

# **United Way of Johnson County, Inc.**

Financial Report  
March 31, 2011

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**Independent Auditor's Report  
on the Financial Statements**

Board of Directors  
United Way of Johnson County, Inc.  
Coralville, Iowa

We have audited the accompanying statements of financial position of United Way of Johnson County, Inc. (United Way) 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 United Way'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 our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Johnson County, Inc. as of March 31, 2011 and 2010, 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.

*McGladrey & Pullen, LLP*

Iowa City, Iowa  
August 2, 2011

**United Way of Johnson County, Inc.**

**Statements of Financial Position  
March 31, 2011 and 2010**

<b>Assets</b>	<b>2011</b>	<b>2010</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,496,061	\$ 1,378,927
Campaign pledges receivable:		
2011/2012 campaign	5,612	-
2010/2011 campaign, net of allowance for uncollectible pledges of \$124,000 in 2011	945,062	3,931
2009/2010 campaign, net of allowance for uncollectible pledges of \$117,000 in 2010	-	926,744
Grant receivable	27,500	-
Other current assets	2,530	1,839
<b>Total current assets</b>	<b>2,476,765</b>	<b>2,311,441</b>
<b>Leasehold Improvements and Equipment</b>		
Computer equipment	44,071	44,071
Computer software	24,871	22,181
Office equipment	12,407	11,835
Campaign materials	2,814	2,814
Leasehold improvements	4,008	4,008
	<b>88,171</b>	<b>84,909</b>
Less accumulated depreciation	72,086	65,448
	<b>16,085</b>	<b>19,461</b>
Beneficial Interest in Assets Held by Community Foundation (Note 2)	336,762	282,459
<b>Total assets</b>	<b>\$ 2,829,612</b>	<b>\$ 2,613,361</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Campaign allocations payable	\$ 1,444,187	\$ 1,368,588
Campaign designations payable	298,405	251,319
Grants payable	35,000	7,600
Accounts payable	-	38
Accrued expenses (Note 3)	30,931	37,522
<b>Total current liabilities</b>	<b>1,808,523</b>	<b>1,665,067</b>
<b>Commitments (Note 5)</b>		
<b>Net Assets</b>		
Unrestricted	228,649	136,013
Temporarily restricted (Note 5)	792,440	812,281
<b>Total net assets</b>	<b>1,021,089</b>	<b>948,294</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,829,612</b>	<b>\$ 2,613,361</b>

See Notes to Financial Statements.

**United Way of Johnson County, Inc.**

**Statement of Activities  
Year Ended March 31, 2011**

	Unrestricted	Temporarily Restricted	Total
Revenue			
Campaign results:			
2011 - 2012 campaign	\$ -	\$ 11,209	\$ 11,209
2010 - 2011 campaign	-	2,098,224	2,098,224
Provision for uncollectible pledges	-	(58,290)	(58,290)
<b>Total funds raised</b>	<b>-</b>	<b>2,051,143</b>	<b>2,051,143</b>
Less amounts raised for others:			
Donor designations to nonaffiliated organizations	-	78,270	78,270
Donor designations to affiliated agencies	-	220,135	220,135
<b>Total funds raised for others</b>	<b>-</b>	<b>298,405</b>	<b>298,405</b>
<b>Net revenue</b>	<b>-</b>	<b>1,752,738</b>	<b>1,752,738</b>
Other revenue			
Administrative fees on amounts raised for others	730	-	730
Noncampaign contributions	20,390	-	20,390
Interest and dividends	12,768	-	12,768
In-kind contributions	39,420	-	39,420
Loss on sale of securities	(24)	-	(24)
Rent income	30	-	30
Special event income, net of expenses of \$4,542	7,733	-	7,733
Change in beneficial interest in assets held by community foundation	32,421	-	32,421
Grants	110,000	-	110,000
Other revenue	1,077	-	1,077
<b>Total other revenue</b>	<b>224,545</b>	<b>-</b>	<b>224,545</b>
Net assets released from restrictions	1,772,579	(1,772,579)	-
<b>Total campaign results and revenue</b>	<b>1,997,124</b>	<b>(19,841)</b>	<b>1,977,283</b>
Expenses			
Program services	1,473,157	-	1,473,157
Supporting activities:			
Fundraising	291,233	-	291,233
Management and general	140,098	-	140,098
<b>Total supporting activities</b>	<b>431,331</b>	<b>-</b>	<b>431,331</b>
<b>Total expenses</b>	<b>1,904,488</b>	<b>-</b>	<b>1,904,488</b>
Change in net assets	92,636	(19,841)	72,795
Net Assets			
Beginning	136,013	812,281	948,294
Ending	<b>\$ 228,649</b>	<b>\$ 792,440</b>	<b>\$ 1,021,089</b>

See Notes to Financial Statements.

