For a copy of the United Way-Thomas Jefferson Area's 990 report, please contact Lisa Frazier, Director of Finance and Administration.

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UNITED WAY-
THOMAS JEFFERSON AREA
CHARLOTTESVILLE, VIRGINIA

FINANCIAL REPORT
YEAR ENDED JUNE 30, 2011

United Way-Thomas Jefferson Area

Contents

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
United Way-Thomas Jefferson Area
Charlottesville, Virginia

We have audited the accompanying statement of financial position of UNITED WAY-THOMAS JEFFERSON AREA as of June 30, 2011, and the related statement of activity and changes in net assets, statement of functional expenses, and statement of cash flows 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 2010 financial statements and, in our report dated September 13, 2010, we expressed an unqualified opinion on those financial 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 UNITED WAY-THOMAS JEFFERSON AREA at June 30, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Hantzmon Wiebel LLP

Charlottesville, Virginia
September 12, 2011

UNITED WAY-THOMAS JEFFERSON AREA

Statement of Financial Position
June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

ASSETS

	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	$ 431,543	$ 397,829
Campaign pledges receivable (less allowance for uncollectibles of $86,993 - 2011; $104,024 - 2010)	392,752	399,332
Accounts receivable	....	631
Grants receivable (net of deferred grant revenue)	14,356	....
Total current assets	838,651	797,792
INVESTMENTS		
Investments available for operations	576,451	433,018
Investments designated for endowment	3,317,527	2,746,972
Total investments	3,893,978	3,179,990
PROPERTY AND EQUIPMENT		
Property and equipment	715,916	727,473
Less: Accumulated depreciation	(225,758)	(214,696)
Net property and equipment	490,158	512,777
Total assets	$5,222,787	$4,490,559

LIABILITIES AND NET ASSETS

	2011	2010
CURRENT LIABILITIES		
Designations payable - restricted	$ 163,382	$ 173,730
Program grants to agencies payable	691,769	694,589
Deferred grant revenue (net of grants receivable)	....	10,460
Accounts payable and accrued expenses	124,216	116,186
Total liabilities	979,367	994,965
NET ASSETS		
Unrestricted:		
Designated - Endowment Fund	3,317,527	2,746,972
Designated - Contingency Reserve	162,450	148,050
Designated - Available for Operations	341,332	239,190
Total unrestricted	3,821,309	3,134,212
Temporarily restricted	422,111	361,382
Total net assets	4,243,420	3,495,594
Total liabilities and net assets	$5,222,787	$4,490,559

(The accompanying notes are an integral part of these financial statements)

UNITED WAY-THOMAS JEFFERSON AREA

Statement of Activity and Changes in Net Assets
Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011			2010
	Unrestricted	Temporarily Restricted	Total	Total
PUBLIC SUPPORT AND REVENUE				
Pledge income - current campaign	$1,473,426	$	$1,473,426	$1,420,674
Pledge income - future campaign	....	9,516	9,516	12,327
Less: Amounts designated	256,611	....	256,611	273,813
Allowance for uncollectibles	61,676	....	61,676	65,000
Total contributions from campaign	1,155,139	9,516	1,164,655	1,094,188
Santa Fund	....	133,837	133,837	130,062
Sponsorship revenue	19,924	35,362	55,286	35,710
Other contributions	59,252	148,878	208,130	313,054
Bequests and trust contributions	45,593	....	45,593	67,999
Total support from the public	1,279,908	327,593	1,607,501	1,641,013
Grants from foundations and localities	....	584,165	584,165	500,719
Other revenue:				
Interest income	....	878	878	1,822
Administrative fees	29,342	....	29,342	27,049
Contributed professional services	37,400	....	37,400	37,800
Rental income	4,800	....	4,800	4,800
Investment earnings and appreciation (loss) - net	668,387	....	668,387	334,077
Total other revenue	739,929	878	740,807	405,548
Net assets released from restrictions:				
Contributions released from restrictions	851,907	(851,907)	....	....
Total public support and revenue	2,871,744	60,729	2,932,473	2,547,280
GRANTS AND EXPENSES				
Program grants to agencies	691,769	....	691,769	690,356
Functional expenses:				
Fund-raising	318,239	....	318,239	278,409
Management and general	105,663	....	105,663	116,224
Programs	1,068,976	....	1,068,976	1,174,260
Total functional expenses	1,492,878	....	1,492,878	1,568,893
Total grants and expenses	2,184,647	....	2,184,647	2,259,249
CHANGES IN NET ASSETS	687,097	60,729	747,826	288,031
NET ASSETS, BEGINNING OF YEAR	3,134,212	361,382	3,495,594	3,207,563
NET ASSETS, END OF YEAR	$3,821,309	$ 422,111	$4,243,420	$3,495,594

