates of deposit	<u>-</u>	<u>933,364</u>
	<u>\$ 984,196</u>	<u>1,611,687</u>

The checking and certificates of deposit bear interest from .01% to .38%.

In fiscal 2007 the United Way began participating in a financial institution's Certificate of Deposit Account Registry Service (CDARS). CDARS permits the United Way to fully insure all certificates of deposit with the Federal Deposit Insurance Corporation (FDIC). This insurance is accomplished by the financial institution purchasing certificates of deposit from several banks, each certificate held having a balance of less than \$250,000. FDIC insurance covers \$250,000 of deposits at each financial institution. In 2010 these CDARS were transferred into an investment account.

Additionally, the United Way had cash in excess of the FDIC insurance limit of \$677,411 and \$428,304 at June 30, 2010 and 2009, respectively. Substantially all of these balances are invested in a money market fund that invests exclusively in U.S. obligations, securities issued by any U.S. agency or repurchase agreements secured by U.S. or agency obligations.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2010 and 2009

(3) Investments

Investments at December 31 were as follows:

	<u>2010</u>	<u>2009</u>
Cash	\$ 52,326	-
United States government agency obligations	246,839	-
Mortgages backed agencies	228,183	-
Municipal bonds	75,737	-
Mutual funds	131,118	-
Other	<u>34,713</u>	<u>-</u>
	<u>\$ 768,916</u>	<u>-</u>

Other investments are measured at fair value on a recurring basis as provided for in ASC 820-10-50, *Fair Value Measurements*. These assets are categorized as Level 1 because their valuation is based on quoted market prices in active markets for identical assets.

Investment accounts are insured up to \$500,000 under the Securities Investment Protection Corporation. At June 30, 2010 the United Way has uninsured balances totaling \$268,916.

(4) Pledges Receivable and Concentrations

Pledges receivable consist of the following at June 30:

	<u>2010</u>	<u>2009</u>
Pledges receivable	\$ 1,875,461	1,731,742
Less allowance for doubtful accounts	<u>(263,305)</u>	<u>(376,559)</u>
Net pledges receivable	<u>\$ 1,612,156</u>	<u>1,355,183</u>

The United Way receives substantially all of its revenue in the form of charitable contributions from individuals, businesses and other organizations who live or operate in Delaware County, Ohio. The contributions are solicited via annual fundraising campaigns in Delaware and nearby counties.

A single employer's campaign resulted in 59% and 60% of contributions in 2010 and 2009, respectively. Additionally, this employer's receivables represent 56% and 61% of the total receivables at June 30, 2010 and 2009, respectively.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2010 and 2009

(5) Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2010</u>	<u>2009</u>
Leasehold improvements	\$ 1,525	1,525
Office equipment	85,895	75,764
Furniture and fixtures	<u>11,561</u>	<u>11,561</u>
Total property and equipment	98,981	88,850
Less accumulated depreciation	<u>(71,696)</u>	<u>(62,898)</u>
Net property and equipment	\$ <u>27,285</u>	<u>25,952</u>

(6) Leases

The United Way leases office space pursuant to an operating lease which expires in October 2010 with an option to renew for six additional months. The United Way will be required to make monthly rental payments of \$1,750 for the fiscal year ending June 30, 2011.

(7) Agency Allocations

In the first half of each calendar year the Board of Trustees approves allocations to member agencies for the upcoming July 1 to June 30 fiscal period. The amount allocated is a portion of the anticipated proceeds from the fall campaign. The United Way recognizes a liability to the member agencies at the time of Board approval. The liability may be adjusted by the Board depending on the collection of campaign pledges and the operations of the agency.

During the years ended June 30, 2010 and 2009, the Board approved allocations of \$2,209,669 and \$1,914,472, respectively. In addition, the United Way has received pledges which were designated by the donor to be paid to United Ways in other counties. These pledges totaled \$18,819 and \$18,460 as of June 30, 2010 and 2009, respectively, and are reflected as liabilities. The United Way also received pledges designated for unaffiliated agencies. These pledges totaled \$351,679 and \$357,366 as of June 30, 2010 and 2009, respectively, and are reflected as liabilities as well.

