

**NORTH PENN UNITED WAY, INC.
and FOUNDATION FOR THE
NORTH PENN UNITED WAY**

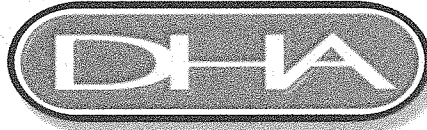
Audited Consolidated Financial Statements

**For the Year Ended
June 30, 2011**

With Comparative Totals as of June 30, 2010

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INDEPENDENT AUDITOR'S REPORT


Board of Directors
North Penn United Way, Inc. and
Foundation for the North Penn United Way

We have audited the accompanying consolidated statement of financial position of North Penn United Way, Inc. (a nonprofit organization) and Foundation for the North Penn United Way (a nonprofit organization) as of June 30, 2011, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Organizations' June 30, 2010 consolidated financial statements and, in our report dated November 5, 2010; we expressed an unqualified opinion on those consolidated financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides 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 North Penn United Way, Inc. and Foundation for the North Penn United Way as of June 30, 2011, and the results of their activities and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

October 19, 2011


DETWEILER, HERSHEY & ASSOCIATES, P.C.
Certified Public Accountants

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY**
Consolidated Statement of Financial Position
June 30, 2011

With Comparative Totals as of June 30, 2010

	2011				2010	
	North Penn United Way Unrestricted	Restricted	Unrestricted	Restricted	Eliminations	Totals
Assets						
Cash	\$ 644,117	\$ --	\$ 8,247	\$ --	\$ --	\$ 303,310
Certificates of Deposit	572,691	--	--	--	--	999,795
Unconditional Promises to Give (Net):						
Campaign - 2010	626,327	--	--	--	--	--
Campaign - 2009	2,638	--	--	--	--	565,473
Campaign - 2008	--	--	--	--	--	678
Due from Affiliate	15,000	--	--	(15,000)	--	--
Prepaid Expenses	3,059	--	--	--	--	9,814
Office Furniture and Equipment - Net	12,282	--	--	--	--	17,742
Investments	40,023	--	837,086	34,236	--	779,181
Cash Surrender Value of Life Insurance Policies	--	--	46,981	--	--	45,585
Total Assets	\$ 1,916,137	\$ --	\$ 892,314	\$ 34,236	\$ (15,000)	\$ 2,827,687
Liabilities and Net Assets						
Liabilities:						
Accrued Wages and Payroll Taxes	\$ 8,657	\$ --	\$ --	\$ --	\$ --	\$ 9,167
Accrued Expenses	1,559	--	--	--	--	2,112
Due to Affiliate	--	15,000	--	--	(15,000)	--
Due to Member Agencies	730,341	--	--	--	--	727,281
Due to Designated Member Agencies	38,159	--	--	--	--	67,480
Due to Non-Member Agencies	112,636	--	--	--	--	91,929
Total Liabilities	891,352	--	15,000	--	(15,000)	897,969
Net Assets:						
Unrestricted	1,024,785	--	877,314	--	--	1,788,373
Temporarily Restricted	--	--	940	940	--	1,940
Permanently Restricted	--	--	--	33,296	--	33,296
Total Net Assets	1,024,785	--	877,314	34,236	--	1,823,609
Total Liabilities and Net Assets	\$ 1,916,137	\$ --	\$ 892,314	\$ 34,236	\$ (15,000)	\$ 2,827,687

The accompanying notes are an integral part of the consolidated financial statements.

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY**
Consolidated Statement of Activities
For the Year Ended June 30, 2011
With Comparative Totals for the Year Ended June 30, 2010

	North Penn United Way			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support and Revenue:				
Gross Campaign Results - Prior Campaigns	\$ 8,474	\$ --	\$ --	\$ 8,474
Adjustment to Allowance for Uncollectible	64,155	--	--	64,155
Net Campaign Revenue - Prior Campaigns	<u>72,629</u>	<u>--</u>	<u>--</u>	<u>72,629</u>
Gross Campaign Results - Current Campaign	--	1,369,258	--	1,369,258
Less: Donor Designations	--	(188,954)	--	(188,954)
Less: Allowance for Uncollectible	--	(70,500)	--	(70,500)
Net Campaign Revenue - Current Campaign	<u>--</u>	<u>1,109,804</u>	<u>--</u>	<u>1,109,804</u>
Donor Designation Fees	21,036	--	--	21,036
Designations from Other United Ways	10,645	--	--	10,645
Special Events - Net of Direct Expenses of \$41,069 - 2011 and \$4,074 - 2010	37,724	--	--	37,724
Investment Income	23,306	--	--	23,306
Increase in Cash Surrender Value of Life Insurance	--	--	--	--
Grants and Other Contributions	81,932	--	--	81,932
Miscellaneous	4,065	--	--	4,065
Inter-Company Transfers	15,000	--	--	15,000
Net Assets Released from Restrictions	1,110,804	(1,110,804)	--	--
Total Support and Revenue	<u>1,377,141</u>	<u>(1,000)</u>	<u>--</u>	<u>1,376,141</u>
Expenses:				
Program Services:				
Community Impact	1,137,547	--	--	1,137,547
Volunteer Center	60,894	--	--	60,894
Total Program Services	<u>1,198,441</u>	<u>--</u>	<u>--</u>	<u>1,198,441</u>
Supporting Services:				
Administrative Expenses	54,180	--	--	54,180
Fund Raising Expenses	133,699	--	--	133,699
Total Supporting Services	<u>187,879</u>	<u>--</u>	<u>--</u>	<u>187,879</u>
Inter-Company Transfers	--	--	--	--
Total Expenses	<u>1,386,320</u>	<u>--</u>	<u>--</u>	<u>1,386,320</u>
Change in Net Assets	(9,179)	(1,000)	--	(10,179)
Net Assets - Beginning	1,033,964	1,000	--	1,034,964
Net Assets - Ending	<u>\$ 1,024,785</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,024,785</u>

The accompanying notes are an integral part of the consolidated financial statements.

