United Way of Greater Cincinnati and Subsidiaries

Accountants' Report and Consolidated Financial Statements

December 31, 2010 and 2009

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

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INDEPENDENT ACCOUNTANTS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Board of Directors
United Way of Greater Cincinnati and Subsidiaries
Cincinnati, Ohio

We have audited the accompanying consolidated statements of financial position of United Way of Greater Cincinnati and Subsidiaries as of December 31, 2010 and 2009, and the related consolidated 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. 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater Cincinnati and Subsidiaries as of December 31, 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.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

BKD, LLP

May 25, 2011

experience BKD

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2010

	Unrestricted		Temporarily	Permanently	
ASSETS	**Operating**	**Custodial**	**Restricted**	**Restricted**	**Total**
Cash and cash equivalents	$ 7,571,358	$ 123,565	$ 4,432,398	$ -	$ 12,127,321
Pledges receivable	52,511,882	-	8,484,961	-	60,996,843
Less allowance for uncollectible	(7,942,035)	-	-	-	(7,942,035)
Accounts receivable	871,855	61,681	12,196	-	945,732
Investments	33,584,700	-	2,599,271	576,997	36,760,968
Beneficial interest in charitable trusts	-	-	7,971,086	5,695,891	13,666,977
Other current assets	293,871	-	-	-	293,871
Notes receivable	12,117,200	-	-	-	12,117,200
Other long-term assets	754,931	-	-	-	754,931
Land, buildings and equipment, net	12,372,641	-	-	-	12,372,641
TOTAL ASSETS	**$ 112,136,403**	**$ 185,246**	**$ 23,499,912**	**$ 6,272,888**	**$ 142,094,449**
LIABILITIES					
Allocations and designations payable	$ 45,720,479	$ -	$ -	$ -	$ 45,720,479
Accounts payable	2,940,953	-	-	-	2,940,953
Accrued expenses	1,075,123	-	-	-	1,075,123
Long-term debt	27,677,601	-	-	-	27,677,601
Other liabilities	45,749	185,246	-	-	230,995
TOTAL LIABILITIES	77,459,905	185,246	-	-	77,645,151
NET ASSETS					
Unrestricted					
Unappropriated	21,026,035	-	-	-	21,026,035
Board appropriated	13,650,463	-	-	-	13,650,463
Total unrestricted	34,676,498	-	-	-	34,676,498
Temporarily restricted	-	-	23,499,912	-	23,499,912
Permanently restricted	-	-	-	6,272,888	6,272,888
TOTAL NET ASSETS	34,676,498	-	23,499,912	6,272,888	64,449,298
TOTAL LIABILITIES AND NET ASSETS	**$ 112,136,403**	**$ 185,246**	**$ 23,499,912**	**$ 6,272,888**	**$ 142,094,449**

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2009

	Unrestricted		Temporarily	Permanently	
	Operating	Custodial	Restricted	Restricted	Total
ASSETS					
Cash and cash equivalents	$ 2,325,581	$ 725,184	$ 2,695,887	$ -	$ 5,746,652
Pledges receivable	57,210,175	-	4,689,244	-	61,899,419
Less allowance for uncollectible	(8,233,763)	-	-	-	(8,233,763)
Accounts receivable	286,307	23,997	38,000	-	348,304
Investments	28,582,811	-	2,271,782	576,997	31,431,590
Beneficial interest in charitable trusts	-	-	7,709,328	5,388,239	13,097,567
Other current assets	96,803	-	-	-	96,803
Notes receivable	1,155,594	-	-	-	1,155,594
Other long-term assets	800,944	-	-	-	800,944
Land, buildings and equipment, net	2,697,906	-	-	-	2,697,906
TOTAL ASSETS	**$ 84,922,358**	**$ 749,181**	**$ 17,404,241**	**$ 5,965,236**	**$ 109,041,016**
LIABILITIES					
Allocations and designations payable	$ 46,340,479	$ -	$ -	$ -	$ 46,340,479
Accounts payable	1,553,279	-	-	-	1,553,279
Accrued expenses	1,489,430	-	-	-	1,489,430
Long-term debt	1,707,453	-	-	-	1,707,453
Other liabilities	44,230	749,181	-	-	793,411
TOTAL LIABILITIES	51,134,871	749,181	-	-	51,884,052
NET ASSETS					
Unrestricted					
Unappropriated	19,923,686	-	-	-	19,923,686
Board appropriated	13,863,801	-	-	-	13,863,801
Total unrestricted	33,787,487	-	-	-	33,787,487
Temporarily restricted	-	-	17,404,241	-	17,404,241
Permanently restricted	-	-	-	5,965,236	5,965,236
TOTAL NET ASSETS	33,787,487	-	17,404,241	5,965,236	57,156,964
TOTAL LIABILITIES AND NET ASSETS	**$ 84,922,358**	**$ 749,181**	**$ 17,404,241**	**$ 5,965,236**	**$ 109,041,016**

See Notes to Consolidated Financials Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Gross campaign results (2010/2011)	$ 56,274,143	$ 1,261,000	$ -	$ 57,535,143
Less donor designations	(11,729,832)	-	-	(11,729,832)
Less provision for uncollectible	(3,941,829)	-	-	(3,941,829)
Net campaign revenue (2010/2011)	40,602,482	1,261,000	-	41,863,482
Gross campaign results (2009/2010)	1,554,121	-	-	1,554,121
Change in provision for uncollectible	221,865	-	-	221,865
Net campaign revenue (2009/2010)	1,775,986	-	-	1,775,986
Gross campaign results (2008/2009)	273,295	-	-	273,295
Change in provision for uncollectible	1,149,354	-	-	1,149,354
Net campaign revenue (2008/2009)	1,422,649	-	-	1,422,649
Capital campaign contributions	-	6,060,373	-	6,060,373
Other contributions	1,004,330	1,539,408	-	2,543,738
Less donor designations	(23,000)	-	-	(23,000)
Designations from other United Ways	151,659	-	-	151,659
Service fees	859,737	-	-	859,737
Grants and contracts	1,040,779	270,499	-	1,311,278
Income on beneficial interest in charitable trusts	257,106	383,340	-	640,446
Investment income	1,201,719	54,056	-	1,255,775
Net realized gain/(loss) on investments	(200,776)	806	-	(199,970)
Net unrealized gain/(loss) on investments	1,442,376	325,664	-	1,768,040
Fair value change of beneficial interest in charitable trusts	-	261,759	307,652	569,411
Donated materials and services	265,523	-	-	265,523
Miscellaneous income	459,252	1,019	-	460,271
Net assets released from restrictions	4,062,253	(4,062,253)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	54,322,075	6,095,671	307,652	60,725,398
EXPENSES				
Program services				
Allocations and distributions	50,684,870	-	-	50,684,870
Less donor designations	(11,752,832)	-	-	(11,752,832)
Net allocations and distributions	38,932,038	-	-	38,932,038
Other program services	7,837,773	-	-	7,837,773
Total program services	46,769,811	-	-	46,769,811
Supporting services	6,663,253	-	-	6,663,253
TOTAL EXPENSES	53,433,064	-	-	53,433,064
CHANGE IN NET ASSETS	889,011	6,095,671	307,652	7,292,334
NET ASSETS AT BEGINNING OF YEAR	33,787,487	17,404,241	5,965,236	57,156,964
NET ASSETS AT END OF YEAR	**$ 34,676,498**	**$ 23,499,912**	**$ 6,272,888**	**$ 64,449,298**