(The accompanying notes are an integral part of these financial statements)

UNITED WAY-THOMAS JEFFERSON AREA

Statement of Functional Expenses

Year Ended June 30, 2011

(With Comparative Totals for the Year Ended June 30, 2010)

	2011				2010
	Fund-Raising	Management and General	Programs Activities	Total	Total
Salaries	$ 141,676	$ 49,787	$ 347,784	$ 539,247	$ 543,563
Employee benefits	32,121	14,303	79,805	126,229	140,718
Payroll taxes	10,367	3,589	26,043	39,999	40,693
Total salaries and related expenses	184,164	67,679	453,632	705,475	724,974
Professional fees	19,843	14,882	20,395	55,120	54,979
Supplies	1,591	936	3,555	6,082	11,055
Telephone	3,563	2,506	5,518	11,587	12,912
Postage	10,831	6	2,751	13,588	9,419
Occupancy	4,092	2,882	6,359	13,333	14,131
Printing and publications	23,709	277	12,563	36,549	18,947
Advertising expense	31,158	....	6,456	37,614	24,577
Conferences, meetings, events, and awards	11,930	3,204	16,503	31,637	36,681
Nonprofit excellence awards	....	....	27,101	27,101	22,545
Child care scholarship award	....	....	245,901	245,901	269,371
Interest expense	....	....	....	....	357
Miscellaneous	4,605	2,066	5,998	12,669	20,446
Insurance	2,336	1,807	3,148	7,291	7,207
Repairs, maintenance, and equipment rental	2,267	1,194	3,416	6,877	4,948
Santa Fund	....	....	119,356	119,356	172,022
Payments to national organization	4,293	3,301	6,279	13,873	15,397
Equipment purchase	2,589	513	2,088	5,190	5,255
Software purchases and maintenance	4,030	542	3,026	7,598	26,639
Initiative allocation	....	....	6,000	6,000	14,950
Smart beginnings	....	....	67,418	67,418	35,599
Women United in Philanthropy allocation	....	....	40,000	40,000	40,000
Total before depreciation	311,001	101,795	1,057,463	1,470,259	1,542,411
Depreciation	7,238	3,868	11,513	22,619	26,482
	$ 318,239	$ 105,663	$1,068,976	$1,492,878	$1,568,893

(The accompanying notes are an integral part of these financial statements)

UNITED WAY-THOMAS JEFFERSON AREA

Statement of Cash Flows
Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$747,826	$288,031
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	22,619	26,482
Net unrealized (gains) losses on marketable securities	(545,630)	(251,285)
Realized (gains) losses	(64,240)	(43,064)
(Increase) decrease in assets:		
Campaign pledges receivable	6,580	(29,160)
Accounts receivable	631	(631)
Grants receivable (net of deferred grant revenue)	(14,356)	58,478
Increase (decrease) in liabilities:		
Designations payable	(10,348)	(24,352)
Program grants to agencies payable	(2,820)	(31,672)
Deferred grant revenue (net of grants receivable)	(10,460)	10,460
Accounts payable and accrued expenses	8,030	(20,569)
Net cash provided by (used in) operating activities	137,832	(17,282)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	....	(4,500)
Proceeds from sale of investments	651,450	479,019
Purchase of investments	(755,568)	(986,556)
Net cash used in investing activities	(104,118)	(512,037)
CASH FLOWS FROM FINANCING ACTIVITIES	....	....
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	33,714	(529,319)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	397,829	927,148
CASH AND CASH EQUIVALENTS, END OF YEAR	$431,543	$397,829

(The accompanying notes are an integral part of these financial statements)

UNITED WAY-THOMAS JEFFERSON AREA

Notes to Financial Statements

NOTE 1 - DESCRIPTION OF ORGANIZATION

United Way-Thomas Jefferson Area, a not-for-profit organization serving Planning District 10, brings together community leaders, nonprofit organizations, volunteers, and businesses to assess and focus on the most pressing needs and those at greatest risk in our community. In addition to making program grants to eligible community agencies, the United Way provides direct services, such as:

Smart Beginnings a private/public collaboration that promotes school readiness through improving child care, providing family support, and community-wide engagement.