**United Way of Johnson County, Inc.**

**Statement of Activities  
Year Ended March 31, 2010**

	Unrestricted	Temporarily Restricted	Total
Revenue			
Campaign results:			
2010 - 2011 campaign	\$ -	\$ 10,263	\$ 10,263
2009 - 2010 campaign	-	1,972,319	1,972,319
Flood relief contributions	-	161,836	161,836
Provision for uncollectible pledges	-	(42,854)	(42,854)
<b>Total funds raised</b>	<b>-</b>	<b>2,101,564</b>	<b>2,101,564</b>
Less amounts raised for others:			
Donor designations to nonaffiliated organizations	-	80,947	80,947
Donor designations to affiliated agencies	-	170,372	170,372
<b>Total funds raised for others</b>	<b>-</b>	<b>251,319</b>	<b>251,319</b>
<b>Net revenue</b>	<b>-</b>	<b>1,850,245</b>	<b>1,850,245</b>
Other revenue			
Administrative fees on amounts raised for others	5,355	-	5,355
Noncampaign contributions	16,889	-	16,889
Interest and dividends	16,058	-	16,058
In-kind contributions	23,980	-	23,980
Loss on sale of securities	(44)	-	(44)
Rent income	20	-	20
Special event income, net of expenses of \$31,289	10,515	-	10,515
Change in beneficial interest in assets held by community foundation	66,396	-	66,396
Grants	26,690	-	26,690
<b>Total other revenue</b>	<b>165,859</b>	<b>-</b>	<b>165,859</b>
Net assets released from restrictions	1,663,712	(1,663,712)	-
<b>Total campaign results and revenue</b>	<b>1,829,571</b>	<b>186,533</b>	<b>2,016,104</b>
Expenses			
Program services	1,403,480	-	1,403,480
Supporting activities:			
Fundraising	276,498	-	276,498
Management and general	129,357	-	129,357
<b>Total supporting activities</b>	<b>405,855</b>	<b>-</b>	<b>405,855</b>
<b>Total expenses</b>	<b>1,809,335</b>	<b>-</b>	<b>1,809,335</b>
Change in net assets	20,236	186,533	206,769
Net Assets			
Beginning	115,777	625,748	741,525
Ending	<u>\$ 136,013</u>	<u>\$ 812,281</u>	<u>\$ 948,294</u>

See Notes to Financial Statements.

**United Way of Johnson County, Inc.**

**Statement of Functional Expenses  
Year Ended March 31, 2011**

	Program Services		
	Community Building	Initiatives	Total Program Services
Expenses			
Allocations	\$ 1,170,352	\$ -	\$ 1,170,352
Community priority grants	43,750	-	43,750
2-1-1	6,000	-	6,000
Salaries	100,623	43,124	143,747
Payroll taxes	7,411	3,176	10,587
Employee benefits	14,250	7,393	21,643
Accounting and auditing fees	6,769	2,901	9,670
Bank fees	-	-	-
Campaign supplies and events	-	-	-
Campaign supplies and events (in-kind)	-	-	-
Communications	302	130	432
Community assessment	21,856	-	21,856
Computer service	1,725	-	1,725
Depreciation	-	-	-
Insurance	1,408	604	2,012
Investment management services	-	-	-
Marketing	638	274	912
Meeting expense	120	-	120
Mileage and travel	2,934	-	2,934
Office supplies	2,303	987	3,290
Postage and shipping	2	-	2
Printing	1,170	501	1,671
Rent	10,171	4,359	14,530
Special events	-	-	-
Subscriptions	-	-	-
Telephone	525	225	750
Training and development	7,282	-	7,282
Utilities	705	302	1,007
United Way Worldwide	6,220	2,665	8,885
<b>Total expenses</b>	<b>\$ 1,406,516</b>	<b>\$ 66,641</b>	<b>\$ 1,473,157</b>

See Notes to Financial Statements.