See Notes to Consolidated Financials Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
PUBLIC SUPPORT & REVENUE				
Gross campaign results (2009/2010)	$ 59,067,997	$ 851,000	$ -	$ 59,918,997
Less donor designations	(11,253,721)	-	-	(11,253,721)
Less provision for uncollectible	(4,343,157)	-	-	(4,343,157)
Net campaign revenue (2009/2010)	43,471,119	851,000	-	44,322,119
Gross campaign results (2008/2009)	53,827	-	-	53,827
Less change in provision for uncollectible	(23,659)	-	-	(23,659)
Net campaign revenue (2008/2009)	30,168	-	-	30,168
Gross campaign results (2007/2008)	129,686	-	-	129,686
Less change in provision for uncollectible	(110,625)	-	-	(110,625)
Net campaign revenue (2007/2008)	19,061	-	-	19,061
Other contributions	901,540	1,367,352	25	2,268,917
Less donor designations	(75,000)	-	-	(75,000)
Designations from other United Ways	77,350	-	-	77,350
Service fees	595,380	-	-	595,380
Grants and contracts	787,996	47,000	-	834,996
Income on beneficial interest in charitable trusts	230,718	341,451	-	572,169
Investment income	751,019	58,823	-	809,842
Net realized gain/(loss) on investments	(527,333)	(93,600)	-	(620,933)
Net unrealized gain/(loss) on investments	2,546,039	559,487	-	3,105,526
Fair value change of beneficial interest in charitable trusts	-	48,697	- 526,020	574,717
Donated materials and services	486,435	-	-	486,435
Miscellaneous income	456,921	3,508	-	460,429
Reclassification of net assets	(725,503)	725,503	-	-
Net assets released from restrictions	2,853,332	(2,853,332)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	51,879,242	1,055,889	526,045	53,461,176
EXPENSES				
Program services				
Allocations and distributions	48,603,609	-	-	48,603,609
Less donor designations	(11,328,721)	-	-	(11,328,721)
Net allocations and distributions	37,274,888	-	-	37,274,888
Other program services	6,718,997	-	-	6,718,997
Total program services	43,993,885	-	-	43,993,885
Supporting services	6,670,356	-	-	6,670,356
TOTAL EXPENSES	50,664,241	-	-	50,664,241
CHANGE IN NET ASSETS	1,215,001	1,055,889	526,045	2,796,935
NET ASSETS AT BEGINNING OF YEAR	32,572,486	16,348,352	5,439,191	54,360,029
NET ASSETS AT END OF YEAR	**$ 33,787,487**	**$ 17,404,241**	**$ 5,965,236**	**$ 57,156,964**

See Notes to Consolidated Financials Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2010

	PROGRAM SERVICES				SUPPORT SERVICES			
	Community Impact	Direct Services	Central Services	Program Services Total	Organizational Administration	Fundraising	Support Services Total	Total
EXPENSES								
Allocations and distributions	$ 50,684,870	$ -	$ -	$ 50,684,870	$ -	$ -	$ -	$ 50,684,870
Less donor designations	(11,752,832)	-	-	(11,752,832)	-	-	-	(11,752,832)
Sub-Total	38,932,038	-	-	38,932,038	-	-	-	38,932,038
Salaries	1,922,167	970,556	747,765	3,640,488	1,321,571	1,909,447	3,231,018	6,871,506
Payroll taxes	124,346	72,095	48,851	245,292	88,035	141,764	229,799	475,091
Employee benefits	481,366	226,295	221,787	929,448	328,511	465,482	793,993	1,723,441
Sub-Total	2,527,879	1,268,946	1,018,403	4,815,228	1,738,117	2,516,693	4,254,810	9,070,038
Contract services	673,102	87,658	93,086	853,846	344,249	255,726	599,975	1,453,821
Supplies	37,499	28,416	29,280	95,195	11,180	19,379	30,559	125,754
Printing & copying	144,979	37,751	15,731	198,461	43,805	200,033	243,838	442,299
Marketing & promotions	49,598	12,842	5,155	67,595	14,827	68,672	83,499	151,094
Postage & shipping	11,875	4,487	47,141	63,503	16,981	26,400	43,381	106,884
Telephone & networks	54,317	44,935	131,465	230,717	34,397	75,044	109,441	340,158
Occupancy	142,426	55,310	605,046	802,782	110,382	188,109	298,491	1,101,273
Meetings	55,563	14,167	2,306	72,036	29,084	156,358	185,442	257,478
Travel	44,666	10,842	7,136	62,644	15,061	50,693	65,754	128,398
Board/staff development	2,656	676	105	3,437	1,389	7,493	8,882	12,319
Insurance	5,934	2,100	38,858	46,892	21,883	5,759	27,642	74,534
Miscellaneous	263,751	62,966	177,396	504,113	175,243	145,099	320,342	824,455
Equipment	62,823	12,309	96,902	172,034	14,670	29,539	44,209	216,243
Dues & subscriptions	200,113	80,108	106,744	386,965	126,905	183,706	310,611	697,576
Loss on disposal	-	-	362,537	362,537	-	-	-	362,537
Depreciation, amortization and accretion	29,587	11,860	269,558	311,005	18,036	27,166	45,202	356,207
Sub-Total	1,778,889	466,427	1,988,446	4,233,762	978,092	1,439,176	2,417,268	6,651,030
Less interdepartmental expenses	(241,113)	-	(970,104)	(1,211,217)	(8,825)	-	(8,825)	(1,220,042)
Total Functional Expenses	$ 42,997,693	$ 1,735,373	$ 2,036,745	$ 46,769,811	$ 2,707,384	$ 3,955,869	$ 6,663,253	$ 53,433,064

See Notes to Consolidated Financials Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2009

	PROGRAM SERVICES				SUPPORT SERVICES			
	Community Impact	Direct Services	Central Services	Program Services Total	Organizational Administration	Fundraising	Support Services Total	Total
EXPENSES								
Allocations and distributions	$ 48,603,609	$ -	$ -	$ 48,603,609	$ -	$ -	$ -	$ 48,603,609
Less donor designations	(11,328,721)	-	-	(11,328,721)	-	-	-	(11,328,721)
Sub-Total	37,274,888	-	-	37,274,888	-	-	-	37,274,888
Salaries	1,828,696	892,034	656,500	3,377,230	1,295,383	1,908,881	3,204,264	6,581,494
Payroll taxes	118,143	67,067	48,843	234,053	86,302	141,181	227,483	461,536
Employee benefits	376,623	209,521	159,830	745,974	300,712	431,458	732,170	1,478,144
Sub-Total	2,323,462	1,168,622	865,173	4,357,257	1,682,397	2,481,520	4,163,917	8,521,174
Contract services	679,452	72,057	75,194	826,703	340,981	373,100	714,081	1,540,784
Supplies	11,804	5,674	36,460	53,938	9,031	12,770	21,801	75,739
Printing & copying	99,462	24,916	17,785	142,163	35,413	300,308	335,721	477,884
Marketing & promotions	79,479	19,772	13,885	113,136	28,016	241,869	269,885	383,021
Postage & shipping	14,798	4,954	57,020	76,772	19,690	36,663	56,353	133,125
Telephone & networks	50,776	45,309	97,912	193,997	32,739	72,173	104,912	298,909
Occupancy	138,221	58,704	553,829	750,754	114,963	184,024	298,987	1,049,741
Meetings	45,620	9,265	2,215	57,100	29,782	74,738	104,520	161,620
Travel	42,342	11,368	2,910	56,620	12,779	54,003	66,782	123,402
Board/staff development	1,523	309	76	1,908	989	6,683	7,672	9,580
Insurance	6,011	2,062	39,206	47,279	22,553	5,836	28,389	75,668
Miscellaneous	121,399	3,413	40,258	165,070	85,603	8,422	94,025	259,095
Equipment	25,179	8,151	95,789	129,119	10,871	24,541	35,412	164,531
Dues & subscriptions	193,092	75,810	97,457	366,359	129,070	204,566	333,636	699,995
Depreciation, amortization and accretion	24,824	9,748	402,872	437,444	16,040	26,423	42,463	479,907
Sub-Total	1,533,982	351,512	1,532,868	3,418,362	888,520	1,626,119	2,514,639	5,933,001
Less interdepartmental expenses	(91,587)	-	(965,035)	(1,056,622)	(8,200)	-	(8,200)	(1,064,822)
Total Functional Expenses	$ 41,040,745	$ 1,520,134	$ 1,433,006	$ 43,993,885	$ 2,562,717	$ 4,107,639	$ 6,670,356	$ 50,664,241

