

UNITED WAY OF WYOMING VALLEY,
PENNSYLVANIA ALSO D/B/A UNITED
WAY OF SUSQUEHANNA COUNTY

YEARS ENDED
JUNE 30, 2010 AND 2009

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

YEARS ENDED JUNE 30, 2010 AND 2009

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**Kronick
Kalada
Berdy & Co.**
A Professional Corporation

Certified Public Accountants

Officers/Shareholders

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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of Wyoming Valley, Pennsylvania also
D/B/A as United Way of Susquehanna County

We have audited the accompanying statements of financial position of the United Way of Wyoming Valley, Pennsylvania also D/B/A as United Way of Susquehanna County (a nonprofit corporation) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County as of June 30, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

In accordance with Government Auditing Standards, we have also issued our report dated November 17, 2010 on our consideration of United Way of Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of expenditures of federal awards, which is required by U.S. Office of Management and Budget Circular A-133, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the United Way of Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County. 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.

Kronie Kalada Berdy & Co.

November 17, 2010

**UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY**

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2010 AND 2009

	2010	2009
ASSETS		
Cash	\$ 620,173	\$ 596,721
Campaign pledges receivable, net of allowance for uncollectibles of \$257,850, 2010 and \$296,883, 2009	1,324,767	1,548,823
Accounts receivable	29,640	25,262
Grants receivable	168,596	351,489
Investments	7,276,407	6,427,155
Land held for resale	150,876	150,876
Property and equipment, net	42,988	54,338
Other assets	202,149	183,178
	\$ 9,815,596	\$ 9,337,842
LIABILITIES AND NET ASSETS		
Allocations and designations payable	\$ 2,665,595	\$ 2,814,839
Grants payable	161,993	283,309
Accounts payable	12,519	23,332
Accrued payroll and other	67,232	48,464
Other liabilities	150,542	142,610
	3,057,881	3,312,554
Net assets:		
Unrestricted	945,077	599,296
Temporarily restricted	1,324,767	1,548,823
Permanently restricted	4,487,871	3,877,169
	6,757,715	6,025,288
Total net assets	6,757,715	6,025,288
Total liabilities and net assets	\$ 9,815,596	\$ 9,337,842

See notes to financial statements

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
 ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2010
 (WITH COMPARATIVE TOTALS FOR 2009)

	Unrestricted	Temporarily restricted	Permanently restricted	Total
	2010	2010	2009	2009
Public support and revenue:				
Gross campaign results	\$ 2,512,878	\$ 1,591,393		\$ 4,104,271
Less:				
Provision for uncollectables		(266,626)		(266,992)
Donor designations	(1,008,638)			(1,008,638)
Net campaign revenue	1,504,240	1,324,767		2,829,007
Other contributions	60			60
Designations from other United Ways	189,059			189,059
Special events income	52,132			52,132
Gifts-in-kind	11,125			11,125
Grants and contracts	1,046,083			1,046,083
Investment results	127,491			127,491
Service fee income	33,751			33,751
Administration income	12,220			12,220
Net assets released from restrictions			\$ 717,552	
	1,655,673	(1,548,823)	(106,850)	
Total public support and revenue	4,631,834	(224,056)	610,702	3,145,606

(continued)

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
 ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED JUNE 30, 2010
 (WITH COMPARATIVE TOTALS FOR 2009)

	Unrestricted	Temporarily restricted	Permanently restricted	Total
	2010	2010	2010	2009
Expenses:				
Program services:				
Gross funds awarded	\$ 2,887,546			\$ 3,442,419
Less: donor designations	(1,008,638)			(1,438,165)
	1,878,908			2,004,254
Planning services	117,796			139,158
Community services	400,559			472,155
Health services	1,004,816			994,222
Total program services	3,402,079			3,609,789
Supporting services:				
Management and general	391,180			407,003
Fund raising	492,794			518,085
Total supporting services	883,974			925,088
Total expenses	4,286,053			4,534,877
Change in net assets	345,781	\$ (224,056)	\$ 610,702	(1,389,271)
Net assets, beginning	599,296	1,548,823	3,877,169	7,414,559
Net assets, ending	\$ 945,077	\$ 1,324,767	\$ 4,487,871	\$ 6,025,288