**Supporting Activities**

Fund- Raising	Management and General	Total Supporting Activities	Total Functional Expenses
\$ -	\$ -	\$ -	\$ 1,170,352
-	-	-	43,750
-	-	-	6,000
140,154	75,467	215,621	359,368
10,323	5,559	15,882	26,469
21,027	9,937	30,964	52,607
9,428	5,077	14,505	24,175
6,189	-	6,189	6,189
19,065	-	19,065	19,065
25,970	-	25,970	25,970
421	227	648	1,080
-	-	-	21,856
5,652	10,471	16,123	17,848
-	6,638	6,638	6,638
1,962	365	2,327	4,339
-	4,304	4,304	4,304
889	479	1,368	2,280
-	1,095	1,095	1,215
1,884	207	2,091	5,025
3,207	1,727	4,934	8,224
4,283	198	4,481	4,483
1,629	877	2,506	4,177
14,168	7,629	21,797	36,327
12,820	-	12,820	12,820
-	789	789	789
732	394	1,126	1,876
1,785	2,852	4,637	11,919
982	1,141	2,123	3,130
8,663	4,665	13,328	22,213
<b>\$ 291,233</b>	<b>\$ 140,098</b>	<b>\$ 431,331</b>	<b>\$ 1,904,488</b>

**United Way of Johnson County, Inc.**

**Statement of Functional Expenses  
Year Ended March 31, 2010**

	Program Services		
	Community Building	Initiatives	Total Program Services
Expenses			
Allocations	\$ 1,089,753	\$ -	\$ 1,089,753
Community priority grants	62,700	-	62,700
Disaster relief grants	35,267	-	35,267
2-1-1	6,000	-	6,000
Salaries	90,695	38,869	129,564
Payroll taxes	6,716	2,878	9,594
Employee benefits	11,732	6,199	17,931
Accounting and auditing fees	6,606	2,831	9,437
Bank fees	-	-	-
Campaign supplies and events	-	-	-
Campaign supplies and events (in-kind)	-	-	-
Communications	269	115	384
Computer service	-	-	-
Depreciation	-	-	-
Insurance	1,058	454	1,512
Investment management services	-	-	-
Marketing	662	284	946
Meeting expense	92	-	92
Mileage and travel	3,165	-	3,165
Miscellaneous	147	2,067	2,214
Office cleaning	89	38	127
Office supplies	1,827	783	2,610
Postage and shipping	44	-	44
Printing	409	175	584
Rent	7,896	3,384	11,280
Special events	-	-	-
Subscriptions	-	-	-
Telephone	509	218	727
Training and development	9,457	-	9,457
Utilities	864	371	1,235
United Way Worldwide	6,200	2,657	8,857
<b>Total expenses</b>	<b>\$ 1,342,157</b>	<b>\$ 61,323</b>	<b>\$ 1,403,480</b>

See Notes to Financial Statements.

Supporting Activities			
Fund-Raising	Management and General	Total Supporting Activities	Total Functional Expenses
\$ -	\$ -	\$ -	\$ 1,089,753
-	-	-	62,700
-	-	-	35,267
-	-	-	6,000
126,324	68,021	194,345	323,909
9,354	5,037	14,391	23,985
17,414	8,115	25,529	43,460
9,201	4,955	14,156	23,593
4,220	-	4,220	4,220
35,847	-	35,847	35,847
23,398	-	23,398	23,398
374	201	575	959
4,259	9,481	13,740	13,740
-	8,845	8,845	8,845
1,474	794	2,268	3,780
-	3,808	3,808	3,808
923	497	1,420	2,366
55	991	1,046	1,138
1,815	917	2,732	5,897
-	206	206	2,420
125	67	192	319
2,488	1,352	3,840	6,450
3,864	330	4,194	4,238
693	307	1,000	1,584
10,998	5,922	16,920	28,200
11,084	-	11,084	11,084
-	397	397	397
708	381	1,089	1,816
2,041	2,823	4,864	14,321
1,204	1,260	2,464	3,699
8,635	4,650	13,285	22,142
<u>\$ 276,498</u>	<u>\$ 129,357</u>	<u>\$ 405,855</u>	<u>\$ 1,809,335</u>