See Notes to Consolidated Financials Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 7,292,334	$ 2,796,935
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain)/loss on investments	199,970	620,934
Net unrealized (gain)/loss on investments	(1,768,040)	(3,105,526)
Depreciation	356,207	479,907
Loss on disposal of assets	362,537	-
Changes in:		
Pledges and accounts receivable	13,420	2,878,930
Beneficial interest in charitable trusts	(569,410)	(574,717)
Other current and long-term assets and liabilities	(812,254)	(613,353)
Allocations and accounts payable and accrued expenses	(435,157)	(2,432,923)
Net cash provided by operating activities	4,639,607	50,187
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	41,708,221	33,861,038
Purchase of investments	(45,469,529)	(43,952,328)
Settlement of asset retirement obligation	(252,202)	-
Net change in notes receivable	(10,961,606)	-
Increase in cash value of life insurance	14,246	14,019
Purchase of property and equipment	(9,269,226)	(765,173)
Net cash used in investing activities	(24,230,096)	(10,842,444)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings	25,987,541	514,064
Payment of capital lease obligations	(16,383)	(21,565)
Net cash provided by financing activities	25,971,158	492,499
Increase (decrease) in cash and cash equivalents	6,380,669	(10,299,758)
Cash and cash equivalents at beginning of year	5,746,652	16,046,410
Cash and cash equivalents at end of year	**$ 12,127,321**	**$ 5,746,652**
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	**$ 1,085,345**	**$ 12,836**
Accounts payable incurred for purchase of property and equipment	**1,024,227**	**568,489**

NOTE A - ORGANIZATION

United Way of Greater Cincinnati's (UWGC) mission is as follows: United Way is a leader and community catalyst mobilizing the caring power of individuals and organizations to help people measurably improve their lives. United Way of Greater Cincinnati is responsible for investing funds raised through a joint fundraising campaign with the Cincinnati Area Chapter American Red Cross (Cincinnati Red Cross) in programs and initiatives providing health and human services in the Greater Cincinnati community. UWGC, incorporated in 1920 in the State of Ohio as a charitable organization, is recognized as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

UWGC solicits funds in the fall of each year to be applied in the following calendar year to finance a wide range of health and human services in the Greater Cincinnati community. Revenues, gains and other support, allocations, and payments to other United Way organizations are recorded by UWGC. The distribution to the Cincinnati Red Cross is made in accordance with a written agreement.

UWGC operates through five major functional areas and is governed by a volunteer Board of Directors. The five functional areas are:

1. Community Impact

Community Impact includes activities that relate to fund investment and strategic community initiatives, including Success By 6, public policy and community services/labor. Community Impact involves the process of planning and investing resources to effectively address health and human service needs and includes outcome measurement, planning and problem solving.

Strategic community initiatives promote collaborative problem solving and community development with governmental and non-profit agencies. Success By 6 is an initiative working to ensure that all children age 0 to 5 are healthy and ready to succeed by the time they start kindergarten. Government Relations and Public Policy maintains liaisons with elected and appointed federal, state and local officials regarding legislation and administrative procedures influencing health and human service needs. Community Services works to involve organized labor in all levels of health and welfare activities and help union members obtain social services.

UWGC's *Agenda For Community Impact*, a dynamic and interactive action plan to achieve measurable community change in priority areas around helping children achieve academic and life success and ensuring families and individuals achieve financial stability, guides all of UWGC's work.

Work of the *Agenda For Community Impact* will reflect more clearly UWGC's commitment to help all children and adults in our region achieve the three essential building blocks of a good life: education, income and health.

2. Direct Services

Direct Services are services provided by UWGC, such as United Way 211 and The Volunteer Connection.

NOTE A - ORGANIZATION (continued)

United Way 211 links people to services and volunteer opportunities. United Way 211 is available 24 hours a day, seven days a week to people in: Hamilton, Clermont, Brown and Butler counties in Ohio; Boone, Kenton, Campbell and Grant counties in Kentucky; and Dearborn, Jefferson, Ohio, Ripley and Switzerland counties in Indiana.

The Volunteer Connection strives to increase the effectiveness and participation of all segments of volunteer resources through recruitment, training, education, and recognition.

3. Central Services

Central Services include self-supporting programs which serve UWGC's operating divisions and other non-profit organizations. These fee-producing programs include group employee benefits administration, building and grounds management, printing, office supplies, mail, accounting, and management information services.

4. Fundraising

Fundraising plans, directs, and controls the development of financial resources for UWGC through a variety of fundraising activities, including the annual campaign, campaign communications, planned and deferred giving, supplemental fundraising, and capital campaign.

5. Organizational Administration

Organizational Administration directs the internal operation of UWGC; coordinates and manages programs designed to meet goals and objectives at the direction of the Board of Directors; directs and controls financial systems and assets of UWGC; and manages human resources of UWGC.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Consolidation

The consolidated financial statements include the accounts of UWGC, UWGC Services, Inc. and UWGC Foundation (the Foundation).

The Foundation, a wholly-owned subsidiary of UWGC, was established for the purpose of handling endowed investments and related activities.

UWGC Services, Inc. is a wholly-owned real estate subsidiary of UWGC established to operate the regional center building at 2400 Reading Road, Cincinnati, Ohio.

"UWGC" is used herein to refer to UWGC individually and, as applicable, to all three organizations on a consolidated basis.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Financial Statement Presentation

UWGC classifies its net assets and revenues, expenses, gains and losses, based on the existence or absence of donor-imposed restrictions. The accompanying financial statements have been prepared using the accrual basis of accounting.

3. Cash and Cash Equivalents

UWGC considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2010 and 2009, cash equivalents consisted primarily of short-term corporate bonds, certificates of deposit and money market mutual funds.

One or more of the financial institution holding UWGC's cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2012, all noninterest-bearing transaction accounts at these institutions are fully guaranteed by the FDIC for the entire amount in the account.