The Child Care Scholarships program which provides partial financial assistance to low income working families to help pay their child care costs.

The RX Relief project which helps uninsured residents access free prescription medications.

Information and Referral Center which offers free, confidential information and referrals to health and human service programs to local residents.

The Insurance for Children Project which provides outreach and enrollment assistance to help uninsured children receive health coverage.

Thomas Jefferson Area EITC Coalition which provides outreach and free tax assistance in partnership with the IRS VITA (Volunteer Income Tax Assistance) program.

The Santa Fund that raises funds for clothing, shoes, medicine, eye glasses, and other essentials for needy school children in the community.

The Volunteer Center that connects potential volunteers with nonprofit agencies and schools.

The Day of Caring which is a day of service in September promoting volunteerism by connecting local business employees and area citizens to nonprofit organizations and schools.

The Program Review and Funding Committee (PR&FC) composed of volunteers representative of the community that reviews program funding requests from local nonprofits. PR&FC members make site visits, attend oral presentations, and make specific funding recommendations to the United Way Board of Directors for programs that address health and human service needs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of United Way-Thomas Jefferson Area have been prepared on the accrual basis. The significant accounting policies followed by the United Way are described below.

Annual Campaigns

Annual campaigns are conducted to raise contributions for program grants to local non-profit agencies and for the operations of the United Way and their programs. All campaign pledges are due within one year. Campaign pledges are recorded as receivables, and allowances are provided for amounts estimated as uncollectible.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

Annual Campaigns--(Cont'd)

Campaign donations that are received with a donor imposed designation for another organization are distributed by the United Way to the appropriate recipient. These designated gifts appear on the statement of activity and changes in net assets as reduction of total revenue under the line item "amounts designated." The United Way charges an administration fee for processing designated gifts. Total revenue recognized from administration fees for the years ended June 30, 2011 and June 30, 2010 were $29,342 and $27,049, respectively.

Program Grants to Agencies

The United Way determined that once the Program Review and Funding Committee informs the grant recipients of their awards and donor restrictions have been met, the grant expense is recognized.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Under this guidance, the United Way is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Exempt Tax Status

The United Way is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The United Way qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Policy Disclosure

The United Way reports gifts of cash and other assets as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a donor imposed temporary 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 Activity as net assets released from restrictions.

The United Way reports gifts of land, buildings, and equipment as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Temporarily restricted net assets amounted to $422,111 and $361,382 at June 30, 2011 and 2010, respectively. These assets will be available for use for periods after June 30, 2011 and 2010, respectively. There were no permanently restricted net assets for the years ended June 30, 2011 and 2010.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

Campaign Pledges

Campaign pledges are recognized as revenues or gains in the period received and as assets or decrease of liabilities, depending on the form of the benefits received. Conditional pledges to give are recognized when the conditions on which they depend are substantially met. For the years ended June 30, 2011 and 2010, the United Way received no conditional pledges to give. Campaign pledges are recorded as revenue when written confirmation is received. Verbal campaign pledges are tracked but are not recorded as revenue until written confirmation is received.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates that affect the United Way's financial statements are the allowance for uncollectible pledges, the functional allocation of expenses, the fair value of donated services, and the useful lives of property and equipment.

Grants and Contracts

Support received under grants and contracts with foundations and localities is deemed to be earned and reported as revenue when United Way has incurred expenditures in compliance with the grant and contract agreements. Such amounts expended, but not yet received, are reported as grants receivable. Conversely, such amounts received, but not yet expended, are reported as deferred grant revenue. Grants receivable were $14,356 at June 30, 2011, net of deferred grant revenue of $46,530. Deferred grant revenue was $10,460 at June 30, 2010, net of grants receivable of $80,681.

Cash and Cash Equivalents

For purposes of the statement of cash flows, United Way considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Excluded from cash and cash equivalents are money market funds held to be invested for long-term purposes.