See notes to financial statements

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Public support and revenue:				
Gross campaign results	\$ 2,877,471	\$ 1,845,815		\$ 4,723,286
Less:				
Provision for uncollectables		(296,992)		(296,992)
Donor designations	(1,438,165)			(1,438,165)
Net campaign revenue	1,439,306	1,548,823		2,988,129
Other contributions	350		\$ 31,272	31,622
Designations from other United Ways	181,416			181,416
Special events income	81,231			81,231
Gifts-in-kind	39,850			39,850
Grants and contracts	1,089,326			1,089,326
Investment results	(97,644)		(1,206,750)	(1,304,394)
Service fee income	31,558			31,558
Administration income	6,868			6,868
Net assets released from restrictions	1,748,240	(1,647,049)	(101,191)	
Total public support and revenue	4,520,501	(98,226)	(1,276,669)	3,145,606

(continued)

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
 ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Expenses:				
Program services:				
Gross funds awarded	\$ 3,442,419			\$ 3,442,419
Less: donor designations	(1,438,165)			(1,438,165)
	<u>2,004,254</u>			<u>2,004,254</u>
Planning services	139,158			139,158
Community services	472,155			472,155
Health services	994,222			994,222
Total program services	<u>3,609,789</u>			<u>3,609,789</u>
Supporting services:				
Management and general	407,003			407,003
Fund raising	518,085			518,085
Total supporting services	<u>925,088</u>			<u>925,088</u>
Total expenses	<u>4,534,877</u>			<u>4,534,877</u>
Change in net assets	(14,376)	\$ (98,226)	\$ (1,276,669)	(1,389,271)
Net assets, beginning	613,672	1,647,049	5,153,838	7,414,559
Net assets, ending	\$ <u>599,296</u>	\$ <u>1,548,823</u>	\$ <u>3,877,169</u>	\$ <u>6,025,288</u>

See notes to financial statements

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
 ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010
 (WITH COMPARATIVE TOTALS FOR 2009)

	Program Services			Support Services			Grand Total	
	Planning Services	Community Services	Health Services	Management & General	Fund Raising	Total	2010	2009
		Total	Total		Total			
Salaries	\$ 74,287	\$ 229,145	\$ 91,584	\$ 206,654	\$ 280,215	\$ 486,869	\$ 881,885	\$ 929,670
Payroll taxes	8,745	25,431	6,182	23,366	32,740	56,106	96,464	100,769
Employee benefits	19,872	61,598	27,606	51,786	73,937	125,723	234,799	226,543
Sub-total	102,904	316,174	125,372	281,806	386,892	668,698	1,213,148	1,256,982
Contract services		48,067	857,236	11,610	2,000	13,610	905,303	950,720
Professional fees				5,294	3,961	9,255	13,610	20,635
Supplies	346	1,206	2,064	5,657	4,840	10,497	12,871	9,268
Telephone	572	1,867	948	2,914	3,291	6,205	13,884	13,301
Postage and shipping	435	812	1,226	42,531	28,618	71,149	8,678	9,401
Occupancy	5,731	9,623	10,942				97,445	94,496
Communication and marketing	19	1,255	92	1,322	11,331	12,653	14,019	15,445
Travel	165	174	5,741	5,691	3,218	8,909	14,989	18,100
Conferences		168		609	6,320	6,929	7,097	1,283
Miscellaneous	1,494	4,932	1,195	16,888	19,551	36,439	44,060	68,499
United Way dues	4,485	11,912		12,283	16,863	29,146	45,543	46,449
Sub-total	116,151	396,190	1,004,816	386,605	486,885	873,490	2,390,647	2,504,579
Depreciation expense	1,645	4,369		4,575	5,909	10,484	16,498	26,044
Total	\$ 117,796	\$ 400,559	\$ 1,004,816	\$ 391,180	\$ 492,794	\$ 883,974	\$ 2,407,145	\$ 2,530,623

See notes to financial statements

**UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2009

	Program Services			Support Services			Total
	Planning Services	Community Services	Health Services	Management & General	Fund Raising	Total	
Salaries	\$ 90,281	\$ 234,064	\$ 96,234	\$ 223,406	\$ 285,685	\$ 509,091	\$ 929,670
Payroll taxes	10,648	25,216	7,329	24,084	33,492	57,576	100,769
Employee benefits	22,266	57,249	27,355	49,945	69,728	119,673	226,543
Sub-total	123,195	316,529	130,918	297,435	388,905	686,340	1,256,982
Contract services		112,696	838,024	11,285	9,350	20,635	950,720
Professional fees				3,117	3,650	6,767	9,268
Supplies	100	337	2,064	5,743	3,514	9,257	13,301
Telephone	476	2,523	1,045	2,963	3,404	6,367	9,401
Postage and shipping	373	1,265	1,396	37,695	27,238	64,933	94,496
Occupancy	4,442	15,545	9,576				
Communication and marketing	17	971	1,758	3,808	8,891	12,699	15,445
Travel	157	570	7,726	6,371	3,276	9,647	18,100
Conferences	31	599	73	28	552	580	1,283
Miscellaneous	1,638	5,752	1,642	17,293	42,174	59,467	68,499
United Way dues	5,575	9,815		13,460	17,599	31,059	46,449
Sub-total	136,004	466,602	994,222	399,198	508,553	907,751	2,504,579
Depreciation expense	3,154	5,553		7,805	9,532	17,337	26,044
Total	\$ 139,158	\$ 472,155	\$ 994,222	\$ 407,003	\$ 518,085	\$ 925,088	\$ 2,530,623