For financial institutions opting out of the FDIC's Transaction Guarantee Program or interest-bearing cash accounts, the FDIC's insurance limits were permanently increased to $250,000, effective July 21, 2010. At December 31, 2010, UWGC's cash accounts exceeded the federally insured limits by approximately $7,300,000.

4. Pledges Receivable

UWGC's pledges receivable include contributions from the fundraising campaign conducted each fall and contributions from the UWGC capital campaign raised for the purpose of building renovation and expansion. Pledges receivable are due in accordance with the donor's stipulation on the pledge card. Pledges receivable are stated at amounts due from donors net of an allowance for uncollectible pledges. UWGC determines its allowance for uncollectible pledges by monitoring the collectibility of pledges receivable from specific donors, analyzing historical bad debts, the donors' ability to pay their obligation and the condition of the general economy as a whole. UWGC writes off pledges receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for uncollectible pledges.

5. Investments

Investments are reported at fair value with gains and losses included in the statement of activities. Investments include money market funds held in brokerage accounts.

6. Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost or fair value at time of acquisition and depreciated generally on a straight-line basis over the estimated useful lives of each asset, which range from 3 to 40 years.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

UWGC capitalizes interest costs as a component of construction in progress, based on the actual interest incurred on the long-term borrowings designated for the construction in progress. Total interest incurred each year was:

	2010	2009
Interest costs capitalized	$ 597,764	$ 10,021
Interest costs charged to expense	523,816	19,570
Total interest incurred	$ 1,121,580	$ 29,591

7. Contributions Received and Made

Revenues include contributions from the fundraising campaign conducted each fall to support the following year's activities. Direct contributions are considered available for unrestricted use unless they are specifically restricted by the donor. Contributions received are recorded in the year the related commitments are received as either unrestricted, temporarily restricted, or permanently restricted revenue. As restrictions on temporarily restricted net assets are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statement of activities. Contributions made (allocations) are recognized in the year when the related commitments are made.

Certain contributions/pledges received in fundraising campaigns are designated by individuals for specific agencies or for United Way organizations in areas other than the Greater Cincinnati service area. Accounting standards require that organizations who receive contributions/pledges that are designated by donors for other organizations exclude such designated contributions/pledges from amounts recognized as contributions received and contributions made. UWGC classifies and reports such designations in its statement of activities as a reduction of contribution revenue and of allocations expense.

Revenues also include contributions from the UWGC capital campaign.

8. Gains and Losses and Investment Income

Gains and losses and investment income are allocated on a percentage basis to applicable funds.

9. Donated Materials and Services

UWGC records the estimated fair value of certain donated materials and services as an expense in its financial statements, and similarly increases revenue by a like amount. Donated materials and services in 2010 and 2009 total approximately $250,000 and $500,000, respectively, and primarily include salaries/contract services and advertising.

10. Allocations Expense

UWGC records allocations to agencies as allocations expense in the period such allocations are approved by the Board of Directors and commitments are made to the recipient agencies. UWGC has a policy of making allocation commitments in the fall for an allocation funding year of January 1 to December 31.

In December 2010, the UWGC Board of Directors approved allocations to fund agencies for the period January 1, 2011 to December 31, 2011.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Functional Allocation of Expenses

The costs of supporting the program services and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program support services categories based on specific identification and UWGC staff time spent within each functional area.

12. Unrestricted Net Assets and Custodial Funds

Unrestricted net assets represent funds that are available for general support of UWGC activities. Custodial funds represent balances held for agencies that participate in UWGC group benefit plans. Certain net assets have been designated by the Board for specific purposes (see Note K).

13. Temporarily Restricted Net Assets

Temporarily restricted net assets are expended in compliance with the restrictions imposed by the donors or grantors. Such net assets released in 2010 consist primarily of net assets with restrictions as to when they may be used.

14. Permanently Restricted Net Assets

Permanently restricted net assets represent funds received from donors, which are to be invested in perpetuity with income therefrom to be used to provide funds to the community in accordance with the wishes of the donors. Unless specifically directed by the donor, only the initial corpus of permanently restricted contributions is included. All growth is recorded as temporarily restricted.

15. Market and Credit Risk

UWGC holds investments in equity, debt securities and repurchase agreements. Management does not believe there are any undue concentrations of risk with regard to investments held. UWGC's pledges receivable are from various employers, employees of such employers and from the general public in the Greater Cincinnati area.

16. Income Taxes

UWGC is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, UWGC is subject to federal income tax on any unrelated business taxable income.

UWGC files tax returns in the U.S. federal jurisdiction. UWGC is generally no longer subject to U.S. federal examinations by tax authorities for years before 2007.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

17. Use of Estimates

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

NOTE C - PLEDGES RECEIVABLE

The following summarizes unrestricted pledges receivable and the related allowance for uncollectible pledges at December 31, 2010 and 2009:

	Pledges Receivable	Allowance for Uncollectible	Net Pledges Receivable
2010			
2010 – 2011 Campaign	$ 45,848,657	$(3,938,811)	$ 41,909,846
2009 – 2010 Campaign	6,663,225	(4,003,224)	2,660,001
Total	**$ 52,511,882**	**$(7,942,035)**	**$ 44,569,847**
2009			
2009 – 2010 Campaign	$ 50,066,218	$(4,322,272)	$ 45,743,946
2008 – 2009 Campaign	7,143,957	(3,911,491)	3,232,466
Total	**$ 57,210,175**	**$(8,233,763)**	**$ 48,976,412**

In addition, UWGC has received multi-year pledges, as follows:

	2010	2009
Within one year	$ 3,738,880	$ 2,351,000
One to five years	4,629,600	2,820,000
More than five years	822,857	725,000
	9,191,337	5,896,000
Less: present value component	(376,376)	(346,756)
Total multi-year pledges receivable	$ 8,814,961	$ 5,549,244
Included in unrestricted pledges above	$ 330,000	$ 860,000
Included in temporarily restricted pledges	8,484,961	4,689,244
Total	**$ 8,814,961**	**$ 5,549,244**

NOTE D - ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2010 and 2009:

	Unrestricted		Temporarily	
	Operating	Custodial	Restricted	Total
2010				
Interest and dividends	$ 140,976	$ -	$ -	$ 140,976
Government grants	59,503	-	-	59,503
Other receivables	671,376	61,681	12,196	745,253
Total	**$ 871,855**	**$ 61,681**	**$ 12,196**	**$ 945,732**
2009				
Interest and dividends	$ 104,188	$ -	$ -	$ 104,188
Government grants	88,110	-	-	88,110
Other receivables	94,009	23,997	38,000	156,006
Total	**$ 286,307**	**$ 23,997**	**$ 38,000**	**$ 348,304**

NOTE E - INVESTMENTS

The cost and fair value of investments and the unrealized gain/(loss) at December 31, 2010 and 2009 are summarized as follows by type of investment:

	Cost	Net Unrealized Gain/(Loss)	Fair Value
2010			
Certificates of deposit	$ 5,000,000	$ -	$ 5,000,000
Common stock	3,333,256	882,694	4,215,950
Corporate bonds	15,399,921	(52,576)	15,347,345
Equity mutual funds	7,160,417	133,757	7,294,174
Fixed income mutual funds	504,958	(18,105)	486,853
Money market investments	348,790	-	348,790
Pooled debt and equity funds	2,590,512	369,247	2,959,759
U.S. government securities	1,108,374	(277)	1,108,097
Total	**$35,446,228**	**$1,314,740**	**$36,760,968**

NOTE E - INVESTMENTS (continued)

	Cost	Net Unrealized Gain/(Loss)	Fair Value
2009			
Certificates of deposit	$ 5,000,000	$ -	$ 5,000,000
Common stock	3,157,689	452,070	3,609,759
Corporate bonds	11,907,203	(14,262)	11,892,941
Equity mutual funds	7,140,053	(760,314)	6,379,739
Fixed income mutual funds	696,326	(141,412)	554,914
Money market investments	278,981	-	278,981
Pooled debt and equity funds	2,579,568	56,812	2,636,380
U.S. government securities	1,099,463	(20,587)	1,078,876
Total	**$ 31,859,283**	**$ (427,693)**	**$ 31,431,590**

NOTE F - CHARITABLE TRUST AGREEMENTS

UWGC is the beneficiary of several perpetual trusts. Under the terms of these agreements, UWGC is to receive income earned on trust assets annually for its use into perpetuity. At the time UWGC is notified of its interest, the fair value of UWGC's interest in these perpetual trusts is recorded as a permanently restricted contribution and a beneficial interest in the charitable trust.

