UNITED WAY OF SALT LAKE

FINANCIAL STATEMENTS

Year Ended June 30, 2012
With Summarized Comparative Financial
Information for the Year Ended June 30, 2011

Mayer Hoffman McCann P.C.
An Independent CPA Firm

175 South West Temple, Suite 650
Salt Lake City, Utah 84101
801-364-9300 ph
801-364-9301 fx
www.mhm-pc.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors

UNITED WAY OF SALT LAKE

We have audited the accompanying statements of financial position of United Way of Salt Lake (a Utah nonprofit corporation) ("UWSL") as of June 30, 2012 and 2011, and the related statements of cash flows for the years then ended and the accompanying statements of activities and functional expenses for the year ended June 30, 2012. These financial statements are the responsibility of UWSL's management. Our responsibility is to express an opinion on these financial statements based on our audits. The summarized comparative statements of activities and functional expenses for the year ended June 30, 2011 have been derived from UWSL's 2011 financial statements, and in our report dated October 13, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits 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 UWSL as of June 30, 2012 and 2011, and the changes in its net assets for the year ended June 30, 2012 and its cash flows for the years ended June 30, 2012 and 2011 in conformity with U.S. generally accepted accounting principles.

As discussed in Note 3 to the financial statements, certain errors resulting in understatement of previously reported pension plan liability as of June 30, 2011, were discovered by management of UWSL during the current year. Accordingly, the June 30, 2011 financial statements have been restated to correct these errors.

Mayer Hoffman McCann P.C.

Salt Lake City, Utah
October 11, 2012

UNITED WAY OF SALT LAKE

STATEMENTS OF FINANCIAL POSITION

June 30, 2012 and 2011

	2012	2011 (as restated)
A S S E T S		
Cash and cash equivalents	$ 5,291,396	$ 2,702,465
Contributions receivable, less allowance for uncollectible contributions (2012, $878,000; 2011, $951,468)	5,988,053	4,189,231
Prepaid expenses	13,354	7,656
Property and equipment, net	159,467	189,116
Investments	6,579,178	6,755,118
Other assets	176,980	109,023
Beneficial interests in charitable trusts	65,812	73,342
TOTAL ASSETS	$ 18,274,240	$ 14,025,951
L I A B I L I T I E S A N D N E T A S S E T S		
LIABILITIES		
Accounts payable and accrued expenses	$ 210,685	$ 166,389
Due to agencies	5,052,631	5,066,646
Due to other United Ways	556,882	475,329
Other liabilities	217,230	457,904
TOTAL LIABILITIES	6,037,428	6,166,268
NET ASSETS		
Unrestricted		
Undesignated	3,876,023	3,655,907
Board designated	715,705	874,691
Temporarily restricted	7,529,116	3,207,653
Permanently restricted	115,968	121,432
TOTAL NET ASSETS	12,236,812	7,859,683
TOTAL LIABILITIES AND NET ASSETS	$ 18,274,240	$ 14,025,951

See Notes to Financial Statements

UNITED WAY OF SALT LAKE

STATEMENTS OF ACTIVITIES

Year Ended June 30, 2012 with Summarized Comparative Totals for 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2012	Summarized Comparative Totals 2011
SUPPORT, REVENUE, GAINS AND LOSSES					
Campaign contributions for 2012 and 2011:					
Contributions made in 2012, net of uncollectible pledges (2012, $395,000; 2011, $483,000)	$ 7,005,073	$ 335,725	$ -	$ 7,340,798	$ 7,568,483
Cornerstone Partners contributions	-	1,837,907	-	1,837,907	1,842,670
Less donor designations	(2,106,887)	-	-	(2,106,887)	(1,813,528)
Campaign 2012 and 2011 results	4,898,186	2,173,632	-	7,071,818	7,597,625
Campaign 2013 contributions:					
Contributions made in 2012	-	250,620	-	250,620	-
Less donor designations	-	(250,000)	-	(250,000)	-
Campaign 2013 results	-	620	-	620	-
Campaign 2012 contributions:					
Contributions made in 2011	-	-	-	-	71,095
Less donor designations	-	-	-	-	(62,500)
Campaign 2011 results	-	-	-	-	8,595
Changing the odds contributions	-	4,042,532	-	4,042,532	-
Community impact initiative contributions	823,852	250,775	-	1,074,627	1,333,448
Sponsorships	141,691	379,006	-	520,697	416,625
Other contributions	29,408	-	-	29,408	67,175
In-kind contributions	474,569	-	-	474,569	594,317
Return on investments	41,961	6,725	-	48,686	150,319
Increase (decrease) in interest in trusts	-	(2,066)	(5,464)	(7,530)	8,228
Miscellaneous income	65,754	-	-	65,754	29,376
Loss on sale or disposal of assets	(22,459)	-	-	(22,459)	-
	1,554,776	4,676,972	(5,464)	6,226,284	2,599,488
TOTAL SUPPORT, REVENUE GAINS AND LOSSES	6,452,962	6,851,224	(5,464)	13,298,722	10,205,708
NET ASSETS RELEASED FROM RESTRICTIONS	2,529,761	(2,529,761)	-	-	-
TOTAL SUPPORT, REVENUE, GAINS, LOSSES, AND NET ASSETS RELEASED FROM RESTRICTIONS	$ 8,982,723	$ 4,321,463	$ (5,464)	$ 13,298,722	$ 10,205,708

