

INLAND EMPIRE UNITED WAY

**Financial Statements for the Year Ended June 30, 2011
and Independent Auditor's Report**

INLAND EMPIRE UNITED WAY

June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Inland Empire United Way (the Organization) as of June 30, 2011, and for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's financial statements and, in our report dated December 21, 2010, we expressed an unqualified opinion on these statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inland Empire United Way as of June 30, 2011, and the changes in its net assets, cash flows and functional expenses for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN ^{LLP}

October 28, 2011

INLAND EMPIRE UNITED WAY
STATEMENT OF FINANCIAL POSITION
June 30, 2011

(With Comparative Totals for 2010)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2011</u>	<u>Total 2010</u>
<u>ASSETS</u>				
Current Assets:				
Cash and cash equivalents	\$ 585,395	\$	\$ 585,395	\$ 517,614
Pledges receivable		1,669,480	1,669,480	2,042,425
Less allowance for uncollectible		(247,772)	(247,772)	(343,580)
Designations receivable		26,723	26,723	34,198
Operating receivables	692		692	3,982
Short-term investments	200,000		200,000	
Inventory	1,904,590		1,904,590	929,884
Prepaid expenses	5,979		5,979	41,738
Deposits	<u>21,150</u>		<u>21,150</u>	<u>22,615</u>
Total Current Assets	<u>2,717,806</u>	<u>1,448,431</u>	<u>4,166,237</u>	<u>3,248,876</u>
Non-Current Assets:				
Equipment and leasehold improvements	887,287		887,287	873,914
Less accumulated depreciation	<u>(776,996)</u>		<u>(776,996)</u>	<u>(631,498)</u>
Total Non-Current Assets	<u>110,291</u>	<u>-</u>	<u>110,291</u>	<u>242,416</u>
Total assets	<u>\$ 2,828,097</u>	<u>\$ 1,448,431</u>	<u>\$ 4,276,528</u>	<u>\$ 3,491,292</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities:				
Designations payable	\$ 33,252	\$	\$ 33,252	\$ 33,750
Operating accounts payable	26,909		26,909	27,681
Accrued expenses	<u>95,734</u>		<u>95,734</u>	<u>133,468</u>
Total liabilities	<u>155,895</u>	<u>-</u>	<u>155,895</u>	<u>194,899</u>
Net Assets:				
Unrestricted net assets				
Unappropriated	2,224,998		2,224,998	1,116,146
Board appropriated	447,204		447,204	447,204
Temporarily restricted		<u>1,448,431</u>	<u>1,448,431</u>	<u>1,733,043</u>
Total net assets	<u>2,672,202</u>	<u>1,448,431</u>	<u>4,120,633</u>	<u>3,296,393</u>
Total liabilities and net assets	<u>\$ 2,828,097</u>	<u>\$ 1,448,431</u>	<u>\$ 4,276,528</u>	<u>\$ 3,491,292</u>

See the accompanying auditor's report and notes to the financial statements.