UWGC is also the beneficiary of several charitable remainder trusts. Under the terms of these agreements, the beneficiaries designated by the donor receive periodic distributions from the trust for either a specified dollar amount or a specified percentage of the trust's fair market value over the trust's term. Upon termination of the trust, UWGC receives its entire portion of the assets remaining in the trust.

At the time UWGC is notified of its interest, the present value of the estimated future benefits to be received is recorded as a temporarily or permanently restricted contribution (depending on the donor restrictions) and a beneficial interest in the charitable trust. Income received from beneficial interest in charitable trusts for the years ended December 31, 2010 and 2009 was $640,446 and $572,169, respectively.

NOTE G - LAND, BUILDINGS AND EQUIPMENT

The following is a summary of land, buildings and equipment at December 31, 2010 and 2009:

	Cost	Accumulated Depreciation	Net Book Value
2010			
Land and land improvements	$ 447,887	$ (50,682)	$ 397,205
Buildings and improvements	7,108,700	(1,735,671)	5,373,029
Office furniture and equipment	1,174,407	(647,183)	527,224
Vehicles	76,364	(42,204)	34,160
Construction in progress	6,104,902	(63,879)	6,041,023
Total	**$ 14,912,260**	**$ (2,539,619)**	**$ 12,372,641**
2009			
Land and land improvements	$ 634,905	$ (262,364)	$ 372,541
Buildings and improvements	3,828,516	(3,212,450)	616,066
Office furniture and equipment	1,418,220	(1,013,672)	404,548
Vehicles	66,071	(64,720)	1,351
Construction in progress	1,303,400	-	1,303,400
Total	**$ 7,251,112**	**$ (4,553,206)**	**$ 2,697,906**

NOTE H - PENSION PLAN

UWGC and certain affiliated agencies participate in a non-contributory, defined benefit pension plan (the Plan). UWGC serves as the Plan Administrator and accounts for the plan under accounting principles generally accepted in the United States as a multi-employer plan. UWGC funds and expenses required contributions each year.

UWGC may be liable in the event of termination or its withdrawal from the Plan, for a portion of the Plan's unfunded vested benefits, the amount of which, if any, would be approximately $4,393,010 at December 31, 2010.

At December 31, 2010, the Plan was underfunded and UWGC's potential liability for future years due to the underfunding has been estimated at approximately $4,136,266, based on the current Plan's actuarial data and asset value as of January 1, 2011. The actual minimum funding requirements for the future will be determined at each anniversary date. UWGC does not intend to withdraw from the Plan.

UWGC also has a defined contribution plan covering substantially all employees. The Board of Directors annually determines the amount, if any, UWGC contributes to the plan.

Pension expense for the years ended December 31, 2010 and 2009 was $662,829 and $663,901, respectively, and is included in salaries and related expenses.

NOTE I - LONG-TERM DEBT

	2010	2009
Note payable, Consortium America (A)	$ 7,012,800	$ 231,984
Note payable, Consortium America (B)	1,807,200	59,782
Note payable, WNC (A)	5,104,400	168,854
Note payable, WNC (B)	1,615,600	53,444
Note payable to bank (C)	12,117,200	1,155,594
Capital lease obligations (D)	37,794	54,177
Less current maturities	(17,393)	(16,382)
	$ 27,677,601	$ 1,707,453

(A) (B) (C) UWGC Services, Inc. executed a loan agreement on August 31, 2009 that provides for borrowings of $6,720,000 and $8,820,000, from WNC Sub-CDE (Community Development Entity) and Consortium America Sub-CDE, respectively. The loans are to finance the renovation, redevelopment, and expansion of the property located at 2400 Reading Road, Cincinnati, Ohio and then leasing it to United Way of Greater Cincinnati for use as its headquarters, a conference center and office space for lease to other non-profit entities. The loans are intended to be treated as a "qualified low-income community investment" (the "QLICI Loans") for purposes of generating New Market Tax Credits (NMTC) under Section 45D of the Internal Revenue Code of 1986, as amended.

Each of the QLICI Loans consists of two loans: one with a 7-year term (Loans A) and one with a 30-year term (Loans B). The interest rate for each of the loans is 5.7%. The WNC QLICI Loans and Consortium America QLICI Loans are funded from equity contributions made by the Greater Cincinnati UW Investment Fund, LLC (the "Fund") (an entity unrelated to UWGC or UWGC Services) to WNC Sub-CDE in the amount $7,000,000 and to Consortium America Sub-CDE in the amount of $9,000,000 in return for the Fund's 99.99% interest in each entity. The Fund's capital contributions, in turn, are funded from two sources: (1) a $4,492,000 equity contribution by US Bank Community Development Corporation (CDC) to the Fund and (2) a $12,117,200 loan from United Way of Greater Cincinnati to the Fund which has a 7-year term, 6.58% interest rate and monthly interest payments with principal due in full at maturity (the "Leverage Loan"). The Leverage Loan is funded from the proceeds of a $12,117,200 loan from US Bank to United Way of Greater Cincinnati which has identical terms to the Leverage Loan, namely, a 7-year term, 6.58% interest rate and monthly interest payments with principal due in full at maturity (the "Upper-Tier Loan") (Loan C).

The QLICI Loans are secured by mortgages on the project in favor of WNC Sub-CDE and Consortium America Sub-CDE. The QLICI Loans are also secured by an assignment from UWGC Services, Inc. to WNC Sub-CDE and Consortium America Sub-CDE of its rights under the Capital Contribution Agreement, under which United Way of Greater Cincinnati is obligated to contribute funds to UWGC Services, Inc. (i) up to $9,014,273 if UWGC Services, Inc. incurs operating deficits after construction completion, (ii) up to $8,772,165 if the QLICI Loans are defaulted or come due, and (iii) if there are construction cost overruns. As security for United Way of Greater Cincinnati's

NOTE I - LONG-TERM DEBT (continued)

obligations under the Contribution Agreement, (i) United Way of Greater Cincinnati Foundation pledged to UWGC Services, Inc. $7,117,283 of the securities (based on market value and a specified margin call value percentage) held in the Foundation's investment accounts, and (ii) United Way of Greater Cincinnati pledged to UWGC Services, Inc. $5,000,000 held in United Way of Greater Cincinnati's account with US Bank. These pledges are assigned by UWGC Services, Inc. to WNC Sub-CDE and Consortium America Sub-CDE as further security for the QLICI Loans.