See Notes to Financial Statements

UNITED WAY OF SALT LAKE

STATEMENTS OF ACTIVITIES – CONTINUED

Year Ended June 30, 2012 with Summarized Comparative Totals for 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2012	Summarized Comparative Totals 2011
EXPENSES					
Program Services					
Gross funds awarded/distributed	$ 8,471,723	$ -	$ -	$ 8,471,723	$ 8,662,804
Less donor designations	(2,106,887)	-	-	(2,106,887)	(1,813,528)
Total Program Services	6,364,836			6,364,836	6,849,276
Supporting Services	2,413,181	-	-	2,413,181	2,336,994
TOTAL EXPENSES	8,778,017	-	-	8,778,017	9,186,270
TERMINATION OF BENEFICIAL INTEREST IN TRUST	-	-	-	-	(1,346,639)
PENSION-RELATED CHANGES OTHER THAN NET PERIODIC PENSION COST	(143,576)	-	-	(143,576)	(198,586)
CHANGE IN NET ASSETS	61,130	4,321,463	(5,464)	4,377,129	(525,787)
NET ASSETS, BEGINNING OF YEAR (AS RESTATED)	4,530,598	3,207,653	121,432	7,859,683	8,385,470
NET ASSETS, END OF YEAR	$ 4,591,728	$ 7,529,116	$ 115,968	$ 12,236,812	$ 7,859,683

See Notes to Financial Statements

UNITED WAY OF SALT LAKE

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2012 with Summarized Comparative Totals for 2011

		SUPPORTING SERVICES				
	Total Program Services	Management and General	Resource Development	Total Supporting Services	Totals 2012	Totals 2011
Salaries and related expenses	$ 1,341,340	$ 315,971	$ 848,025	$ 1,163,996	$ 2,505,336	$ 1,885,864
Advertising	100,423	550	79,688	80,238	180,661	221,222
Occupancy and parking	150,924	36,146	156,785	192,931	343,855	177,195
Events	72,068	3,519	180,110	183,629	255,697	238,822
United Way Worldwide dues	43,546	10,602	46,191	56,793	100,339	123,630
Depreciation expense	43,974	6,359	35,927	42,286	86,260	62,354
Postage	2,943	1,466	6,388	7,854	10,797	9,460
Direct and digital marketing	-	-	4,393	4,393	4,393	21,810
Research	7,480	1,914	9,406	11,320	18,800	38,497
Printing and visual media	63,434	11,649	88,539	100,188	163,622	74,805
IT outsourcing	26,446	5,278	22,876	28,154	54,600	48,000
Telephone	50,227	2,983	21,702	24,685	74,912	27,653
Professional services	500	35,164	-	35,164	35,664	46,680
Public education	15,726	-	-	-	15,726	93,190
Consultant fees	77,875	-	85,048	85,048	162,923	119,353
Bank fees	111	8,900	-	8,900	9,011	18,775
Trainings and conferences	55,355	1,638	17,756	19,394	74,749	11,320
Local meetings	11,810	8,384	12,165	20,549	32,359	32,028
Memberships and subscriptions	2,366	447	2,867	3,314	5,680	6,148
Awards and gifts	1,521	2,870	4,849	7,719	9,240	4,675
Repairs and maintenance	8	3	1,460	1,463	1,471	996
Electronic pledge fees	-	-	6,798	6,798	6,798	7,090
Miscellaneous expenses	12,123	1,999	11,566	13,565	25,688	-
Insurance	13,500	3,342	14,846	18,188	31,688	16,281
Software support	39,218	1,968	13,974	15,942	55,160	33,901
Local transportation	6,234	1,099	6,431	7,530	13,764	9,462
Supplies	10,629	2,512	11,032	13,544	24,173	16,381
Grants to community partners	4,000,616	-	-	-	4,000,616	5,276,063
In-kind goods and services	214,439	109	259,487	259,596	474,035	564,615
Totals	$ 6,364,836	$ 464,872	$ 1,948,309	$ 2,413,181	$ 8,778,017	$ 9,186,270

See Notes to Financial Statements

UNITED WAY OF SALT LAKE

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 4,377,129	$ (525,787)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Change in fair value of beneficial interests in charitable trusts	7,530	(8,228)
Return of contribution	-	1,346,639
Depreciation	86,260	62,355
Increase (decrease) in allowance for uncollectible pledges	(73,468)	303,468
Amortization of discount on pledges receivable	-	(23,222)
Stock donations	(298,766)	(162,313)
Property and equipment donations	-	(29,702)
Loss on sale or disposal of assets	22,459	-
Unrealized loss (gain) on investments	12,034	(62,165)
Realized loss (gain) on sale of investments	(661)	538
Decrease (increase) in operating assets:		
Contributions receivable	(1,725,354)	(308,825)
Prepaid expenses	(5,698)	31,713
Other assets	(67,957)	(3,913)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	44,296	(27,070)
Due to agencies	(14,015)	(1,111,078)
Due to other United Ways	81,553	64,882
Other liabilities	(240,674)	219,703
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,204,668	(233,005)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,445,020)	(3,547,151)
Proceeds from sale of investments	2,908,353	3,144,484
Purchase of property and equipment	(81,370)	(66,540)
Proceeds from sale of property and equipment	2,300	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	384,263	(469,207)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,588,931	(702,212)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,702,465	3,404,677
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,291,396	$ 2,702,465

	2012	2011
NON-CASH INVESTING AND FINANCING ACTIVITIES		
In-kind contributions:		
Stock	$ 298,766	$ 162,313
Property and equipment	-	29,702
TOTAL NON-CASH INVESTING AND FINANCING ACTIVITIES	$ 298,766	$ 192,015