**United Way of Johnson County, Inc.**

**Statements of Cash Flows**  
**Years Ended March 31, 2011 and 2010**

	2011	2010
Cash Flows from Operating Activities		
Change in net assets	\$ 72,795	\$ 206,769
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Contributed securities	(47,378)	(18,852)
Depreciation	6,638	8,845
Change in beneficial interest in assets held by community foundation	(32,421)	(66,396)
Loss on sale of securities	24	44
Effects of changes in operating assets and liabilities:		
Campaign pledges receivable	(19,999)	(7,526)
Grants receivable	(27,500)	-
Other current assets	(691)	3,554
Campaign allocations payable	75,599	(5,000)
Campaign designations payable	47,086	18,343
Grants payable	27,400	(8,322)
Accounts payable	(38)	-
Accrued expenses	(6,591)	(2,237)
<b>Net cash provided by operating activities</b>	<b>94,924</b>	<b>129,222</b>
Cash Flows from Investing Activities		
Purchases of leasehold improvements and equipment	(3,262)	(6,231)
Purchase of investments with community foundation	(21,882)	(18,100)
Proceeds from sale of contributed securities	47,354	18,808
<b>Net cash provided by (used in) investing activities</b>	<b>22,210</b>	<b>(5,523)</b>
<b>Increase in cash and cash equivalents</b>	<b>117,134</b>	<b>123,699</b>
Cash and cash equivalents		
Beginning	1,378,927	1,255,228
Ending	<b>\$ 1,496,061</b>	<b>\$ 1,378,927</b>

See Notes to Financial Statements.

## United Way of Johnson County, Inc.

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

Nature of activities: United Way of Johnson County, Inc. (United Way) conducts an annual campaign in the fall of each year that concludes in January. Contributors may designate all or a portion of their contributions to United Way agencies or to nonaffiliated 501(c)(3) organizations, churches, and other governmental agencies. The volunteer Community Impact committee of the United Way receives funding requests from qualified partner agencies and makes funding recommendations based on the funding requests, site visits and community needs. The Board of Directors approves the agency allocations each April and United Way distributes agency allocations monthly (July – June). Donor designations to agencies are distributed (April and October) as requested by the donors, less an amount representing administration, fund-raising, and uncollectible pledge (shrinkage) costs.

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 amount 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 equivalents: Cash and cash equivalents consist of cash on hand, checking and savings accounts and all highly liquid investments purchased with a maturity of three months or less. United Way maintains its cash accounts with commercial banks and credit unions, which at times will exceed the insurance limits of the Federal Deposit Insurance Corporation or the National Credit Union Administration.

Allowance for uncollectible pledges: The allowance for uncollectible pledges is an estimate based upon a review of outstanding pledge receivables. The allowance is based upon historical experience, adjusted for economic conditions expected to affect the historical factors. An overall loss factor is applied to the campaign to determine the amount of pledges deemed uncollectible. Pledge receivables are written off when deemed uncollectible. Recoveries of pledge receivables previously written off are recorded when received.

Leasehold improvements and equipment: Leasehold improvements and equipment are recorded at cost or at estimated fair market value at the date of gift, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from three to fifteen years.

Beneficial interest in assets held by community foundation: United Way has an interest in two accounts it established with a community foundation, and adjusts its interest in the assets held similar to the equity method of accounting which results in the assets being carried at fair value.

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

*Unrestricted net assets* include all net assets which are neither temporarily nor permanently restricted.

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

*Permanently restricted net assets* include contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and that distributions are limited to prudent annual limits.

## United Way of Johnson County, Inc.

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

Contributions received: Donor contributions, including the uncollected portion of pledges receivable, are treated as contributions when the pledge is received. Substantially all contributions are temporarily restricted by the donors to be contributed to qualified agencies and to provide community-building, fundraising and administrative support to United Way for the next fiscal year. Temporary restrictions are removed upon the allocation of contributions and designated amounts to agencies and by the passage of time. All pledges receivable are due within the next fiscal year.

Bequests: Bequests received from estates are recognized upon receipt.

Contributions made: Allocations to United Way agencies are accrued in the period the allocations are approved by the board of directors and supported by the results of the campaign completed during the period.

Agency transactions: Certain funds can be designated by donors to United Way agencies, nonaffiliated organizations, churches, or other governmental agencies. United Way has adopted a policy of reflecting these contributions in the campaign results in the statements of activities. These contributions are then deducted to reflect the amount of revenue recognized under accounting principles generally accepted in the United States of America. The total amount raised on behalf of others at March 31, 2011 and 2010 was \$298,405 and \$251,319, respectively.

Contributed goods and services: Contributed services of campaign volunteers are not reflected in the financial statements. No contributions of specialized services have been recognized since there were no services contributed by individuals possessing those skills that would have been purchased if not provided by donation.

Contributed services are provided by members of the board of directors, members of the internal operations, executive, community investment, resource development and strategic planning committees, campaign volunteers and individuals who volunteer administrative assistance. Estimated hours of services provided totaled 5,311 and 4,655 (unaudited) for the years ended March 31, 2011 and 2010, respectively.

In-kind contributions of goods are recorded as contributions and expenses based upon the fair value of goods received.