As security for the Leverage Loan, the Fund pledged to United Way of Greater Cincinnati its interests in WNC Sub-CDE and Consortium America Sub-CDE. In turn, United Way of Greater Cincinnati assigned to US Bank the pledges made by the Fund to United Way of Greater Cincinnati as security for the Leverage Loan as security for the Upper Tier Loan.

United Way of Greater Cincinnati and UWGC Services, Inc. are generally required to compensate (i) US Bank CDC for recaptured NMTC's, environmental issues and the put price, and (ii) WNC Sub-CDE and Consortium America Sub-CDE for environmental issues and construction cost overruns. In addition, United Way of Greater Cincinnati and United Way of Greater Cincinnati Foundation have guaranteed the value of the securities pledged to UWGC Services, Inc.

The terms of the loans call for monthly interest payments. The Loans A are due August 31, 2016. The Loans B have principal payments beginning in October 2016. The QLICI Loans and Leverage Loan cannot be prepaid prior to August 2016.

In 2016, UWGC will have the option to purchase 100% of the equity interest in the Fund. It is anticipated that at that time, the only asset of the Fund will be the value of the two Loans B and that the Fund will have no liabilities.

Subsequent to year end, United Way of Greater Cincinnati prepaid a portion of the Upper-Tier Loan in the amount of $2,200,000 and refinanced the remaining balance of $9,917,200 at a variable interest rate equal to LIBOR plus 2.25% with monthly interest payments and principal due in full at maturity (August 31, 2016). In conjunction with the refinancing and as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, United Way of Greater Cincinnati entered into an interest rate swap agreement for a portion of this floating rate debt. The agreement provides for United Way of Greater Cincinnati to receive interest from the counterparty (US Bank) at LIBOR and to pay interest to the counterparty at a fixed rate of 2.80% on a notional amount of $4,070,880. Under the agreement, United Way of Greater Cincinnati pays or receives the net interest amount monthly, with the monthly settlements included in interest expense.

(D) Capital leases include leases covering copiers expiring March, 2013.

NOTE J - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2010 and 2009 consist of the following:

	2010	2009
Held as beneficial interest in charitable trusts	$ 7,971,086	$ 7,709,328
Capital campaign	6,060,373	-
Use in future periods	3,380,196	3,649,280
Winning Beginnings	2,563,274	3,195,014
Place Matters	361,283	502,608
Various purpose restrictions	3,163,700	2,348,011
Total	**$ 23,499,912**	**$ 17,404,241**

NOTE K - UNRESTRICTED NET ASSETS

Unrestricted net assets consist of the following at December 31, 2010 and 2009:

	2010	2009
Unappropriated UWGC net assets as follows:		
Amounts invested in land, buildings and equipment, or designated by the Board for such purposes	$ 1,259,845	$ 1,743,981
Future year campaign income	225,487	297,545
UWGC Services, Inc.	934,130	(52,207)
UWGC working capital reserve	4,948,146	5,768,128
UWGC Foundation	13,658,427	12,166,239
Total Unappropriated	21,026,035	19,923,686
UWGC net assets appropriated by the Board as follows:		
Middletown Community Foundation	684,660	635,552
Campaign distribution for operating budget	9,111,700	8,500,200
Campaign distribution for undetermined allocations	2,117,785	2,883,218
Foundation allocations for operations and capital	670,100	758,900
Foundation designated for UWGC campaign	323,318	302,931
Working capital set aside for operating budget	735,500	643,000
Working capital set aside for capital budget	7,400	140,000
Total Board Appropriated	13,650,463	13,863,801
Total	**$ 34,676,498**	**$ 33,787,487**

NOTE L - RELATED PARTY TRANSACTIONS

UWGC provides services such as employee benefits administration, facility rentals, duplicating and supplies for which it receives a fee from the agencies using these services.

NOTE M - DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Cash Equivalents

Cash equivalents include money market mutual funds, corporate bonds and certificates of deposit, which are classified within Level 1.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include common stock, corporate bonds, equity mutual funds, fixed income mutual funds, money market investments and U.S. government securities. For investments, other than alternative investments, the inputs used by the pricing service to determine fair value may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications and are classified within Level 2 of the valuation hierarchy. These Level 2 securities include corporate bonds and certificates of deposit. For alternative investments that have sufficient activity or liquidity within the fund, fair value is determined using the net asset value (or its equivalent) provided by the fund and are classified within Level 2 of the valuation hierarchy. These alternative investments include pooled debt and equity funds, which are comprised of marketable securities and are valued based on the underlying market values of the securities. There are no liquidity restrictions on these funds. For alternative investments that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as a practical expedient, to determine fair value and are classified within Level 3 of the valuation hierarchy. UWGC does not have any alternative investments classified within Level 3 of the valuation hierarchy.

NOTE M - DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (continued)

Beneficial Interest in Charitable Trusts

Fair value is estimated based on future distributions expected to be received approximated by the fair value of the underlying assets in these trusts, which are comprised of marketable securities. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2010				
Investments				
Common stock	$ 4,215,950	$ 4,215,950	$ -	$ -
Corporate bonds	15,347,345	-	15,347,345	
Equity mutual funds	7,294,174	7,294,174	-	-
Fixed income mutual funds	486,853	486,853	-	-
Money market investments	348,790	348,790	-	-
Certificates of deposit	5,000,000	-	5,000,000	-
U.S. government securities	1,108,097	1,108,097	-	-
Pooled debt and equity funds	2,959,759	-	2,959,759	-
Total	$ 36,760,968	$ 13,453,864	$ 23,307,104	$ -
Beneficial interest in charitable trusts	$ 13,666,977	$ -	$ 13,666,977	$ -

NOTE M - DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES
(continued)

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2009				
Investments				
Common stock	$ 3,609,759	$ 3,609,759	$ -	$ -
Corporate bonds	11,892,941	4,007,674	7,885,267	-
Equity mutual funds	6,379,739	6,379,739	-	-
Fixed income mutual funds	554,914	554,914	-	-
Money market investments	278,981	278,981	-	-
Certificates of deposit	5,000,000	-	5,000,000	-
U.S. government securities	1,078,876	1,078,876	-	-
Pooled debt and equity funds	2,636,380	-	2,636,380	-
Total	$ 31,431,590	$ 15,909,943	$ 15,521,647	$ -
Beneficial interest in charitable trusts	$ 13,097,567	$ -	$ 13,097,567	$ -

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying statements of financial position at amounts other than fair value.

Cash and Cash Equivalents

The carrying amount approximates fair value.

Contributions Receivable

Fair value is estimated using a discounted cash flow model.

Long-term Debt

Fair value is estimated based on the borrowing rates currently available to UWGC for bank loans with similar terms and maturities.