See notes to financial statements

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 732,427	\$ (1,389,271)
Adjustments:		
Depreciation	16,498	26,044
Realized and unrealized investment (gains) losses, net	(706,666)	1,514,717
Contributions restricted for investment in endowment		(34,032)
(Increase) decrease in:		
Pledges receivable	224,056	100,966
Accounts receivable	(4,378)	4,696
Grants receivable	182,893	(80,763)
Other assets	(18,971)	(15,769)
Increase (decrease) in:		
Allocations and designations payable	(149,244)	(31,260)
Grants payable	(121,316)	80,634
Accounts payable	(10,813)	11,348
Accrued payroll and other	18,768	19,614
Other liabilities	7,932	(44,434)
Net cash provided by operating activities	171,186	162,490
Cash flows from investing activities:		
Additions to property and equipment	(5,148)	(13,740)
Purchase of investments	(2,535,165)	(2,653,936)
Proceeds from sale of investments	2,392,579	2,416,553
Net cash used in investing activities	(147,734)	(251,123)
Cash flows provided by financing activities, collection of contributions restricted for investment in endowment		34,032
Net increase (decrease) in cash	23,452	(54,601)
Cash at beginning of year	596,721	651,322
Cash at end of year	\$ 620,173	\$ 596,721

See notes to financial statements

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

1. Activities and summary of significant accounting policies:

Nature of activities:

The United Way of Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County (the Organization) is a non-profit corporation formed in March 1956. The purpose of this corporation is to assess on a continuing basis the need for health and human service programs, foster cooperation among local, state and federal agencies serving the community and to raise funds among individuals, business enterprises, trusts and foundations for the benefit of health and human service organizations of the community.

Basis of accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues and expenses are recognized and recorded when earned or incurred. The financial statements reflect unrestricted, temporarily restricted and permanently restricted net assets and activities.

Basis of presentation:

Financial statement presentation follows the requirements of generally accepted accounting principles as they relate to a Pennsylvania not-for-profit. Therefore, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted net assets are subject to donor-imposed stipulations that may be fulfilled by actions of the Organization or the passage of time.

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity as interpreted by the legal designation of endowment in Pennsylvania. These assets consist of endowment funds and investment earnings and the realized and unrealized gains and losses on the investment portfolio related to permanently restricted net assets. As provided by Pennsylvania law, an annual amount of permanently restricted net assets available for spending is determined and transferred to unrestricted net assets. The Organization has adopted investment and spending policies for endowment assets that attempt to provide a constant stream of funding. These assets are invested in a manner that is intended to produce positive results, while assuming a moderate level of investment risk.

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2010 AND 2009

1. Activities and summary of significant accounting policies
(continued):

Support and revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions that are not fulfilled in the accounting period or if there are permanent restrictions. All expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets, that is, the expiration of the donor-imposed stipulated purpose or the elapsing of the specified time period, are reported as net assets released from restrictions. Temporarily restricted net assets at June 30, 2010 and 2009 and such amounts released from restrictions in 2010 and 2009 consist of amounts that are time restricted because they represent outstanding pledges receivable at year end that are otherwise unrestricted.

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions and promises to give subject to temporary donor-imposed restrictions are recorded as temporarily restricted support until the donor-imposed restriction has been fulfilled or the stipulated time period has elapsed. Contributions, promises to give and investment results subject to permanent donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in permanently restricted net assets.

Pledges receivable:

The majority of the promises to give are received from a broad base of Northeastern Pennsylvania residents and organizations as a result of the annual campaign. An allowance for uncollectible promises to give is based on management's evaluation of potential uncollectible pledges.

Investments:

Investments are measured at fair market value in the statements of financial position. The unrealized gains or losses on investments are reflected in the statements of activities.