Member agencies received allocations for the July 1, 2010 to June 30, 2009 period which were recorded as an expense at June 30, 2009. Similarly, the July 1, 2009 to June 30, 2010 allocations were recognized as an expense at June 30, 2009:

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2010 and 2009

(7) Agency Allocations, continued

	<u>2010</u>	<u>2009</u>
People In Need	\$ 302,888	267,516
American Red Cross	247,814	253,466
Liberty Community Center	225,553	275,967
Delaware Speech & Hearing	169,965	170,777
Salvation Army	142,799	51,407
Helpline of Delaware & Morrow Counties	141,712	156,757
Council for Older Adults	124,802	102,029
Big Brothers/Big Sisters	119,240	89,949
Turning Point	110,098	90,255
Action for Children	104,889	106,992
Senior Services for Independent Living	95,181	79,541
Family Promise	65,000	-
Directions for Youth Families	60,519	-
Maryhaven	50,693	47,396
Boy Scouts of America	40,440	34,368
Girl Scouts of Ohio's Heartland	40,369	41,256
Legal Aid Society	38,725	21,472
Community Action	35,052	34,395
Heritage Day Health Centers	33,308	32,482
Concord Counseling	19,654	17,034
Marion Shelter Board	19,541	31,429
Delaware General Health District	11,017	-
Friends of Delaware County - CASA	10,410	-
Central Ohio Mental Health Center	<u>-</u>	<u>9,984</u>
Total	\$ <u>2,209,669</u>	<u>1,914,472</u>

(8) Retirement Plan

The United Way had established a defined contribution retirement plan for its eligible employees. For fiscal 2010 and 2009, the Board designated 6% of each employees' gross wages from the prior fiscal year to be contributed to the plan. The Board has approved \$16,555 and \$15,512 contributions to the plan for the years ended June 30, 2010 and 2009, respectively.

(9) Beneficial Financial Support Held by Others

In 2002, the Community Foundation of Delaware County established a designated endowment fund on behalf of the United Way. The fund was established for the exclusive purpose of providing income for the United Way. The endowment is funded by outside donors and administered by the Foundation. No United Way deposits have been made to this fund through June 30, 2010. The income will be distributed not less than once annually under the Investment Policy of the Community Foundation. The fund need not make distributions when the assets of the fund are less than \$5,000. The value of the fund as of June 30, 2010 is approximately \$11,673. This amount is not included in these financial statements.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2010 and 2009

(10) Grant Program For Community Impact

In April 2008, the United Way partnered with a community investor to increase the number of Alexis de Tocqueville gifts. Individuals who may not have the ability to contribute at this level at this time, but may be able in future will have their gift “stepped up” by this grant. To qualify for the step up, an individual must commit to a multi-year pledge. This grant has been recorded as temporarily restricted until “stepped up” contributions are utilized from this grant.

(11) Permanently Restricted Net Assets

United Way has interpreted the Ohio enacted version of the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, United Way classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets, until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by United Way.

In accordance with UPMIFA, United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of United Way and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of United Way
- The investment policies of United Way

As of June 30, 2010 and 2009, permanently restricted net assets consist of a charitable bequest of \$106,000.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2010 and 2009

(12) Fair Value Measurement

During the fiscal year ended June 30, 2010, United Way adopted ASC 820-10, *Fair Value Measurements and Disclosures*. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. ASC 820-10 applies to all assets and liabilities that are being measured and reported on a fair value basis. ASC 820-10 requires new disclosure that establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosure about fair value measurements. This statement enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable for the asset or liability, significant to the fair value measurement, and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant judgment or estimation.

The asset 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.

In determining the appropriate levels, United Way performs a detailed analysis of the assets and liabilities that are subject to ASC 820-10. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

United Way of Delaware County, Inc.
Notes to Financial Statements, continued
June 30, 2010 and 2009

(12) Fair Value Measurement, continued

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy:

	Level I	Level II	Level III	Total
Cash	\$ 52,326	-	-	52,326
United States governmental agency obligations	246,839	-	-	246,839
Mortgage backed agencies	228,183	-	-	228,183
Municipal bonds	75,737	-	-	75,737
Mutual funds	131,118	-	-	131,118
Other	<u>34,713</u>	<u>-</u>	<u>-</u>	<u>34,713</u>
	<u>\$ 768,916</u>	<u>-</u>	<u>-</u>	<u>768,916</u>

(13) Subsequent Events

Subsequent events have been evaluated through October 14, 2010, which is the date the financial statements were available to be issued.