See Notes to Financial Statements

(1) Summary of significant accounting policies

Nature of operations – United Way of Salt Lake ("UWSL") is a nonprofit organization, incorporated in the state of Utah, governed by a volunteer Board of Directors that is comprised of business and community leaders. Board members are nominated from the community by a Nominating Committee comprised of at least five members of the Board of Directors. The stated mission of UWSL is "to improve lives and build strong communities by uniting individuals and organizations with the will, passion, expertise and resources needed to solve problems". United Way of Salt Lake has made a promise to our community. Our promise is to create opportunities so that all children and families, regardless of their circumstances, have the same chances to succeed in school and in life. UWSL envisions a community where all individuals and families achieve their potential through education, income stability and healthy lives; where all children receive a quality education that offers a pathway to a brighter tomorrow, where the cycle of poverty and financial dependence ends and more productive lives begin and where everyone receives effective health care that improves their quality of life.

Comprehensive research is conducted regularly on behalf of UWSL by independent researchers. For the past ten years, this research has identified issues related to education, income and health as the primary challenges which people face that are barriers to their success. As a result, United Way of Salt Lake focuses its work in these areas. The research has also identified people's most basic needs to be food, shelter, health and safety.

To most effectively address these complex issues, UWSL focuses its work in 22 Neighborhood Centers, located in eight different neighborhoods within its service area where challenges are the greatest. UWSL goes to where the problems are. These Neighborhood Centers are hubs of the communities they serve. Working with dozens of community partners, programs and services are focused primarily on education but also work with families to improve their income stability and their health. In addition, UWSL provides grants to community partners that provide basic needs services of food, shelter, health and safety. UWSL advocates at all levels of government on a public policy agenda that is tied to its areas of focus – education, income, health, and basic needs.

UWSL also raises and distributes resources to more than two hundred additional nonprofit organizations at the specific request of its donors.

Basis of presentation – UWSL prepares its financial statements on the accrual basis of accounting and follows U.S. generally accepted accounting principles ("GAAP") for nonprofit organizations. UWSL reports 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. Classification of restricted net assets is determined by the nature of any donor-imposed restrictions.

- Unrestricted net assets represent expendable funds available for operations which are not otherwise limited by donor restrictions.

- Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before UWSL may spend the funds.

(1) Summary of significant accounting policies (continued)

- Although temporarily restricted net assets are typically reported as support that increases restricted net assets, they are reported as unrestricted net assets if the restrictions are met in the same reporting period.

- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

Reclassifications – Certain comparative balances for the year ended June 30, 2011 have been reclassified to make them consistent with the current year presentation. The reclassifications had no effect on the change in net assets for 2011.

Use of estimates – The preparation of financial statements in conformity with GAAP 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.

Cash and cash equivalents – UWSL considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Contributions receivable – Contributions receivable are recorded at fair value at the date the written promise to give is received. UWSL uses the allowance method to determine uncollectible pledges. The allowance is based on historical experience and management's analysis of specific balances. Contributions are recorded after being discounted to the anticipated net present value of the future cash flows. Amortization of the discount is recorded as temporarily restricted contributions in the statement of activities.

Property and equipment – Property and equipment are recorded on the basis of cost for items purchased or estimated fair market value at the date of gift for donated items. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. UWSL capitalizes property and equipment with a cost over $500 and an estimated useful life of two years or more. Depreciation of property and equipment and amortization of leasehold improvements are computed using the straight-line method based on the shorter of the estimated useful lives or lease terms of the assets as follows:

Assets	Estimated Useful Lives
Furniture, fixtures, and equipment	3 - 10 years
Leasehold improvements	5 - 15 years
Computer equipment	2 - 7 years
Software	2 - 7 years
Vehicles	3 - 7 years
211 Call center equipment	3 - 7 years

(1) Summary of significant accounting policies (continued)

Long-lived assets – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to net future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded during the years ended June 30, 2012 and 2011.

Investments – UWSL records investments at fair value on the date of purchase or donation and recognizes the unrealized gain or loss resulting from the difference between cost and market value.

Agency transactions – UWSL, acting as an agent, receives cash contributions from individuals, small businesses, large corporations and other United Ways. These donations are transferred to the designated recipients based on the wishes of the donor.

Contributions – Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Amounts that are restricted for future periods or restricted for specific purposes are reported as temporarily restricted or permanently restricted support. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

The temporary restrictions on assets as of June 30, 2012 and 2011, relate to the collections and pledges which are designated for allocation during future years, including Cornerstone Partners contributions, and other contributions which, at the direction of the donor, are to be used in specific programs and have not been expended at year end.

The permanent restrictions on assets as of June 30, 2012 and 2011, relate to UWSL's beneficial interests in charitable trusts and endowments.

Cornerstone Partners contributions – Contributions for UWSL's Cornerstone Partners program are temporarily restricted. The program consists of agreements with various corporations and foundations that specifically designate their contributions to be utilized for supporting service expenses of UWSL in order for UWSL to ensure that almost all of each individual contribution received can go toward supporting programs and initiatives that benefit the community. The Cornerstone Partners support also allows UWSL to direct individual designations received to any qualified nonprofit organization, other local United Ways and UWSL initiatives, while deducting very little for administrative costs or processing fees. Additionally, unrestricted revenue from other sources, including administrative fees on non-Cornerstone corporate gifts,

(1) **Summary of significant accounting policies (continued)**

sponsorships, investment revenue and other miscellaneous revenues are utilized for supporting service expenses.