Income taxes: United Way is exempt from income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code. As such, United Way is taxed only on its unrelated business income. Management has determined United Way did not receive any unrelated business income for the years ended March 31, 2011 and 2010. The United Way is not a private foundation under provisions of section 509(a)(3) of the Internal Revenue Code.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based upon all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. United Way had no unrecognized tax benefits as of and for the years ended March 31, 2011 and 2010. The United Way is no longer subject to examinations by federal or state authorities for years ending before March 31, 2008 nor have we been notified of any impending examinations and no examinations are currently in process.

**United Way of Johnson County, Inc.**

**Notes to Financial Statements**

**Note 2. Beneficial Interest in Assets Held by Community Foundation and Endowments**

United Way has established two board-designated endowments at the Community Foundation of Johnson County (Foundation). The endowments are administered by the Foundation for the benefit of United Way. Control over the investment or reinvestment of these funds is exercised by the Foundation. United Way has not granted variance power to the Foundation, so United Way continues to recognize its interest in the net assets held by the Foundation, and these endowments are classified as unrestricted net assets.

United Way has adopted investment and spending policies for these endowments that may provide future supplemental funding while seeking to maintain the purchasing power of these assets. To satisfy its long-term rate-of-return objectives, United Way relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation establishes guidelines for the minimum and maximum percentages of cash, fixed income and equity securities, and an investment committee monitors and adjusts the allocations periodically. Although prudent spending distributions are allowable, no distributions have been taken for the years ended March 31, 2011 and 2010.

The changes in funds for the years ended March 31, 2011 and 2010 were as follows:

	2011		
	Endowment Fund	Entrepreneurial Fund	Total
Beginning of year	\$ 110,576	\$ 171,883	\$ 282,459
Investment return:			
Investment income	2,281	3,516	5,797
Net appreciation (realized and unrealized)	12,536	19,885	32,421
<b>Total investment return</b>	<b>14,817</b>	<b>23,401</b>	<b>38,218</b>
Unrestricted contributions	5,000	15,390	20,390
Investment fees	(1,698)	(2,607)	(4,305)
End of year	<u>\$ 128,695</u>	<u>\$ 208,067</u>	<u>\$ 336,762</u>
	2010		
	Endowment Fund	Entrepreneurial Fund	Total
Beginning of year	\$ 83,247	\$ 114,716	\$ 197,963
Investment return:			
Investment income	2,003	3,016	5,019
Net appreciation (realized and unrealized)	26,853	39,543	66,396
<b>Total investment return</b>	<b>28,856</b>	<b>42,559</b>	<b>71,415</b>
Unrestricted contributions	-	16,889	16,889
Investment fees	(1,527)	(2,281)	(3,808)
End of year	<u>\$ 110,576</u>	<u>\$ 171,883</u>	<u>\$ 282,459</u>

**United Way of Johnson County, Inc.**

**Notes to Financial Statements**

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**Note 3. Accrued Expenses**

Accrued expenses consist of the following as of March 31, 2011 and 2010:

	2011	2010
Vacation	\$ 9,746	\$ 10,632
Payroll taxes	4,763	5,151
Membership fees	15,896	21,189
Benefits payable	526	550
	<u>\$ 30,931</u>	<u>\$ 37,522</u>

**Note 4. Lease and Rent Expense**

United Way leases office space under an agreement that expires April 2013. The lease requires monthly rentals of \$2,450 as well as payments for utilities, repairs and maintenance. Rent expense totaled \$28,200 for the years ended March 31, 2011 and 2010.

Future minimum lease payments under the above operating lease are as follows:

Year ending March 31:

2012	\$ 29,400
2013	29,400
2014	2,450
	<u>\$ 61,250</u>

Conference room space is contributed to United Way. Rent expense and associated in-kind donation was recorded at fair market value of \$8,127 for both of the years ended March 31, 2011 and 2010.

**Note 5. Nature and Amount of Temporary Restrictions**

Temporarily restricted net assets of time restricted balances from the last campaign totaled \$792,440 and \$812,281 as of March 31, 2011 and 2010, respectively. Of the \$792,440 of temporarily restricted net assets as of March 31, 2011, \$210,055 is to be used for flood relief, and \$582,385 is to be used for fundraising and administrative support through next fiscal year. Of the \$812,281 of temporarily restricted net assets as of March 31, 2010, \$213,772 was restricted for flood relief, and \$598,509 was restricted for fundraising and administrative support.