INLAND EMPIRE UNITED WAY

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

(With Comparative Totals for 2010)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2011</u>	<u>Total 2010</u>
<u>PUBLIC SUPPORT AND OTHER REVENUES</u>				
Campaign Revenue:				
Gross campaign result (prior years)	\$ 218,063	\$	\$ 218,063	\$ 191,042
Less designations & pass-through	<u>(262,431)</u>	<u> </u>	<u>(262,431)</u>	<u>(52,608)</u>
Net campaign revenue (prior years)	<u>(44,368)</u>	<u>-</u>	<u>(44,368)</u>	<u>138,434</u>
Gross campaign result (current year)		3,048,028	3,048,028	3,106,277
Less designations & pass through		(994,543)	(994,543)	(1,066,718)
Less provision for uncollectible		<u>(335,246)</u>	<u>(335,246)</u>	<u>(329,687)</u>
Net campaign revenue (current year)	<u>-</u>	<u>1,718,239</u>	<u>1,718,239</u>	<u>1,709,872</u>
Net campaign revenue	<u>(44,368)</u>	<u>1,718,239</u>	<u>1,673,871</u>	<u>1,848,306</u>
Other Revenues:				
Gifts in kind	2,523,082		2,523,082	1,308,231
Service fees	58,504		58,504	48,656
Program fees	94,087		94,087	98,633
Grants and contracts	1,091,531		1,091,531	1,095,183
Investment income	1,030		1,030	2,566
Unrealized gain (loss) on investments				(653)
Sales and miscellaneous income	145		145	1,985
Sponsorships	11,929		11,929	3,500
Net assets released from restriction	<u>2,002,851</u>	<u>(2,002,851)</u>	<u>-</u>	<u>-</u>
Total other revenue	<u>5,783,159</u>	<u>(2,002,851)</u>	<u>3,780,308</u>	<u>2,558,101</u>
Total public support and other revenues	<u>5,738,791</u>	<u>(284,612)</u>	<u>5,454,179</u>	<u>4,406,407</u>
<u>EXPENSES</u>				
Program Services:				
Gross funds awarded/distributed	1,540,377		1,540,377	1,592,556
Less donor designations	<u>(1,071,315)</u>	<u> </u>	<u>(1,071,315)</u>	<u>(1,057,435)</u>
Net funds awarded/distributed	<u>469,062</u>	<u>-</u>	<u>469,062</u>	<u>535,121</u>
Community Programs:				
211 Initiative	1,056,192		1,056,192	1,113,618
Education & Health Initiative	2,014,431		2,014,431	1,892,328
Financial Stability Initiative	52,505		52,505	69,706
Volunteer Initiative	285,383		285,383	421,156
Other initiatives	<u>208,671</u>	<u> </u>	<u>208,671</u>	<u>115,940</u>
Total Community Service	<u>3,617,182</u>	<u>-</u>	<u>3,617,182</u>	<u>3,612,748</u>
Supporting Services:				
Management and general	172,254		172,254	105,651
Fund raising	<u>371,441</u>	<u> </u>	<u>371,441</u>	<u>453,436</u>
Total supporting services	<u>543,695</u>	<u>-</u>	<u>543,695</u>	<u>559,087</u>
Total expenses	<u>4,629,939</u>	<u>-</u>	<u>4,629,939</u>	<u>4,706,956</u>
Change in net assets	1,108,852	(284,612)	824,240	(300,549)
Net Assets - beginning of year	<u>1,563,350</u>	<u>1,733,043</u>	<u>3,296,393</u>	<u>3,596,942</u>
Net Assets - end of year	<u>\$ 2,672,202</u>	<u>\$ 1,448,431</u>	<u>\$ 4,120,633</u>	<u>\$ 3,296,393</u>

See the accompanying auditor's report and notes to the financial statements.

INLAND EMPIRE UNITED WAY

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2011

(With Comparative Totals for 2010)

	<u>2011</u>	<u>2010</u>
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Change in net assets	\$ 824,240	\$ (300,549)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Non-cash gifts received	(2,523,082)	(1,308,231)
Non-cash gifts made	1,548,302	1,311,752
Unrealized loss on investment		653
Depreciation	145,499	148,610
Loss (gain) on uncollectible pledges	(95,808)	12,383
(Increase)/decrease in:		
Pledge and other receivables	383,710	92,248
Inventory	75	6,715
Prepaid expenses and deposits	37,224	21,482
Increase/(decrease) in:		
Designations payable	(498)	(10,731)
Accrued expenses and operating account payable	<u>(38,506)</u>	<u>14,909</u>
Total adjustments	<u>(543,084)</u>	<u>289,790</u>
Net Cash Provided (Used) by Operating Activities	<u>281,156</u>	<u>(10,759)</u>
Cash Flows from Investing Activities		
Leasehold improvements and equipment acquisitions	(13,373)	(85,274)
Maturity of short-term investments		158,030
Purchase of short-term investments	<u>(200,000)</u>	<u> </u>
Net Cash Provided (Used) by Investing Activities	<u>(213,373)</u>	<u>72,756</u>
Net Increase in Cash	67,783	61,997
Cash - Beginning of Year	<u>517,612</u>	<u>455,615</u>
Cash - End of Year	<u>\$ 585,395</u>	<u>\$ 517,612</u>

See the accompanying auditor's report and notes to the financial statements.

INLAND EMPIRE UNITED WAY

**Statement of Functional Expenses
For the Year Ended June 30, 2011**

(With Comparative Totals for 2010)