In-kind contributions – Donated property, marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by UWSL.

UWSL receives donated specialized consulting services, printing, radio, newspaper, and television advertising, prizes for special events, catering and other goods and services. In addition, many individuals have donated significant amounts of their time in organizational governance, program services and resource development efforts. No amounts have been reflected in the financial statements for these volunteer services since they did not meet the criteria for recognition.

Functional expenses – UWSL follows guidelines established by United Way Worldwide's "Functional Expenses and Overhead Reporting Standards" for allocating costs among functional expense categories. In general, where a specific cost can be identified with a particular function, the cost is charged directly to that function. If costs cannot be identified directly with specific functional categories, those costs are allocated among functional categories based upon project codes, the "full-time equivalent" and other accepted methods of cost allocation. The categories for reporting functional expenses are as follows:

Program services

Community/Collective impact – UWSL has adopted a unique approach to community problem-solving called "Collective" impact. Collective impact requires that everyone works together, including foundations, businesses, cities, schools, state government, churches nonprofits and individuals. UWSL's focus is on advancing the education, income and health of its neighborhoods and communities to ensure every child succeeds, every step of the way, from cradle to career. Together with its many partners, UWSL works to create a vision and set goals, align programs, activities and strategies, measure success by tracking and sharing data, and create continuous communication and continuous improvement. UWSL serves in the unique and critical role of bringing people and organizations together to "connect the dots". UWSL is the "backbone", ensuring that there is a pipeline of support for kids and their families from birth to career. The services are all integrated, creating a web of support for the entire family.

Through collaboration with many community partners, UWSL is focusing on a comprehensive set of strategies within its 22 Neighborhood Centers ("Centers") to achieve six main goals: *Cradle to Kindergarten*: Infants and toddlers demonstrate age-appropriate development and children enter kindergarten ready to learn; *Kids on Track*: Students achieve on grade level in reading, math and science; *Destination Graduation and Beyond*: Students graduate from high school, enroll in post-

(1) Summary of significant accounting policies (continued)

secondary education, and graduate or complete their program; *Earn It. Keep It. Save It*.: Families gain the income and financial tools to thrive; *Healthy for Life*: Children and families develop healthy behaviors and improve their overall health; B*asic Needs*: People's most basic needs to food, shelter, health and safety are met.

Through UWSL's Centers, which are located in some of its most economically-challenged neighborhoods in Clearfield, Salt Lake City, South Salt Lake, Kearns, West Valley and Park City, parents receive adult education courses including employment readiness, financial management, language, and computer classes. Kids can get involved in academic and youth development activities, including after-school and tutoring, mentoring and reading programs, as well as physical activities, art and other enrichment opportunities. Centers also offer families on-site basic health screenings and preventative care.

The model that UWSL has adopted has created Centers that are located within already existing facilities in schools, apartment complexes, mobile home parks and community centers, so that valuable and scarce resources go directly to programs and services, rather than to constructing buildings.

UWSL's work includes comprehensive research, which identifies problems that impact the quality of life in the communities it serves. UWSL provides information and education to the public regarding the community's most critical social needs in areas of education, income, health, and the most basic needs of food, shelter, health and safety. It works as an integral partner with schools, cities, state government, businesses, churches and nonprofits to guide the vision and strategies, build public will, support aligned activities, establishment shared measurement systems, mobilize funding, advance public policies and engage volunteers.

United Way 2-1-1 – UWSL has responsibility for the state's 2-1-1 Information and Referral System. It is a statewide service that is an easy-to-remember information and referral telephone number that people dial to get connected and get answers. 2-1-1 connects people to important health, human and community service programs, including: emergency food pantries, rental assistance, public health clinics, legal aid, and a variety of nonprofit and government agencies. Individuals, families and corporate and religious groups can dial 2-1-1 to get connected to meaningful volunteer opportunities. People can also access 2-1-1 services by going to the 2-1-1 website.

Supporting services

Management and general – Includes overall direction and administration of UWSL and ensures that UWSL is well-managed; is responsible for strategic planning and overall development of organization; develops and strengthens community relationships, including maintaining a strong and effective Board of Directors, has responsibility for all staff functions, including hiring, training, human resource management, and benefits administration; properly and accurately maintains general records; is responsible for fiscal management, including financial statements, audits, pledge and accounts receivable management, accounts payable and in-kind contributions.

(1) Summary of significant accounting policies (continued)

Resource development – Develops, implements and refines overarching resource development plan to secure resources necessary to support the organizational mission and business model. Researches, develops and implements new strategies and best practices to strengthen current resource development efforts. Grows revenue by broadening the base of support through innovation and development of new revenue streams. Cultivates and stewards relationships with current and prospective donors through personal contact, including phone calls, email, written correspondence and visits. Engages staff and board in the process to cultivate donors and secure revenue. Develops, implements and manages current and prospective donor cultivation and stewardship practices. Works with the Marketing Department to develop and produce all of the organizational materials such as brochures, pledge forms, posters, banners and other collateral materials including advertising, media coverage, special events, audio/visual materials, and all forms of social media. In cooperation with the Collective Impact Department, researches and writes foundation and governments grants to secure restricted revenue for specific projects to advance UWSL's work.

Advertising costs – Advertising costs are expensed when incurred. Advertising expense was $543,905 and $627,411 for the years ended June 30, 2012 and 2011, respectively, out of which approximately $344,000 and $313,000 was donated advertising for the years ended June 30, 2012 and 2011, respectively.