During the years ended March 31, 2011 and 2010, the following temporarily restricted net assets were released to unrestricted net assets:

	2011	2010
Prior year net assets previously time restricted to provide fundraising and administrative support	\$ 598,510	\$ 544,858
Paid out for flood relief	3,717	29,101
Campaign contributions allocated for distributions	1,170,352	1,089,753
	<u>\$ 1,772,579</u>	<u>\$ 1,663,712</u>

## United Way of Johnson County, Inc.

### Notes to Financial Statements

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#### Note 6. Fair Value Measurement

The Fair Value Measurements and Disclosures Topic of the FASB Codification 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. The Codification requires the use of valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the Codification establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A description of the valuation methodologies used for assets measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Beneficial interest in assets held by community foundation: Assets held by the Foundation are invested in bonds, fixed income funds, equities and equity funds that have quoted prices in active markets. United Way adjusts its interest in the assets held by the Foundation similar to the equity method of accounting, which results in the asset being carried at fair value. The interest in the assets held by the Foundation is measured using level 3 inputs within the fair value hierarchy. These assets totaled \$336,762 and \$282,459 as of March 31, 2011 and 2010, respectively. See footnote 2 for roll forwards of these level 3 assets.

#### Note 7. Fees to Other Organizations

United Way is a member of United Way Worldwide with full membership rights. Under an agreement with United Way Worldwide, 1 percent of the United Way's campaign production amount is paid as a fee to United Way Worldwide. The fees totaled \$22,213 and \$22,142 for the years ended March 31, 2011 and 2010, respectively.

#### Note 8. Retirement Plan

United Way provides retirement benefits to eligible employees under a simplified retirement plan whereby United Way annually determines the amount of contribution. Contributions to the plan totaled \$17,035 and \$10,362 for the years ended March 31, 2011 and 2010, respectively.

#### Note 9. Subsequent Events

Management has evaluated subsequent events through August 2, 2011, the date the financial statements were available to be issued. Management has determined that no events or transactions have occurred through that date that required recognition or disclosure in the financial statements.



**Independent Auditor's Report  
on the Supplementary Information**

To the Board of Directors  
United Way of Johnson County, Inc.  
Coralville, Iowa

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information 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 auditing 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.

*McGladrey & Pullen, LLP*

Iowa City, Iowa  
August 2, 2011

**United Way of Johnson County, Inc.**

**Board of Directors, Management and Staff  
March 31, 2011**

**Board of Directors**

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Bart Floyd	Board Chair
Jeff Disterhoft	Past Chair
Alan Swanson	Resource Development Chair
Doug True	Treasurer & Internal Operations Chair
Glen Winekauf	Strategic Planning Chair
Jan Jensen	Community Investment Chair
Dan Brown	Director
Deb Enochson	Director
Anita Falkofske Eaton	Director
Robyn Hepker	Director
Sharman Hunter	Director
Hass Machlab	Director
Sally Mason	Director
Kate Minette	Director
Stephen Murley	Director
Michael Pugh	Director
Nancy Quellhorst	Director
Jon Whitmore	Director
Scott Hansen	Ex-Officio

**Management and Staff**

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Christine Scheetz	President and CEO
Patti Fields	VP, Community Impact & Engagement
Terri Anderson	Director of Finance & Operations
Juli Kennedy	Director of Resource Development
Carol Rowland	Finance & Pledge Services Manager
Jill Schnoebelen	Volunteer Center & Community Impact Coordinator

**United Way of Johnson County, Inc.**

**Donor Designations to Nonaffiliated Organizations  
Year Ended March 31, 2011**

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Other United Ways:	
Chenango United Way, Inc.	\$ 264
Marion County United Way	304
United Way of East Central Iowa	15,509
United Way of Metropolitan Dallas	1,622
United Way of Mt. Pleasant	104
United Way of Muscatine	788
United Way of the Quad Cities Area	438
United Way of Story County	421
United Way Worldwide	67
West Liberty-Atalissa United Way	127
<b>Total to other United Ways</b>	<b>\$ 19,644</b>