The United Way maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits and are subject to risk of loss. The United Way did not suffer any losses in these accounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

Investments

Investments are initially recorded at the fair market value at the date of gift to the United Way or at cost when purchased, whichever is applicable. Investments are carried at market values. Changes in market values are recognized as unrealized holding gains (losses) on appreciation (depreciation) of investments.

Fair Value

In September 2006, the Financial Accounting Standards Board (FASB) established a framework for measuring fair value, which expanded disclosures about fair value measurements under GAAP. These provisions were effective as of the beginning of United Way's 2009 fiscal year.

The fair value framework requires the categorization of assets and liabilities measured at fair value into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3 Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The United Way's investments are categorized as Level 1 assets.

Accounting for Uncertainty in Income Taxes

The United Way has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with guidance established by the FASB and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

The federal information returns of the United Way for the years ended after 2007 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Subsequent Events

Management has evaluated subsequent events through September 12, 2011, which is the date the financial statements were available to be issued.

UNITED WAY-THOMAS JEFFERSON AREA

Notes to Financial Statements--(Cont'd)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

Property and Equipment

Property and equipment are stated at cost or estimated fair market value, if donated. Depreciation of the building and equipment is provided on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense for the years ended June 30, 2011 and 2010 was $22,619 and $26,482, respectively.

The cost and estimated lives of property and equipment are as follows:

	June 30, 2010	Additions	Dispositions	June 30, 2011	Years
Land	$ 97,918	$ ….	$ ….	$ 97,918	
Building and improvements	510,131	….	….	510,131	39
Office equipment and furniture	119,424	….	11,557	107,867	3 - 10
Total property and equipment	727,473	….	11,557	715,916	
Accumulated depreciation	214,696	22,619	11,557	225,758	
Net property and equipment	$512,777	($ 22,619)	$ ….	$490,158	

Donated Materials and Services

The United Way records the value of professional services when there is an objective basis available to measure their value and the services received require specialized skills. Contributions of professional auditing and investment management services of $37,400 and $37,800 were recognized in the years ended June 30, 2011 and 2010, respectively.

Significant donated materials and other items are valued at cost or estimated fair market value on the date of the gift, as applicable.

No amounts have been reflected in the statements for donated services that are not specialized skills, since there is no objective basis to measure the value of such services. Nevertheless, a substantial number of volunteers have donated significant amounts of their time in the United Way's program services and fund-raising.

Advertising Costs

The United Way follows the practice of expensing advertising costs as incurred. Advertising expensed for the years ended June 30, 2011 and 2010 was $37,614 and $24,577, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

Other Contributions

Other Contributions represents funds received during the year that are not part of the current year's annual campaign.

Reclassifications

Certain reclassifications have been made to the information presented in these notes, which are an integral part of the financial statements, to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

NOTE 3 - CAMPAIGN PLEDGES RECEIVABLE

Campaign pledges receivable consisted of the following at June 30, 2011:

	Fall Campaign			
	2011/2012	2010/2011	2009/2010	Total
Total campaign pledges	$ 4,229	$446,802	$ 28,714	$479,745
Less: Allowance for uncollectible pledges	....	(60,000)	(26,993)	(86,993)
	$ 4,229	$386,802	$ 1,721	$392,752

Campaign pledges receivable consisted of the following at June 30, 2010:

	Fall Campaign			
	2010/2011	2009/2010	2008/2009	Total
Total campaign pledges	$ 7,136	$457,196	$ 39,024	$503,356
Less: Allowance for uncollectible pledges	....	(65,000)	(39,024)	(104,024)
	$ 7,136	$392,196	$	$399,332

NOTE 3 - CAMPAIGN PLEDGES RECEIVABLE--(Cont'd)

The current and prior years' allowance for uncollectible pledges was approximately 4% of the original campaign total, net of designations and amounts due from the Combined Virginia Campaign, which is administered by the United Way of Hampton Roads. The amount from Hampton Roads is guaranteed and, thus, no allowance was calculated on this amount.

NOTE 4 - INVESTMENTS

The face value of investments are reported at market value and consist of investments spread across a diversified portfolio of assets with interests in a money market account, fixed income securities, and equities. Restricted investment earnings whose restrictions are met in the same period as earned are reported as unrestricted.