Donated services and equipment:

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. The value of their time is not reflected in the financial statements because it does not meet the current requirements for accounting recognition.

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2010 AND 2009

1. Activities and summary of significant accounting policies
(continued):

Contributed equipment and other in-kind contributions are reflected as contributions at their estimated fair value.

Property and equipment:

Property and equipment are stated at cost or, if donated, at estimated fair value at the date of the donation. Depreciation is computed using the straight-line method over the estimated useful lives.

Allocations payable:

Allocations payable represent the amount of financial support that has been pledged to be given to specified participating agencies by the Allocations Committee of the Board of Directors beginning July 1 of the new fiscal year. If, for any reason, the budgeted amount has not been fully disbursed to the participating agency by the end of the fiscal year, the remaining portion of the undistributed allocation is returned to the unrestricted net assets for future allocations. Allocations payable were approximately \$1,876,000 at June 30, 2010 and \$1,959,000 at June 30, 2009.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Statement of functional expenses:

The costs of providing various program and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted using a plan based on employee time records and management estimates.

Income taxes:

The Organization has been recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies as a publicly supported organization as defined within Sections 509(a)(9) and 170(b)(1)(A)(vi). The Organization has open tax years from 2007-2010.

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2010 AND 2009

2. Investments:

A summary of investments at June 30 are as follows:

	<u>2010</u>	<u>2009</u>
Money Market Funds	\$ 258,374	\$ 594,405
Corporate Bonds or Bond Funds	1,910,800	1,326,129
U.S. Government Agency Bonds	219,211	280,539
U.S. Treasury Notes	93,190	54,281
Equities	<u>4,794,832</u>	<u>4,171,801</u>
Total market value	7,276,407	6,427,155
Cost in excess	<u>160,891</u>	<u>936,103</u>
Total cost	<u>\$ 7,437,298</u>	<u>\$ 7,363,258</u>

Investments primarily consist of mutual funds that are held at financial service firms not covered by FDIC insurance. The mutual funds and other investments are valued at quoted market prices, which for mutual funds represent the net asset value of shares held by the Organization.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

The fair value measurements and levels within the fair value hierarchy of these measurements for the assets reported at fair value on a recurring basis are as follows:

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2010 AND 2009

2. Investments (continued):

<u>Valuation inputs</u>		
Level 1		<u>2010</u>
	Marketable securities:	
	Finance	\$ 459,530
	Consumer cyclical	269,555
	Consumer noncyclical	216,494
	Health care	156,301
	Technology	237,391
	Telecommunications	39,428
	Capital goods	268,066
	Transportation	52,875
	Industrials	60,448
	Consumer discretionary	59,088
	Consumer staples	55,482
	Energy	53,673
	Utilities	22,503
	Bond funds	194,052
	Corporate bonds	62,000
	Government notes and bonds	312,368
	Fixed income	2,115,626
	Domestic	679,379
	Global/international funds	451,481
	Other	<u>1,510,667</u>
	Total level 1	7,276,407
	Level 2 - Other significant observable inputs	
	Level 3 - Significant unobservable inputs	
	Total	<u>\$ 7,276,407</u>

Investments at June 30, 2009 consisted solely of investments valued using level 1 inputs.

Investment return is summarized as follows:

	<u>2010</u>		
	<u>Unrestricted</u>	<u>Endowments</u>	<u>Total</u>
Unrealized gain	\$ 103,979	\$ 671,234	\$ 775,213
Realized losses	(20,146)	(48,401)	(68,547)
Interest and dividend income	58,301	118,633	176,934
Less management fees	<u>(14,643)</u>	<u>(23,914)</u>	<u>(38,557)</u>
Investment return	<u>\$ 127,491</u>	<u>\$ 717,552</u>	<u>\$ 845,043</u>

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
 ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2010 AND 2009

2. Investments (continued):

	<u>2009</u>		
	<u>Unrestricted</u>	<u>Endowments</u>	<u>Total</u>
Unrealized losses	\$(127,937)	\$(459,209)	\$(587,146)
Realized losses	(203,075)	(724,496)	(927,571)
Interest and dividend income	245,878		245,878
Less management fees	<u>(12,510)</u>	<u>(23,045)</u>	<u>(35,555)</u>
Investment return	<u><u>\$(97,644)</u></u>	<u><u>\$(1,206,750)</u></u>	<u><u>\$(1,304,394)</u></u>

3. Property and equipment:

A summary of property and equipment at June 30 is as follows:

	<u>2010</u>	<u>2009</u>
Property and equipment	\$ 219,799	\$ 214,651
Less accumulated depreciation	<u>(176,811)</u>	<u>(160,313)</u>
Property and equipment, net	<u><u>\$ 42,988</u></u>	<u><u>\$ 54,338</u></u>

4. Retirement plan:

The Organization has a defined contribution plan which provides retirement benefits for employees who meet the requirements of the plan. The Organization's contribution, which is based on 9% of the employee's annual compensation and is charged against operations as incurred, amounted to \$75,564 in 2010 and \$80,776 in 2009.