NOTE M - DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES
(continued)

The following table presents estimated fair value of the UWGC's financial instruments as of December 31, 2010 and 2009:

	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets and liabilities				
Cash and cash equivalents	$ 12,127,321	$ 12,127,321	$ 5,746,652	$ 5,746,652
Contributions receivable	53,054,808	53,054,808	53,665,656	53,665,656
Long-term debt	27,677,601	30,320,034	1,707,453	1,707,453

NOTE N - ENDOWMENT

UWGC's endowment consists of approximately 120 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

UWGC's governing body has interpreted the State of Ohio Uniform Management of Institutional Funds Act (SPMIFA) as requiring 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, UWGC 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 donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by UWGC in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, UWGC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of UWGC and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of UWGC
7. Investment policies of UWGC

NOTE N - ENDOWMENT (continued)

The composition of net assets by type of endowment fund at December 31, 2010 and 2009, were:

2010	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 2,413,985	$ 576,997	$ 2,990,982
Board-designated endowment funds	14,118,295	-	-	14,118,295
Total endowment funds	$ 14,118,295	$ 2,413,985	$ 576,997	$ 17,109,277

2009	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 2,137,782	$ 576,997	$ 2,714,779
Board-designated endowment funds	12,770,857	-	-	12,770,857
Total endowment funds	$ 12,770,857	$ 2,137,782	$ 576,997	$ 15,485,636

Changes in endowment net assets for the year ended December 31, 2010 and 2009, were:

2010	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 12,770,857	$ 2,137,782	$ 576,997	$ 15,485,636
Investment return:				
Investment income	271,164	54,862	-	326,026
Net appreciation	1,481,242	325,664	-	1,806,906
Total investment return	1,752,406	380,526	-	2,132,932
Contributions	364,225	383,340	-	747,565
Appropriation of endowment assets for expenditure	(766,128)	(469,938)	-	(1,236,066)
Other changes	(3,065)	(17,725)	-	(20,790)
Endowment net assets, end of year	$ 14,118,295	$ 2,413,985	$ 576,997	$ 17,109,277

NOTE N - ENDOWMENT (continued)

2009	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 11,352,281	$ 934,553	$ 576,972	$ 12,863,806
Investment return:				
Investment income	292,817	58,823	-	351,640
Net appreciation	2,205,702	465,886	-	2,671,588
Total investment return	2,498,519	524,709	-	3,023,228
Contributions	454,936	397,789	25	852,750
Appropriation of endowment assets for expenditure	(817,939)	(433,384)	-	(1,251,323)
Net asset reclassification due to change in law	(725,503)	725,503	-	-
Other changes	8,563	(11,388)	-	(2,825)
Endowment net assets, end of year	$ 12,770,857	$ 2,137,782	$ 576,997	$ 15,485,636

Amounts of donor restricted endowment funds classified as permanently restricted and temporarily restricted net assets at December 31, 2010 and 2009, consisted of:

	2010	2009
Permanently restricted net assets – portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation	$ 576,997	$ 576,997
Temporarily restricted net assets		
With purpose restrictions	$ 1,902,745	$ 1,674,491
With timing restrictions	511,240	463,291
	$ 2,413,985	$ 2,137,782

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level UWGC is required to retain as a fund of perpetual duration pursuant to donor stipulation. In accordance with GAAP, no deficiencies of this nature are reported in unrestricted net assets at December 31, 2010 and 2009.

UWGC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds UWGC must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under UWGC's policies, endowment assets are

NOTE N – ENDOWMENT (continued)

invested in a manner that is intended to produce results that exceed spending plus inflation while assuming a moderate level of investment risk. UWGC expects its endowment funds to provide an average rate of return of approximately 8% over time. Actual returns in any given year may vary from this amount.

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

UWGC has a spending policy of appropriating for expenditures each year 5% of its endowment fund's average fair value over the prior 12 quarters through the year end preceding the year in which expenditure is planned. In establishing this policy, UWGC considered the long-term expected return on its endowment. Accordingly, over the long term, UWGC expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with UWGC's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

NOTE O - SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Concentrations

Contributions from one corporate donor and its employees were approximately 19% and 23% of total contributions revenue in 2010 and 2009, respectively.

Current Economic Conditions

The current economic environment presents not-for-profit organizations with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and other assets, declines in contributions, governmental support and grant revenue, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to UWGC.

Current economic conditions have made it difficult for many donors to continue to contribute to not-for-profit organizations. A significant decline in contribution revenue, governmental support, and grant revenue could have an adverse impact on UWGC's future operating results.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for contributions receivable could negatively affect UWGC's ability to meet debt covenants or maintain sufficient liquidity.

NOTE P – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 25, 2011, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATING SCHEDULE - FINANCIAL POSITION INFORMATION
December 31, 2010

	UWGC				UWGC Foundation			UWGC Services		Eliminating Entries		Consolidated Totals				
	Unrestricted	Custodial	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Custodial	Temporarily Restricted	Permanently Restricted	Total 2010
ASSETS																
Cash and cash equivalents	$ 1,758,411	$ 123,565	$ 4,617,684	$ -	$ 469,124	(185,286)	$ -	$ 5,343,823	$ -	$ -	$ -	$ 7,571,358	$ 123,565	$ 4,432,398	$ -	$ 12,127,321
Pledges receivable	52,211,882	-	7,924,758	-	300,000	560,203	-	-	-	-	-	52,511,882	-	8,484,961	-	60,996,843
Less allowance for uncollectible	(7,942,035)	-	-	-	-	-	-	-	-	-	-	(7,942,035)	-	-	-	(7,942,035)
Accounts receivable	1,034,030	61,681	602,696	-	25,585	-	-	260,459	79,600	(448,219)	(670,100)	871,855	61,681	12,196	-	945,732
Investments	19,540,175	-	-	-	14,044,525	2,599,271	576,997	-	-	-	-	33,584,700	-	2,599,271	576,997	36,760,968
Beneficial interest in charitable trusts	-	-	-	1,099,372	-	7,971,086	4,596,519	-	-	-	-	-	-	7,971,086	5,695,891	13,666,977
Other current assets	131,440	-	-	-	-	-	-	162,431	-	-	-	293,871	-	-	-	293,871
Notes receivable	12,117,200	-	-	-	-	-	-	-	-	-	-	12,117,200	-	-	-	12,117,200
Other long-term assets	39,237	-	-	-	248,111	-	-	467,583	-	-	-	754,931	-	-	-	754,931
Land, buildings and equipment, net	728,009	-	-	-	-	-	-	11,644,632	-	-	-	12,372,641	-	-	-	12,372,641
TOTAL ASSETS	**$ 79,618,349**	**$ 185,246**	**$ 13,145,138**	**$ 1,099,372**	**$ 15,087,345**	**$ 10,945,274**	**$ 5,173,516**	**$ 17,878,928**	**$ 79,600**	**$ (448,219)**	**$ (670,100)**	**$ 112,136,403**	**$ 185,246**	**$ 23,499,912**	**$ 6,272,888**	**$ 142,094,449**
LIABILITIES																
Allocations and designations payable	$ 45,396,579	$ -	$ -	$ -	$ 1,092,600	$ -	$ -	$ -	$ -	$ (768,700)	$ -	$ 45,720,479	$ -	$ -	$ -	$ 45,720,479
Accounts payable	1,623,155	-	-	-	13,000	-	-	1,304,798	-	-	-	2,940,953	-	-	-	2,940,953
Accrued expenses	1,324,742	-	-	-	-	-	-	100,000	-	(349,619)	-	1,075,123	-	-	-	1,075,123
Long-term debt	12,137,601	-	-	-	-	-	-	15,540,000	-	-	-	27,677,601	-	-	-	27,677,601
Other liabilities	45,749	185,246	-	-	-	-	-	-	-	-	-	45,749	185,246	-	-	230,995
TOTAL LIABILITIES	60,527,826	185,246	-	-	1,105,600	-	-	16,944,798	-	(1,118,319)	-	77,459,905	185,246	-	-	77,645,151
NET ASSETS																
Unrestricted																
Unappropriated	6,697,508	-	-	-	13,658,427	-	-	-	-	670,100	-	21,026,035	-	-	-	21,026,035
Board appropriated	12,393,015	-	-	-	323,318	-	-	934,130	-	-	-	13,650,463	-	-	-	13,650,463
Total unrestricted	19,090,523	-	-	-	13,981,745	-	-	934,130	-	670,100	-	34,676,498	-	-	-	34,676,498
Temporarily restricted	-	-	13,145,138	-	-	10,945,274	-	-	79,600	-	(670,100)	-	-	23,499,912	-	23,499,912
Permanently restricted	-	-	-	1,099,372	-	-	5,173,516	-	-	-	-	-	-	-	6,272,888	6,272,888
TOTAL NET ASSETS	19,090,523	-	13,145,138	1,099,372	13,981,745	10,945,274	5,173,516	934,130	79,600	670,100	(670,100)	34,676,498	-	23,499,912	6,272,888	64,449,298
TOTAL LIABILITIES AND NET ASSETS	**$ 79,618,349**	**$ 185,246**	**$ 13,145,138**	**$ 1,099,372**	**$ 15,087,345**	**$ 10,945,274**	**$ 5,173,516**	**$ 17,878,928**	**$ 79,600**	**$ (448,219)**	**$ (670,100)**	**$ 112,136,403**	**$ 185,246**	**$ 23,499,912**	**$ 6,272,888**	**$ 142,094,449**