Income taxes – UWSL is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, no provision for income taxes has been reflected in UWSL's financial statements. UWSL does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. UWSL is no longer subject to income tax examinations by tax authorities for years prior to June 30, 2008.

Fair value measurements – The Financial Accounting Standards Board ("FASB") established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the "exit price") in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement date. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk.

In determining fair value, UWSL uses various valuation approaches. The FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of UWSL. Unobservable inputs are inputs that reflect UWSL's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the observability of inputs as follows:

(1) <u>Summary of significant accounting policies (continued)</u>

Level 1–Valuations based on quoted prices in active markets for identical assets or liabilities that UWSL has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2–Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3–Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, UWSL's own assumptions are set to reflect those that UWSL believes market participants would use in pricing the asset or liability at the measurement date.

Recently issued accounting pronouncements – The following accounting pronouncement was recently issued by the FASB.

In May 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which amended wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. ASU No. 2011-04 is effective for annual periods beginning after December 15, 2011. The adoption of ASU No. 2011-04 is not expected to have a significant impact on UWSL's financial statements.

(2) Prior year summarized comparative financial information

The financial statements include certain prior year summarized comparative financial information in total and do not include information by the unrestricted, temporarily restricted, and permanently restricted net asset classes as required by GAAP. Accordingly, such information should be read in conjunction with UWSLs' financial statements for the year ended June 30, 2011, from which the summarized comparative financial information was derived.

(3) Prior period adjustment

During the year ended June 30, 2012, UWSL became aware that the actuarial report used to determine the underfunded pension plan liability as of June 30, 2011 contained certain errors. The actuarial report provided by the pension plan's service provider did not incorporate all the costs related to certain employees' prior years of service. As a result, the financial statements as of June 30, 2011 have been restated to correct these errors and unrestricted net assets – undesignated as of June 30, 2010 have been decreased by $138,341 from the previously reported balance.

The effect of the restatements on the financial position as of June 30, 2011, was as follows:

	As Previously Reported	Restatements	As Restated
Statement of Financial Position			
Other liabilities	$ 319,473	$ 138,431	$ 457,904
Total liabilities	6,027,837	138,431	6,166,268
Unrestricted net assets - undesignated	3,794,338	(138,431)	3,655,907
Total net assets	7,998,114	(138,431)	7,859,683

(4) Contributions receivable

Contributions receivable include campaign, community impact initiative, and changing the odds contributions. Contributions receivable consisted of the following as of June 30, 2012 and 2011:

	2012	2011
Amounts due in:		
Less than one year	$ 5,670,307	$ 5,140,699
One to five years	1,253,214	-
Totals	6,923,521	5,140,699
Less allowance for uncollectible contributions	(878,000)	(951,468)
Less unamortized discount	(57,468)	-
Contributions receivable, net	$ 5,988,053	$ 4,189,231

Contributions receivable due in more than one year are reflected at the present value of estimated future cash flows using discount rates ranging from 1.26% to 1.43%.

(5) Property and equipment

The cost and related accumulated depreciation of property and equipment as of June 30, 2012 and 2011 consisted of the following:

	2012	2011
Cost		
Furniture, fixtures, and equipment	$ 225,574	$ 240,338
Computer equipment	133,579	211,758
Software	111,304	144,143
211 Call Center Equipment	74,477	68,043
Leasehold improvements	33,815	92,639
Vehicle	-	22,740
Total cost	578,749	779,661
Less accumulated depreciation	(419,282)	(590,545)
Net property and equipment	$ 159,467	$ 189,116

Depreciation and amortization expense charged to operations was $86,260 and $62,355 for the years ended June 30, 2012 and 2011, respectively.

(6) Investments

Investments by major type as of June 30, 2012 and 2011 consisted of the following:

	2012	2011
Certificates of deposit	$ 4,113,474	$ 5,522,613
Exchange traded funds	1,866,314	656,108
Mutual funds - bonds	240,014	221,382
Mutual funds - equities	359,376	355,015
Total investments	$ 6,579,178	$ 6,755,118

Investment returns for the year ended June 30, 2012, are summarized by net asset class as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends, net	$ 59,986	$ 1,230	$ -	$ 61,216
Realized gain on disposal of investments	504	-	-	504
Unrealized loss on depreciation of investments	(18,529)	5,495	-	(13,034)
Totals	$ 41,961	$ 6,725	$ -	$ 48,686

(6) Investments (continued)

Investment returns for the year ended June 30, 2011, are summarized by net asset class as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends, net	$ 88,304	$ 388	$ -	$ 88,692
Realized loss on disposal of investments	(538)	-	-	(538)
Unrealized gain on appreciation of investments	38,378	23,787	-	62,165
Totals	$ 126,144	$ 24,175	$ -	$ 150,319

(7) Split-interest agreements and interest in perpetual trust

Split-interest agreements

UWSL is a co-beneficiary of two charitable remainder unitrusts ("CRUT") that terminate on June 2, 2013. UWSL will receive 10% of the remaining principal, if any, upon termination. UWSL's pro-rata interest in the trust is recorded at the fair value of the assets contributed to the trust and is temporarily restricted.

UWSL is a co-beneficiary of a CRUT that terminates after the death of the primary beneficiary. UWSL will receive 33% of the remaining principal and income, if any, upon termination of the trust. UWSL's pro-rata interest in the trust is recorded at the fair value of the assets contributed to the trust and is permanently restricted.