**United Way of Johnson County, Inc.**

**Donor Designations to Nonaffiliated Organizations  
Year Ended March 31, 2011**

Other nonaffiliated organizations:	
Abbe Center for Community Mental Health	\$ 101
African American Museum of Iowa	203
Aid To Women	260
Alzheimer's Association of East Central Iowa	356
Amana Arts Guild	250
American Heart Association	47
American Red Cross	328
American Red Cross - Washington Co.	78
Apple Tree Children's Center	234
The Arc of East Central Iowa	39
Area Substance Abuse Council	250
Athletes In Action	1,287
Best Friends Animal Society	187
Big Brothers Big Sisters of Cedar Rapids & East Central Iowa	300
Birthright of Muscatine	203
Boy Scout Pack #156	208
Boy Scout Troop #250	390
Boys & Girls Club of Cedar Rapids	153
B.V. Cat & Dog Rescue League	731
Camp Courageous of Iowa	353
Camp Eastman Development Assoc. Inc.	1,098
Camp Hertko Hollow	117
Camp Sunnyside	195
Catholic Charities, Davenport	393
Catholic Charities of Linn County	234
Cedar County Public Health	525
Cedar County Relief	104
Cedar Rapids Concert Chorale	78
Cedar Rapids Healthcare Alliance	140
Cedar Valley Habitat for Humanity	52
Cedar Valley Humane Society	260
CHADD of Iowa - Iowa City Branch	766
Chatham Oaks	78
Christamore Family Treatment Center	78
Christian Television Network	312
Coe College	78
Community Corrections Improvement Assoc.	98
Community Foundation of Johnson County	390
Community Health Free Clinic	281
CPC Pregnancy Resources	234
Durant Community Chest	195
Emma Goldman Clinic	39
Extend the Dream Foundation	156
Family Resources, Inc.	78
First Christian Church	1,522
First United Methodist Church	936
<b>Total forward</b>	<b>\$ 14,395</b>

**United Way of Johnson County, Inc.**

**Donor Designations to Nonaffiliated Organizations  
Year Ended March 31, 2011**

<b>Total forwarded</b>	\$ 14,395
Four Oaks Cedar Rapids	131
Friends of the Animal Center Foundation	1,126
Grant Wood AEA	61
HACAP - Cedar Rapids	52
HACAP Head Start Family Services Center	52
Hawkeye Area Boy Scouts	5,589
Henry Davison Youth Center	81
Homeless Children's Trust	52
Horizons: A Family Service Alliance	78
Hospice Compassus	101
Hospice of Keokuk County	61
Hospice of Mercy	307
Hospice of North Iowa	125
Hospice of Washington County	524
ICCSA Foundation	133
Informed Choice of Iowa	4,774
Iowa City Eels Swim Club	296
Iowa City Foreign Relations Council	265
Iowa City Hospice	6,433
Iowa County Ambulance Service	159
Iowa County Health Department	51
Iowa County Food Bank	47
Iowa Donor Network	47
Iowa Juvenile Home/Girls State Training	468
Iowa Mennonite School	178
Iowa Public Radio	39
Iowa SIDS Foundation	41
JDRF	421
Johnson County 4-H	78
Johnson County 4-H Endowment Fund	47
Junior Achievement of Eastern Iowa, Inc.	874
Kalona Food Pantry	159
Kids First Law Center	94
K.I.N.D. Care	342
Lending Hands, Inc.	87
Linn Community Food Bank	156
Lisbon Community School Fund	162
Lisbon History Center	1,976
Local Foods Connection	39
Lone Tree Community Schools	286
Lone Tree Fire & Rescue	203
Lutheran Social Services	39
Matthew 25 Ministry Hub	52
Mercy Hospital Foundation	5,084
Milestones Adult Day Health Center	156
Miracles In Motion	234
<b>Total forward</b>	<b>\$ 46,155</b>

**United Way of Johnson County, Inc.**

**Donor Designations to Nonaffiliated Organizations  
Year Ended March 31, 2011**

<b>Total forwarded</b>	\$ 46,155
MLK Jr. Center	39
Moose Charities	671
Mt. Zion House	260
Muscular Dystrophy Association of Iowa	52
MYEP	348
NAACP	203
North English Community Center	326
North Liberty Food & Clothing Pantry	1,275
Parkview Evangelical Free Church	608
Planned Parenthood of Greater IA	234
Planned Parenthood of the Heartland	86
Pleasant Ridge Waldorf School	1,327
Pleasantview Home	458
The Preemie Project	81
Reach for Your Potential	78
Reach Out and Read Iowa	242
Rural Employment Alternatives, Inc.	546
Safe Haven of Iowa County	312
The Salvation Army	517
The Salvation Army - Cedar Rapids	52
Sisters of St. Francis	468
Southeast Linn Community Center	242
Special Olympics Iowa	195
Spirit Inc.	150
St. James Church	427
Successful Living	421
Systems Unlimited, Inc.	332
Tanager Place	104
Tiffin Grace United Methodist Church	156
Tipton United Fund	86
United Fund of Columbus Junction	47
University of Iowa Foundation	464
VA Medical Center	41
Vietnam Veterans Memorial Fund	234
Webster United Methodist Church	81
West Branch Community Day Care	289
West Liberty Fire Department	162
Williamsburg Comm. Child Care Ctr.	291
The Workplace Learning Connection	98
Young Parents Network	468
<b>Total to other nonaffiliated organizations</b>	<u>58,626</u>
<b>Total donor designations to nonaffiliated organizations</b>	<u><u>\$ 78,270</u></u>