	Community Programs					Supporting Services			Total		
	211 Initiative	Education & Health Initiative	Financial Stability Initiative	Volunteer Initiative	Other Initiatives	Total	Management & General	Fund Raising	Total	2011	2010
Personnel Expenses:											
Salaries and wages	\$ 614,780	\$ 219,233	\$ 24,862	\$ 167,815	\$ 113,256	\$ 1,139,946	\$ 68,603	\$ 212,187	\$ 280,790	\$ 1,420,736	\$ 1,562,200
Payroll taxes	55,028	19,122	2,104	13,859	9,537	99,650	7,214	20,578	27,792	127,442	139,472
Travel and per diem	4,009	1,974	135	5,024	4,612	15,754	2,359	8,555	10,914	26,668	29,359
Employee benefits	137,349	41,756	4,144	25,019	15,924	224,192	12,133	28,218	40,351	264,543	240,528
Total Personnel Expenses	811,166	282,085	31,245	211,717	143,329	1,479,542	90,309	269,538	359,847	1,839,389	1,971,559
Other Operating Expenses:											
Consulting	650				9,700	10,350			-	10,350	25,800
Contract labor	633	336	22	1,252	40	2,283	104	298	402	2,685	16,600
Events	1,282	298	40	9,010	72	10,702	187	1,184	1,371	12,073	5,457
Fees	323	826	18	46	33	1,246	241	8,889	9,130	10,376	11,832
Food		54,048				54,048			-	54,048	85,012
Gifts in-kind		1,548,096		206		1,548,302			-	1,548,302	1,311,752
Insurance	11,800	4,692	763	1,907	1,372	20,534	3,470	3,422	6,892	27,426	28,342
Legal and accounting	2,000					2,000	10,785		10,785	12,785	39,809
Maintenance/repairs - equipment	2,641	1,129	161	489	296	4,716	736	5,135	5,871	10,587	14,060
Maintenance/repairs - facility	4,241	3,341	244	760	4,362	9,948	1,539	2,066	3,605	13,553	17,458
Misc expenses	3,866	1,711	152	497	654	6,880	2,607	1,526	4,133	11,013	14,941
Printing	2,644	372	5	219	470	3,710	7	2,717	2,724	6,434	13,490
Rent/lease - equipment	910	829	47	146	139	2,071	380	467	847	2,918	3,483
Rent/lease - facility	71,126	59,358	4,308	13,432	33,655	181,879	25,382	34,710	60,092	241,971	268,388
Seminar/training expense	4,127	1,661	702	3,806	960	11,256	339	808	1,147	12,403	10,976
Subscriptions, dues and association fees	5,488	765	82	10,542	201	17,078	386	3,299	3,685	20,763	10,089
Supplies	7,098	5,707	566	11,791	1,275	26,437	1,877	3,044	4,921	31,358	29,868
Technical support	7,015					7,015			-	7,015	5,291
Telephone & internet	33,425	10,455	8,322	3,923	2,892	59,017	7,201	7,002	14,203	73,220	81,750
Utilities	8,527	8,063	590	1,802	3,001	21,983	3,616	5,117	8,733	30,716	35,191
Volunteer meetings and meals	1,418	627	17	1,408	347	3,817	443	803	1,246	5,063	5,588
Total Other Functional Expense	169,214	1,702,314	16,039	61,236	56,469	2,005,272	59,300	80,487	139,787	2,145,059	2,035,177
Depreciation expense	62,574	24,698	4,356	10,176	7,318	109,122	18,904	17,473	36,377	145,499	148,610
United Way Fairshare	13,238	5,334	865	2,254	1,555	23,246	3,741	3,943	7,684	30,930	16,489
Total Operating Expense	1,056,192	2,014,431	52,505	285,383	208,671	3,617,182	172,254	371,441	543,695	4,160,877	4,171,835
Funds awarded/distributed					1,540,377	1,540,377				1,540,377	1,592,556
Less donor designations					(1,071,315)	(1,071,315)			-	(1,071,315)	(1,057,435)
Total Functional Expense	\$ 1,056,192	\$ 2,014,431	\$ 52,505	\$ 285,383	\$ 677,733	\$ 4,086,244	\$ 172,254	\$ 371,441	\$ 543,695	\$ 4,629,939	\$ 4,706,956

See the accompanying auditor's report and notes to the financial statements.

INLAND EMPIRE UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF AND MISSION OF ORGANIZATION

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

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

CAMPAIGN PLEDGES AND APPROPRIATIONS

An annual fundraising campaign is conducted each fall to obtain donations and pledges to fund the subsequent year's operations. Accordingly, a receivable is recorded at year-end for outstanding campaign pledges with an allowance for amounts estimated to be uncollectible. Substantially all of the pledges receivable at June 30, 2011, are from corporations and individuals. The Organization maintains reserves for potential uncollectible pledges which, in the aggregate, have not exceeded management's expectations. After two years, uncollected campaign pledges are written off.

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

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

INLAND EMPIRE UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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

CAMPAIGN PLEDGES AND APPROPRIATIONS (continued)

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

BASIS OF PRESENTATION

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

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

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

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

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization does not have any permanently restricted net assets.

ACCOUNTING ESTIMATES

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

INLAND EMPIRE UNITED WAY

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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

CONTRIBUTIONS

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

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

CASH AND CASH EQUIVALENTS

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

INVESTMENTS

The Organization maintains investments in certificates of deposit with original maturities of over 90 days. Investments are reported at fair value.

The organization maintains its certificates of deposit with one financial institution which is secured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2011, none of the Organization's certificates of deposit balances of \$200,000 were exposed to uninsured credit risk.