5. Commitments and cash concentration:

Lease commitment:

The Organization leases office space for \$5,984 per month until June 30, 2015 with the option to renew. Rent expense for the years ended June 30, 2010 and 2009 was \$71,808.

The Organization has cash in four commercial banks which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2010 AND 2009

6. Combined Federal Campaign:

The Organization conducts the Combined Federal Campaign (CFC), which is an annual fund raising campaign for federal employees in Luzerne and Columbia Counties. Similar to the annual campaign, federal employees may designate their funds to specific agencies or groups of agencies in the region; and pursuant to the United States Office of Personnel Management guidelines, undesignated contributions are distributed pro-rata to agencies that receive designated donations. The Organization, as a federation, distributes funds received from the CFC to their member organizations in accordance with donor wishes.

7. Subsequent events:

Management has evaluated subsequent events through November 17, 2010, which is the date these financial statements were available for issue.

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
 ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2010

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>IDENTIFYING NUMBER PASS-THROUGH ENTITY</u>	<u>FEDERAL EXPENDITURES</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from the Pennsylvania Department of Health: HIV Care Formula Grants	93.917	ME03047	\$ 555,817
Passed through from the Pennsylvania Department of Public Welfare: Passed through from Community Services for Children, Inc. Child Care Development Fund Block Grant	93.596	110301600	<u>50,000</u>
Department subtotal			605,817
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through from the Pennsylvania Department of Health: Housing Opportunities for Persons with AIDS	14.241	ME03047	<u>97,965</u>
Total			<u>\$ 703,782</u>

See note to schedule of expenditures of federal awards

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2010

Basis of accounting:

This schedule has been prepared on the accrual basis of accounting.



**Kronick
Kalada
Berdy & Co.**
A Professional Corporation

Certified Public Accountants

Officers/Shareholders

Donald M. Kronick, CPA
Paul Berdy, CPA
William R. Lazor, CPA/PFS, CFE
Deborah A. Eastwood, CPA
Kevin R. Foley, CPA
William Fromel, CPA
Mario Ercolani, CPA
Anthony R. Caravaggio, CPA
Ronald H. Ulitchney, CPA

Joseph J. Kalada, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
United Way of Wyoming Valley, Pennsylvania also
D/B/A United Way of Susquehanna County

We have audited the financial statements of United Way of Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County (the Agency), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal control over financial reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

(CONTINUED)

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial accounting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and other matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Kronie Kaloda Berdy & Co.

Kingston, Pennsylvania
November 17, 2010



**Kronick
Kalada
Berdy & Co.**
A Professional Corporation

Certified Public Accountants

Officers/Shareholders

Donald M. Kronick, CPA
Paul Berdy, CPA
William R. Lazor, CPA/PFS, CFE
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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
United Way of Wyoming Valley, Pennsylvania also
D/B/A United Way of Susquehanna County

Compliance

We have audited the United Way of Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County (the Agency's) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on the Agency's major federal program for the year ended June 30, 2010. The Agency's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Agency's compliance with those requirements.

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REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2010.

Internal control over compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Kingston, Pennsylvania
November 17, 2010

Kronis Kalala Berdy & Co.

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2010

A. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the United Way of Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County.
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? ___yes Xno
 - b. Significant deficiency(ies) identified? ___yes Xreported None
3. Noncompliance material to financial statements noted? ___yes Xno

FEDERAL AWARDS

4. Internal control over major program:
 - a. Material weakness(es) identified? ___yes Xno
 - b. Significant deficiency(ies) identified? ___yes Xreported None
5. The auditors' report on compliance for the major program expresses an unqualified opinion.
6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ___yes Xno

7. The program tested as a major program consisted of:

<u>CFDA number</u>	<u>Federal Program</u>
93.917	HIV Care Formula Grants

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2010

8. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000
9. Auditee qualified as low-risk auditee? X yes ___no

B. FINANCIAL STATEMENT FINDINGS

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None