**United Way of Johnson County, Inc.**

**Donor Designations to Affiliated Agencies  
Year Ended March 31, 2011**

4Cs Child Care Resource & Referral	\$	2,358
The Arc of Southeast Iowa		4,352
Big Brothers Big Sisters of Johnson County		18,075
Community Mental Health Center for Mid-Eastern Iowa		4,130
The Crisis Center of Johnson County		24,228
Domestic Violence Intervention Program (DVIP)		14,670
Elder Services, Inc.		19,618
Four Oaks Iowa City		2,318
Free Lunch Program		8,982
Geriatric & Special Needs Dental Program		1,474
Girl Scouts of Eastern Iowa & Western Illinois		7,560
Goodwill of the Heartland		6,067
Handicare, Inc.		4,712
HACAP		1,878
Healthy Kids School-Based Clinics		13,982
Hillcrest Family Services		481
The Housing Fellowship		2,625
Iowa City Free Medical Clinic		13,207
Iowa Legal Aid		1,682
Joan Buxton School Children's Aid		3,327
Life Skills, Inc.		2,689
MECCA Services		3,165
National Alliance on Mental Illness - Johnson County		6,039
Neighborhood Centers of Johnson County		3,472
Pentacrest Inc./Pathways Adult Day Health Center		3,544
RVAP		4,093
Shelter House		20,019
Table to Table		9,751
United Action for Youth (UAY)		6,191
Visiting Nurse Association (VNA)		5,446
<b>Total donor designations to affiliated agencies</b>	<b>\$</b>	<b>220,135</b>

**United Way of Johnson County, Inc.**

**Allocations to Affiliated Agencies  
Years Ended March 31, 2011 and 2010**

	2011	2010
Regular allocations:		
4Cs Child Care Resource & Referral	\$ 19,380	\$ 19,380
The Arc of Southeast Iowa	25,000	25,000
Big Brothers Big Sisters of Johnson County	55,000	50,000
Community Mental Health Center for Mid-Eastern Iowa	30,000	26,522
Crisis Center of Johnson County	115,000	115,000
Domestic Violence Intervention Program (DVIP)	63,700	61,540
Elder Services, Inc.	44,035	44,035
Four Oaks Iowa City	20,000	20,000
Free Lunch Program	8,400	8,000
Geriatric & Special Needs Dental Program	12,000	12,000
Girl Scouts of Eastern Iowa & Western Illinois	7,000	5,000
Goodwill of the Heartland	60,000	60,000
Handicare, Inc.	30,000	25,401
Healthy Kids School-Based Clinics	40,000	-
HACAP	-	4,000
Hillcrest Family Services	8,000	8,000
The Housing Fellowship	19,334	19,334
Iowa City Free Medical Clinic	110,000	110,000
Iowa Legal Aid	37,000	37,000
Joan Buxton School Children's Aid	12,000	12,000
Life Skills, Inc.	9,110	9,110
MECCA Services	57,090	57,090
National Alliance on Mental Illness - Johnson County	5,000	2,607
Neighborhood Centers of Johnson County	110,000	107,314
Pentacrest Inc./Pathways Adult Day Health Center	20,000	14,408
RVAP	27,125	25,834
Shelter House	55,000	50,000
Table to Table	30,000	25,000
United Action for Youth (UAY)	66,178	66,178
Visiting Nurse Association (VNA)	75,000	75,000
Iowa City Hospice allocation recovery	-	(5,000)
<b>Total regular allocations</b>	<b>1,170,352</b>	<b>1,089,753</b>
Special allocations/Community Priority Grants:		
Big Brothers Big Sisters of Johnson County	-	3,500
Geriatric and Special Needs Dental Clinic	-	8,000
Girl Scouts of Eastern Iowa and Western Illinois	-	1,350
Grantwood Neighborhood Association	-	1,450
Iowa City Community Schools - Healthy Kids	43,750	35,000
Iowa Valley Habitat for Humanity	-	3,500
Johnson County Crisis Center	-	7,200
Solon Senior Advocates	-	2,700
<b>Total special allocations/Community Priority Grants</b>	<b>43,750</b>	<b>62,700</b>
<b>Total allocations to affiliated agencies</b>	<b>\$ 1,214,102</b>	<b>\$ 1,152,453</b>