The cost basis of investments are summarized as follows:

	June 30, 2011	June 30, 2010
Money market	$ 567,189	$ 402,804
Equity and debt mutual funds	3,013,227	3,009,263
	$3,580,416	$3,412,067

The cost basis includes the original purchase cost of the investments plus reinvested earnings.

Fair values of investments at June 30, 2011 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Money market	$ 567,189	$ ….	$ ….	$ 567,189
Equity and debt mutual funds	3,326,789	....	....	3,326,789
Total investments at fair value	$3,893,978	$	$	$3,893,978

During the year ended June 30, 2011, there were no changes to the classification among categories.

Fair values of investments at June 30, 2010 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Money market	$ 402,804	$ ….	$ ….	$ 402,804
Equity and debt mutual funds	2,777,186	....	....	2,777,186
Total investments at fair value	$3,179,990	$	$	$3,179,990

During the year ended June 30, 2010, there were no changes to the classification among categories.

NOTE 4 - INVESTMENTS--(Cont'd)

The following is the breakdown of net investment income as reported:

	June 30, 2011	June 30, 2010
Interest and dividends	$ 58,517	$ 39,728
Net realized gain (loss) on marketable securities	64,240	43,064
Net unrealized gain (loss) on marketable securities	545,630	251,285
Net investment income (loss)	$ 668,387	$ 334,077

The investment account is allocated as follows:

	June 30, 2011	June 30, 2010
Available for operation	$ 576,451	$ 433,018
Endowment Fund	3,317,527	2,746,972
Total investments	$3,893,978	$3,179,990

NOTE 5 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of the United Way's financial instruments are categorized in accordance with GAAP at June 30, 2011 and June 30, 2010. Investments were the only assets recorded at fair value at June 30, 2011 and June 30, 2010. All of these represented Level 1 assets.

During the years ended June 30, 2011 and 2010, there were no changes to the classification among categories.

NOTE 6 - CHARITABLE LEAD TRUST - REVOCABLE

The United Way was named a beneficiary of a charitable lead trust in December 2005. Under this agreement, the United Way will receive annual payments from this trust of approximately $45,000 over a period of ten years. On termination of this trust in December 2015, the trust assets will revert to the donor. The assets are held at Wachovia Bank. Since the co-trustee of this agreement can change the beneficiaries, the United Way has not recorded the estimated net present value of any future payments from this trust. Contribution revenue of $45,432 was recorded for the years ended June 30, 2011 and 2010. The Board of Directors has designated these amounts to be transferred to the endowment fund. These amounts are included in bequest and trust contributions on the statement of activities.

UNITED WAY-THOMAS JEFFERSON AREA

Notes to Financial Statements--(Cont'd)

NOTE 7 - LINE OF CREDIT

In February 2011, the United Way renewed its line of credit agreement with Union First Market Bank for a $550,000 revolving line of credit. Interest on amounts borrowed under the line of credit is payable on the first of each month, and is a variable rate based on the prime rate announced by Union First Market Bank on a periodic basis. The interest rate at June 30, 2011 and 2010 was 4.00%. The line of credit is secured by a $550,000 credit line deed of trust on the United Way's real property. The line of credit had no balance outstanding at June 30, 2011 or June 30, 2010. This line of credit expires February 1, 2012.

NOTE 8 - SHARING OF PUBLIC SUPPORT

In accordance with the United Way Worldwide (United Way trade association), a portion of the unrestricted support from the public is remitted to the United Way Worldwide as a membership fee for trademark and services, as determined by its Board of Directors. The total amount remitted for the years ended June 30, 2011 and 2010 was $13,873 and $15,397, respectively.