UWSL is also the beneficiary of a charitable support trust ("CST") which will be funded by a CRUT upon the death of the original donors. UWSL will be the beneficiary of and participate in the earnings and/or principal distributions of the CST after the death of the donors. The future interest in the CST is not included in the financial statements of UWSL since the original donors reserve the right to change the beneficiary of the CRUT.

Interest in perpetual trust

In March 2011, UWSL's beneficial interest in a perpetual trust was terminated when the donor organization petitioned the Third Judicial District Court for Salt Lake County to allow the termination of the original donation of the perpetual interest in the trust received by UWSL in 2001. As a result of the termination, UWSL recognized an expense of $1,346,639 for the year ended June 30, 2011. No cash was required to be remitted back to the donor as a result of this termination, but UWSL will no longer be entitled to receive annual payments of 33.5% of 85% of the trust's net income.

(8) Payments due to agencies

Payments due to agencies consist of funds awarded of $3,750,644 and donor contributions designated for agencies of $1,301,987, net of an allowance for uncollectible designated contributions of $196,279, as of June 30, 2012. Payments due to agencies consist of funds awarded of $3,935,431 and donor contributions designated for agencies of $1,131,215, net of an allowance for uncollectible designated contributions of $245,139, as of June 30, 2011.

(8) Payments due to agencies (continued)

Payments due to other UWSLs are $556,882 and $475,329 as of June 30, 2012 and 2011, respectively.

(9) Board designated net assets

Board designated net assets as of June 30, 2012, consist of board designated endowment funds of $715,705. Board designated net assets as of June 30, 2011 consist of board designated endowment funds of $674,691 and a reserve for the termination of the defined benefit pension plan of $200,000.

(10) Temporarily restricted net assets

Temporarily restricted net assets are available for the following purposes as of June 30, 2012 and 2011:

	2012	2011
Changing the Odds Campaign	$ 4,042,532	$ -
Cornerstone Partners	1,837,907	1,842,670
Other Community Impact Initiatives and Sponsorships	678,187	520,305
Women's Philanthropic Network	290,500	-
EITC/VITA	223,370	252,398
Community Learning Centers	206,000	-
211 Call Center	150,000	345,000
Financial Literacy	100,000	201,468
Time Restricted	620	45,812
Total temporarily restricted net assets	$ 7,529,116	$ 3,207,653

(11) Permanently restricted net assets

Permanently restricted net assets consisted of the following as of June 30, 2012 and 2011:

	2012	2011
Beneficial interests in charitable trusts	$ 30,661	$ 36,125
Children's Initiative Endowment Investment	50,000	50,000
Davis County Endowment Investment	35,307	35,307
Total permanently restricted net assets	$ 115,968	$ 121,432

(12) Endowment

UWSL's endowment includes both donor-restricted endowments and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(12) Endowment (continued)

Interpretation of relevant law – The Board of Directors of UWSL has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), as adopted by the State of Utah, as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, UWSL classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by UWSL in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, UWSL considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of UWSL
(7) The investment policies of UWSL

Endowment net asset composition by type of fund as of June 30, 2012 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (8,650)	$ 239,030	$ 85,307	$ 315,687
Board-designated endowment funds	715,705	-	-	715,705
Total endowment net assets	$ 707,055	$ 239,030	$ 85,307	$ 1,031,392

Endowment net asset composition by type of fund as of June 30, 2011 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (9,270)	$ 232,304	$ 85,307	$ 308,341
Board-designated endowment funds	674,691	-	-	674,691
Total endowment net assets	$ 665,421	$ 232,304	$ 85,307	$ 983,032

(12) Endowment (continued)

Changes in endowment net assets for the year ended June 30, 2012 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 665,421	$ 232,304	$ 85,307	$ 983,032
Investment return:				
Interest and dividends, net	3,052	1,231	-	4,283
Net appreciation (realized and unrealized)	13,132	5,495	-	18,627
Total investment return	16,184	6,726	-	22,910
Contributions	25,450	-	-	25,450
Endowment net assets, end of year	$ 707,055	$ 239,030	$ 85,307	$ 1,031,392

Changes in endowment net assets for the year ended June 30, 2011 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 605,413	$ 208,129	$ 85,307	$ 898,849
Investment return:				
Interest and dividends, net	965	388	-	1,353
Net appreciation (realized and unrealized)	59,043	23,787	-	82,830
Total investment return	60,008	24,175	-	84,183
Endowment net assets, end of year	$ 665,421	$ 232,304	$ 85,307	$ 983,032

Description of amounts classified as temporarily restricted net assets (endowment only) and permanently restricted net assets as of June 30, 2012 and 2011 consisted of the following:

	2012	2011
Temporarily restricted net assets		
The portion of perpetual endowment funds subject to a time restriction under UPMIFA:		
With purpose restrictions	$ 239,030	$ 232,304
Total endowment funds classified as temporarily restricted net assets	$ 239,030	$ 232,304
Permanently restricted net assets		
The portion of perpetual endowment funds that is required to be retained permanently either by donor stipulation or by UPMIFA	$ 85,307	$ 85,307
Total endowment funds classified as permanently restricted net assets	$ 85,307	$ 85,307

(12) Endowment (continued)

Funds with deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable state law requires UWSL to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $8,650 and $9,270 as of June 30, 2012 and 2011, respectively. These deficiencies resulted from unfavorable market fluctuations during the years ended June 30, 2012 and 2011, respectively.