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATING SCHEDULE - ACTIVITIES INFORMATION
For the Year Ended December 31, 2010

	UWGC			UWGC Foundation			UWGC Services		Eliminating Entries		Consolidated Totals			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
PUBLIC SUPPORT & REVENUE														
Gross campaign results (2010/2011)	$ 56,348,769	$ 1,261,000	$ -	$ -	$ -	$ -	$ -	$ -	$ (74,626)	$ -	$ 56,274,143	$ 1,261,000	$ -	$ 57,535,143
Less donor designations	(11,729,832)	-	-	-	-	-	-	-	-	-	(11,729,832)	-	-	(11,729,832)
Less provision for uncollectible	(3,941,829)	-	-	-	-	-	-	-	-	-	(3,941,829)	-	-	(3,941,829)
Net campaign revenue (2010/2011)	40,677,108	1,261,000	-	-	-	-	-	-	(74,626)	-	40,602,482	1,261,000	-	41,863,482
Gross campaign results (2009/2010)	1,554,121	-	-	-	-	-	-	-	-	-	1,554,121	-	-	1,554,121
Change in provision for uncollectible	221,865	-	-	-	-	-	-	-	-	-	221,865	-	-	221,865
Net campaign revenue (2009/2010)	1,775,986	-	-	-	-	-	-	-	-	-	1,775,986	-	-	1,775,986
Gross campaign results (2008/2009)	273,295	-	-	-	-	-	-	-	-	-	273,295	-	-	273,295
Change in provision for uncollectible	1,149,354	-	-	-	-	-	-	-	-	-	1,149,354	-	-	1,149,354
Net campaign revenue (2008/2009)	1,422,649	-	-	-	-	-	-	-	-	-	1,422,649	-	-	1,422,649
Capital campaign contributions	-	6,060,373	-	-	-	-	-	-	-	-	-	6,060,373	-	6,060,373
Other contributions	984,110	2,095,782	-	107,120	34,126	-	1,686,355	79,600	(1,773,255)	(670,100)	1,004,330	1,539,408	-	2,543,738
Less donor designations	-	-	-	(51,911)	-	-	-	-	28,911	-	(23,000)	-	-	(23,000)
Designations from other United Ways	151,659	-	-	-	-	-	-	-	-	-	151,659	-	-	151,659
Service fees	878,481	-	-	-	-	-	427,917	-	(446,661)	-	859,737	-	-	859,737
Grants and contracts	1,040,779	270,499	-	-	-	-	-	-	-	-	1,040,779	270,499	-	1,311,278
Income on beneficial interest in charitable trusts	-	-	-	257,106	383,340	-	-	-	-	-	257,106	383,340	-	640,446
Investment income	885,340	-	-	307,962	54,056	-	8,417	-	-	-	1,201,719	54,056	-	1,255,775
Net realized gain/(loss) on investments	(203,809)	-	-	3,033	806	-	-	-	-	-	(200,776)	806	-	(199,970)
Net unrealized gain/(loss) on investments	24,324	-	-	1,418,052	325,664	-	-	-	-	-	1,442,376	325,664	-	1,768,040
Fair value change of beneficial interest in charitable trusts	-	-	55,105	-	261,759	252,547	-	-	-	-	-	261,759	307,652	569,411
Donated materials and services	265,523	-	-	-	-	-	-	-	-	-	265,523	-	-	265,523
Miscellaneous income	434,446	-	-	18,680	1,019	-	6,126	-	-	-	459,252	1,019	-	460,271
Net assets released from restrictions	4,132,471	(4,132,471)	-	688,682	(688,682)	-	-	-	(758,900)	758,900	4,062,253	(4,062,253)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	52,469,067	5,555,183	55,105	2,748,724	372,088	252,547	2,128,815	79,600	(3,024,531)	88,800	54,322,075	6,095,671	307,652	60,725,398
EXPENSES														
Program services														
Allocations and distributions	51,988,869	-	-	1,213,982	-	-	-	-	(2,517,981)	-	50,684,870	-	-	50,684,870
Less donor designations	(11,729,832)	-	-	(51,911)	-	-	-	-	28,911	-	(11,752,832)	-	-	(11,752,832)
Net allocations and distributions	40,259,037	-	-	1,162,071	-	-	-	-	(2,489,070)	-	38,932,038	-	-	38,932,038
Other program services	7,152,905	-	-	-	-	-	1,112,785	-	(427,917)	-	7,837,773	-	-	7,837,773
Total program services	47,411,942	-	-	1,162,071	-	-	1,112,785	-	(2,916,987)	-	46,769,811	-	-	46,769,811
Supporting services	6,578,226	-	-	74,078	-	-	29,693	-	(18,744)	-	6,663,253	-	-	6,663,253
TOTAL EXPENSES	53,990,168	-	-	1,236,149	-	-	1,142,478	-	(2,935,731)	-	53,433,064	-	-	53,433,064
CHANGE IN NET ASSETS	(1,521,101)	5,555,183	55,105	1,512,575	372,088	252,547	986,337	79,600	(88,800)	88,800	889,011	6,095,671	307,652	7,292,334
NET ASSETS AT BEGINNING OF YEAR	20,611,624	7,589,954	1,044,267	12,469,170	10,573,187	4,920,969	(52,207)	-	758,900	(758,900)	33,787,487	17,404,241	5,965,236	57,156,964
NET ASSETS AT END OF YEAR	**$ 19,090,523**	**$ 13,145,137**	**$ 1,099,372**	**$ 13,981,745**	**$ 10,945,275**	**$ 5,173,516**	**$ 934,130**	**$ 79,600**	**$ 670,100**	**$ (670,100)**	**$ 34,676,498**	**$ 23,499,912**	**$ 6,272,888**	**$ 64,449,298**