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are outlined below:

	June 30, 2010	Net Change	June 30, 2011
Total campaign 2010/2011	$ 12,327	($ 12,327)	$ ….
Total Santa Fund	234,636	(6,004)	228,632
Child Care Scholarships	10,361	74,039	84,400
Initiative for Effective Non-Profits	16,665	4,000	20,665
Total campaign 2011/2012	….	9,516	9,516
Women United in Philanthropy - grant funds	1,075	(1,075)	….
Women United in Philanthropy - admin/ membership	4,663	(3,741)	922
Virginia Academy of Science and Technology	6,537	4,795	11,332
VITA Matching Funds	3,244	(3,244)	….
Smart Beginnings Grant Matches	71,874	(5,230)	66,644
	$361,382	$ 60,729	$422,111

UNITED WAY-THOMAS JEFFERSON AREA

Notes to Financial Statements--(Cont'd)

NOTE 10 - UNRESTRICTED BOARD DESIGNATED FUND BALANCE

The Board of Directors has made the following designations from the unrestricted fund balance:

Endowment Fund - The endowment contains no donor restricted funds. The objective of the Endowment Fund is to maintain a balance of invested funds to provide income to support operations and special projects.

The investment objective of the Endowment Fund is to seek a rate of return of 4% plus the Consumer Price Index. This objective will be measured over annualized, rolling five and ten year time periods; the intent of the objective is to grow the principal value of assets measured in real, inflation adjusted, terms.

To preserve and enhance the real, inflation adjusted, purchasing power of Endowment principal while providing a stable, sustainable income stream over the long-term, the Board authorizes a quarterly payout of 1% from the Endowment based on the asset value of the investment portfolio at the end of the prior quarter. Income and appreciation in excess of 4% annually will remain as principal in the Endowment Fund. The Board will periodically review the authorized spending level.

Changes in Endowment Net Assets are summarized as follows:

	June 30, 2011	June 30, 2010
Beginning balance	$2,746,972	$2,066,673
Net investment earnings and appreciation (see **NOTE 4**)	668,387	334,077
Transfer of funds to the endowment (net)	45,602	467,809
Appropriation transferred to available for Operations	(143,434)	(121,587)
Ending balance	$3,317,527	$2,746,972

Contingency Reserve - The contingency reserve - general was approved by the Board in the fiscal year ended June 30, 1995 and was designated for future unexpected emergencies. In January 2004, the Board approved setting aside an additional $1,500 per month as a reserve for capital improvements and maintenance and repair of the United Way's building. This amount was reduced to $1,200 per month during the year ended June 30, 2010.

UNITED WAY-THOMAS JEFFERSON AREA

Notes to Financial Statements--(Cont'd)

NOTE 10 - UNRESTRICTED BOARD DESIGNATED FUND BALANCE--(Cont'd)

Changes in the Contingency Reserve are summarized as follows:

	June 30, 2011	June 30, 2010
Beginning balance	$148,050	$134,850
Transfer of funds to the contingency reserve	14,400	13,200
Current year expenditures	….	….
Ending balance	$162,450	$148,050

Available for Operations - The available for operations amount represents the cumulative amount for the years ended June 30, 1997 through 2011 available and unused from the Endowment Fund to reduce operations costs. The cumulative amount available for operations is based on funds authorized each year by the Board to be transferred from the Endowment Fund and reduced by the current year transfer for operations.

Changes in the cumulative amount Available for Operations are summarized as follows:

	June 30, 2011	June 30, 2010
Beginning balance	$239,190	$570,279
Change in unrestricted net assets	687,097	362,410
Transfer of funds to the endowment (net)	(45,602)	(467,809)
Transfer of funds to the contingency reserve	(14,400)	(13,200)
Less: Earnings on investments appropriated to endowment fund	(668,387)	(334,077)
Appropriation from Endowment fund	143,434	121,587
Ending balance	$341,332	$239,190

NOTE 11 - RETIREMENT PLAN

United Way-Thomas Jefferson Area has a non-contributory defined contribution pension plan covering all full-time employees who have met the one-year service requirement and are twenty-one years of age, by providing individual annuities through contracts with Mutual of America. There were 9 and 11 active participants for the plan years ended December 31, 2010 and 2009, respectively. The participants become 50% vested after three years, 75% vested after four years, and fully vested after five years of service. Contributions are paid monthly and $56,048 and $61,959 have been recognized as expense for the years ended June 30, 2011 and 2010, respectively.

NOTE 12 - CONCENTRATION OF CREDIT RISK

The United Way maintains investment accounts with Pershing Advisor Solutions and The Royce Funds (as further described in **NOTE 4** to these financial statements), which are not insured by Federal Deposit Insurance and are subject to risk of loss. The United Way did not suffer any losses in these accounts.