Return objectives and risk parameters – UWSL has adopted investment and spending policies for endowment assets that attempt to maximize long-term gains with an acceptable level of risk and to provide funding for special projects or initiatives, to act as an emergency source funding source or to fund capital expenditures. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that meet or exceed appropriate nationally recognized performance indices (benchmarks) selected by the Investment Committee over a five-year rolling time period. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives – To satisfy its long-term rate-of-return objectives, UWSL relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UWSL targets a diversified asset allocation that places a greater emphasis on equity-based investment to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objective relates to spending policy – Distribution of endowment funds are approved by the Board of Directors and are made when deemed appropriate. A guideline for distributions from the endowment fund earnings, on a fiscal year basis, is defined as 50% of the investment income growth (including income and capital appreciation), of the endowment funds, unless otherwise recommended by the Board of Directors. This is consistent with UWSL's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. There were no amounts appropriated for expenditures during the years ended June 30, 2012 and 2011.

(13) Community impact initiative contributions

Community impact initiative contributions for the years ended June 30, 2012 and 2011 consisted of the following:

	2012	2011
Community learning centers	$ 366,832	$ 317,654
Community development	350,000	375,000
EITC/VITA	154,760	142,500
211 Call Center	107,500	345,000
Immigrant and refugee integration	54,760	42,500
Other	35,775	2,500
Financial literacy	5,000	7,500
Education summit	-	50,000
Scouting programs	-	25,000
Prosperity centers	-	20,044
Quarters for Christmas	-	5,750
Total	$ 1,074,627	$ 1,333,448

(14) Grants to community partners

Grants to community partners for the years ended June 30, 2012 and 2011 consisted of the following:

	2012	2011
Community Learning Center grants	$ 1,930,294	$ 416,831
Grants to impact partners	1,845,322	3,817,856
Community Development grants	215,000	321,600
Immigration Integration grants	10,000	375,833
Utah Saves grants	-	165,000
Special scout grants	-	100,000
EITC grants	-	73,200
Quarters for Christmas	-	5,743
Total	$ 4,000,616	$ 5,276,063

(15) Leases

UWSL leases office space and equipment under noncancelable operating leases. Lease expense for these leases was approximately $315,000 and $180,000 for the years ended June 30, 2012 and 2011, respectively.

(15) Leases (continued)

Future aggregate minimum lease payments under existing noncancelable leases as of June 30, 2012 are as follows:

Years Ending June 30,		
2013	$	177,768
2014		185,544
2015		191,247
2016		196,950
2017		200,703
Thereafter		1,021,788
Total future minimum lease payments	$	1,974,000

As of June 30, 2012, UWSL was leasing office space that it no longer occupies. The lease for this office space expires in April 2013. Remaining payments under this lease obligation as of June 30, 2012, totaled approximately $140,000. UWSL has accrued for this amount as of June 30, 2012. The expense for this item is included within "Occupancy and parking" in the statement of functional expenses.

(16) Concentrations of credit and market risks

Primarily all of UWSL's revenues and receivables are from businesses and individuals located in the Davis, Salt Lake, Summit, and Tooele County areas in the state of Utah.

UWSL maintains cash and investments in bank and brokerage accounts which at times may exceed their federally insured limits of $250,000 set by the Federal Deposit Insurance Corporation. UWSL has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on these balances.

UWSL also maintains accounts with stock brokerage firms and has beneficial interests in trusts which maintain accounts with brokerage firms. The accounts contain cash, securities and other investments. The balances are insured by the Securities Investors Protection Corporation up to a ceiling of $500,000 with a $250,000 limit for cash claims. UWSL's investments in securities and beneficial interests in trusts are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with these investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

The cash and investment balances are in compliance with the investment policy of UWSL and are overseen by the Investment Committee.

(17) Related party transactions

Annual dues are paid to United Way Worldwide. These totaled $100,339 and $123,630 for the years ended June 30, 2012 and 2011, respectively.

(18) Defined benefit pension plan

UWSL had a defined benefit pension plan (the "plan") covering substantially all of its employees. In October 2009, UWSL's Board of Directors approved a resolution to terminate the plan effective December 31, 2009, and to liquidate the plan in accordance with the terms and conditions of the plan and any rules or regulations promulgated by the Pension Benefit Guaranty Corporation and the Internal Revenue Service ("IRS"). During the year ended June 30, 2012, the IRS approved the termination of the plan and all assets of the plan were distributed to participants who had accrued benefits under the plan. Amounts recognized as changes in unrestricted net assets that were not recognized as components of net periodic benefit cost were $143,576 for the year ended June 30, 2012.

The following presents the change in benefit obligation, change in fair value of plan assets, and funded status of the plan as of June 30, 2011:

Change in benefit obligation:	
Benefit obligation at beginning of year (as restated)	$ 1,522,736
Service cost	-
Interest cost	75,725
Actuarial loss	176,196
Benefits paid	(2,468)
Benefit obligation at end of year	1,772,189
Change in fair value of plan assets:	
Fair value of plan assets at beginning of year	1,333,720
Actual return on plan assets	16,050
Employer contributions	-
Benefits paid	(2,468)
Fair value of plan assets at end of year	1,347,302
Funded status recognized as an asset (liability) in the statements of financial position	$ (424,887)

The following presents the components of net periodic benefit cost for the plan for the year ended June 30, 2011:

Service cost	$ -
Interest cost	75,725
Expected return on plan assets	(66,311)
Amortization of net loss	27,871
Net periodic benefit cost	$ 37,285

(18) Defined benefit pension plan (continued)

Amounts recognized as changes in unrestricted net assets that have not yet been recognized as components of net periodic benefit cost consisted of the following for the year ended June 30, 2011:

Net loss	$	198,586
Prior service cost		-
Reduction of unrestricted net assets	$	198,586

Amounts in unrestricted net assets as of June 30, 2011, that are expected to be recognized as a component of net periodic benefit cost over the upcoming fiscal year:

Amortization of net loss	$	44,526
Amortization of prior service cost		-
	$	44,526

Weighted average assumptions for the plan as of and for the year ended June 30, 2011, consisted of the following:

Used to determine benefit obligation:	
Discount rate	4.75%
Rate of compensation increase	N/A
Used to determine net periodic benefit cost:	
Discount rate	5.50%
Expected return on plan assets	5.00%
Rate of compensation increase	N/A

The discount rate used for 2011 is a single rate that estimates plan termination basis based on known rate information as of September 2011. The discount rate used reflects a weighted rate based on current lump sum rates and current estimated annuity purchase rates. It is assumed that 85% of participants elect a lump sum and 15% elect an annuity when the plan distributes plan assets to participants. Historical and future expected returns of multiple asset classes were analyzed to develop a risk-free real rate of return and risk premiums for each asset class. The expected long-term return on plan assets assumption was developed as a weighted average rate based on the target asset allocation of the plan and the long-term capital market assumptions. The overall return for each asset class was developed by combining a long-term inflation component and the associated expected real rates. The development of the capital market assumptions utilized a variety of methodologies, including, but not limited to, historical analysis, stock valuation models such as dividend discount models and earnings yields' models, expected economic growth outlook, and market yields analysis.

UWSL's pension plan weighted-average asset allocations as of June 30, 2011, consisted 100% of short-term fixed income securities.

The fair values of UWSL's pension plan assets as of June 30, 2011, by asset class consisted of the following:

(18) Defined benefit pension plan (continued)

The fair values of UWSL's pension plan assets as of June 30, 2011, by asset class consisted of the following:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2011
Short-term fixed income	$ -	$ 1,347,302	$ -	$ 1,347,302
Total	$ -	$ 1,347,302	$ -	$ 1,347,302

Short-term fixed income securities were valued by Interactive Data Corporation, a pricing service.

(19) Retirement plan

UWSL also sponsors a 403(b) plan, which reports on a calendar year. Benefits under the plan are provided through a group annuity contract. Employer contributions made to the plan were $31,215 and $27,911 for the years ended June 30, 2012 and 2011, respectively.

(20) Fair value measurements

Assets measured at fair value on a recurring basis as of June 30, 2012 consisted of the following:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2012
Money market accounts	$ 984,363	$ -	$ -	$ 984,363
Certificates of deposit	-	4,113,474	-	4,113,474
Exchange traded funds	1,866,314	-	-	1,866,314
Mutual funds - bonds	240,014	-	-	240,014
Mutual funds - equities	359,376	-	-	359,376
Beneficial interests in charitable trusts	-	-	65,812	65,812
Total	$ 2,465,704	$ 4,113,474	$ 65,812	$ 7,629,353

(20) Fair value measurements (continued)

Assets measured at fair value on a recurring basis as of June 30, 2011 consisted of the following:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2011
Money market accounts	$ 771,105	$ -	$ -	$ 771,105
Certificates of deposit		5,522,613	-	5,522,613
Exchange traded funds	656,108	-	-	656,108
Mutual funds - bonds	221,382	-	-	221,382
Mutual funds - equities	355,015	-	-	355,015
Beneficial interests in charitable trusts	-	-	73,342	73,342
Total	$ 2,003,610	$ 5,522,613	$ 73,342	$ 7,599,565

The investment's in certificates of deposit are valued using the estimated cash flows based on terms such as the fixed rate of return as compared to the benchmark interest rates, which are market observable.

Beneficial interests in charitable trusts are valued using estimated rates of return on the assets held by the charitable trusts, the expected cash flows to be received when the assets are distributed from the trusts and the fair value of the underlying assets held by the trusts.

For the Level 2 and Level 3 assets, there were no changes in the valuations techniques during the year ended June 30, 2012.

The table below presents the change in fair value measurements that used Level 3 inputs during the years ended June 30, 2012 and June 30, 2011.

	2012	2011
Balance, beginning of year	$ 73,342	$ 1,411,753
Net realized and unrealized gains (losses)	(7,530)	8,228
Purchases	-	-
Issuances	-	-
Sales	-	-
Settlements	-	(1,346,639)
Transfers into and out of Level 3	-	-
Balance, end of year	$ 65,812	$ 73,342

(20) Fair value measurements (continued)

Net realized and unrealized gains and losses on Level 3 instruments have been recorded in the statement of activities under the caption "Increase (decrease) in interests in trusts."

(21) Subsequent events

UWSL has evaluated subsequent events through October 11, 2012, which is the date these financial statements were available to be issued.

CERTIFICATIONS

CERTIFICATION

We hereby certify that:

1. We have read the audited financial statements of United Way of Salt Lake for the year ended June 30, 2012.
2. Based on our knowledge, these financial statements do not contain any untrue statement of material facts, nor are we aware of any omission of facts, that would make the financial statements misleading.
3. Based on our knowledge, the financial statements and other financial information included in this report, fairly present, in all material respects, the financial condition, change in net assets, and cash flows of United Way of Salt Lake as of, and for the period ended June 30, 2012.

Deborah S. Bayle — 10-11-12

Deborah S. Bayle, President and CEO — Date

10-11-2012

Kevin Grimmett, Chief Financial Officer — Date