INLAND EMPIRE UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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

INVENTORY AND GIFTS IN-KIND

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

PROPERTY AND EQUIPMENT AND DEPRECIATION

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

FUNCTIONAL EXPENSES

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

DONATED SERVICES

During the year ended June 30, 2011, the value of contributed services received that met the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization at its facilities, but these services do not meet the criteria for recognition as contributed services.

INLAND EMPIRE UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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

INCOME TAXES

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

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

The Organization files informational returns in the U.S. federal jurisdiction and the state of California. With few exceptions, the Organization is no longer subject to U.S. federal and state examinations by tax authorities for years before 2006.

CONCENTRATION OF CREDIT RISK

The Organization maintains deposits in three banks located in Southern California which are secured by the Federal Deposit Insurance Corporation up to \$250,000 at each bank. The balances in these banks at June 30, 2011, exceeded the insured limit by approximately \$90,979. Management does not consider this concentration to be a significant credit risk.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 28, 2011, which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

INLAND EMPIRE UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 – CASH:

Cash and cash equivalents consist of the following:

	<u>2011</u>	<u>2010</u>
Petty cash	\$ 1,100	\$ 1,100
Cash in interest bearing checking and savings accounts	463,248	366,100
Cash in money market accounts	<u>121,047</u>	<u>150,414</u>
	<u>\$ 585,395</u>	<u>\$ 517,614</u>

NOTE 3 – INVESTMENTS:

Investments at June 30, 2011, consist of certificates of deposit of \$200,000 recorded at fair value. Fair value has been determined based on level 1 fair value measurements. Level 1 is defined as quoted prices in an active market for identical assets.

NOTE 4 – PLEDGES RECEIVABLE:

Pledges receivable consist of:

	<u>2011</u>	<u>2010</u>
Current year's campaign	\$ 1,333,001	\$ 1,369,972
Prior year's campaigns	336,479	672,453
Designations receivable	<u>26,723</u>	<u>34,198</u>
	1,696,203	2,076,623
Less allowance for uncollectible	<u>(247,772)</u>	<u>(343,580)</u>
	<u>\$ 1,448,431</u>	<u>\$ 1,733,043</u>

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

INLAND EMPIRE UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 5 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS:

Equipment and leasehold improvements include the following at June 30:

	<u>2011</u>	<u>2010</u>
Leasehold improvements	\$ 350,964	\$ 341,476
Vehicles	106,439	106,439
Computer equipment	103,061	99,176
Furniture and equipment	250,605	250,605
Computer software	<u>76,218</u>	<u>76,218</u>
	887,287	873,914
Less: accumulated depreciation	<u>(776,996)</u>	<u>(631,498)</u>
Net equipment and leasehold improvements	<u>\$ 110,291</u>	<u>\$ 242,416</u>

NOTE 6 – NET ASSETS:

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

	<u>2011</u>	<u>2010</u>
Unrestricted:		
Designated for campaign reserve	\$ 321,030	\$ 321,028
Quasi-endowment, United Way of East Valley	<u>126,174</u>	<u>126,176</u>
Total Designated	447,204	447,204
Unappropriated	<u>2,224,998</u>	<u>1,116,146</u>
Total Unrestricted	2,672,202	1,563,350
Temporarily Restricted:		
Pledges and designations receivable, net of allowance for uncollectible	<u>1,448,431</u>	<u>1,733,043</u>
Total net assets	<u>\$ 4,120,633</u>	<u>\$ 3,296,393</u>

INLAND EMPIRE UNITED WAY

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE 7 – OPERATING LEASES:

The Organization leases office space under operating leases. These leases expire on various dates through November 30, 2012. In addition to the base rent, the Organization is required to pay utilities, insurance, and maintenance. Rental expense for the year ended June 30, 2011, was \$241,971. The future minimum commitment under these leases for June 30, 2012, is \$189,000, and for July 1, 2012, through November 30, 2012, is \$78,750.

NOTE 8 – EMPLOYEE BENEFITS:

Employee benefits payable consist of payroll taxes, 403(b) retirement plan, health care benefits, long-term disability and workers' compensation insurance. Accrued vacation totaled \$52,575 at June 30, 2011. This liability is included with the amount reported as accrued expenses.

NOTE 9 – RETIREMENT PLAN:

Effective November 1, 1993, Mt. Baldy United Way established a 403(b) retirement plan for its employees. All employees are eligible for salary deferrals and employer matching contributions immediately upon employment. The employees may contribute up to 20% of their annual wages and the Organization will match 25% of the employee contribution up to 8% of employee compensation. The Board may change the employer contribution annually. Employer matching contributions to the plan were \$2,320 for the year ended June 30, 2011. Participants are 100% vested in all contributions.