Foundation for the North Penn United Way

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Eliminations</u>	<u>2011 Totals</u>	<u>2010 Totals</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 8,474	\$ 9,239
--	--	--	--	--	64,155	12,351
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>72,629</u>	<u>21,590</u>
--	--	--	--	--	1,369,258	1,455,813
--	--	--	--	--	(188,954)	(278,759)
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(70,500)</u>	<u>(110,000)</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,109,804</u>	<u>1,067,054</u>
--	--	--	--	--	21,036	27,569
--	--	--	--	--	10,645	4,495
5,333	--	--	5,333	--	43,057	47,442
134,060	--	--	134,060	--	157,366	99,273
1,396	--	--	1,396	--	1,396	1,504
--	--	--	--	--	81,932	46,357
--	--	--	--	--	4,065	13,299
--	--	--	--	(15,000)	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>140,789</u>	<u>--</u>	<u>--</u>	<u>140,789</u>	<u>(15,000)</u>	<u>1,501,930</u>	<u>1,328,583</u>
2,869	--	--	2,869	--	1,140,416	1,159,264
--	--	--	--	--	60,894	--
<u>2,869</u>	<u>--</u>	<u>--</u>	<u>2,869</u>	<u>--</u>	<u>1,201,310</u>	<u>1,159,264</u>
15	--	--	15	--	54,195	88,552
--	--	--	--	--	133,699	130,980
<u>15</u>	<u>--</u>	<u>--</u>	<u>15</u>	<u>--</u>	<u>187,894</u>	<u>219,532</u>
15,000	--	--	15,000	(15,000)	--	--
<u>17,884</u>	<u>--</u>	<u>--</u>	<u>17,884</u>	<u>(15,000)</u>	<u>1,389,204</u>	<u>1,378,796</u>
122,905	--	--	122,905	--	112,726	(50,213)
<u>754,409</u>	<u>940</u>	<u>33,296</u>	<u>788,645</u>	<u>--</u>	<u>1,823,609</u>	<u>1,873,822</u>
<u>\$ 877,314</u>	<u>\$ 940</u>	<u>\$ 33,296</u>	<u>\$ 911,550</u>	<u>\$ --</u>	<u>\$ 1,936,335</u>	<u>\$ 1,823,609</u>

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2011
With Comparative Totals for the Year Ended June 30, 2010**

	2011					<u>2010</u> <u>Totals</u>
	Program Services		Supporting Services		Total	
	Community Impact	Volunteer Center	Administrative Expenses	Fund Raising Expenses		
Community Partner Investments	\$ 692,182	\$ --	\$ --	\$ --	\$ 692,182	\$ 704,696
Community Impact	159,838	--	--	--	159,838	215,169
Campaign Expenses	--	--	--	13,239	13,239	7,913
State Charitable Solicitation Fee	--	--	15	250	265	265
Meeting Expenses	772	--	152	283	1,207	1,846
Staff Salaries	157,370	34,200	30,967	57,630	280,167	259,553
Employee Retirement	14,322	1,900	2,818	5,245	24,285	20,120
Employee Benefits	18,979	4,375	3,735	6,950	34,039	21,375
Payroll Taxes	12,411	2,810	2,442	4,545	22,208	20,804
Contracted Labor	--	--	--	20,310	20,310	--
Professional Fees	9,072	--	1,785	3,322	14,179	12,050
Outside Consultants	14,151	6,850	1,400	--	22,401	9,069
Miscellaneous Expense	796	--	157	291	1,244	732
Rent	12,353	2,400	2,431	4,524	21,708	21,708
Telephone	3,119	877	614	1,142	5,752	5,970
Repair and Maintenance	10,442	120	2,055	3,825	16,442	21,318
Training	1,200	--	926	--	2,126	264
Conferences and Travel	9,536	1,352	--	1,667	12,555	6,472
Insurance	2,783	195	548	1,019	4,545	4,274
Dues and Subscriptions	1,389	30	273	509	2,201	4,597
Volunteer Recognition	--	4,701	--	--	4,701	7,696
Public Relations	--	--	--	1,734	1,734	605
Depreciation	3,493	--	687	1,279	5,459	4,664
Postage and Printing	2,486	--	489	910	3,885	4,415
Office Supplies	2,132	1,084	420	781	4,417	4,627
United Way of America Dues	8,391	--	1,651	3,073	13,115	13,594
United Way of PA Dues	3,199	--	630	1,171	5,000	5,000
	<u>\$1,140,416</u>	<u>\$ 60,894</u>	<u>\$ 54,195</u>	<u>\$ 133,699</u>	<u>\$1,389,204</u>	<u>\$1,378,796</u>

The accompanying notes are an integral part of the consolidated financial statements.

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2011
With Comparative Totals for the Year Ended June 30, 2010**

	2011			2010 Totals	
	North Penn United Way	Foundation for NPUW	Eliminations		Totals
Cash Flows from Operating Activities:					
Change in Net Assets	\$ (10,179)	\$ 122,905	\$ --	\$ 112,726	\$ (50,213)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:					
Depreciation	5,459	--	--	5,459	4,664
Reinvestment of Investment Income	--	(22,537)	--	(22,537)	(19,909)
Unrealized (Gain) Loss on Investments	2,895	(111,522)	--	(108,627)	(47,605)
Change in Allowance for Uncollectible Increase in Cash Surrender Value of Life Insurance Policies	(39,500)	--	--	(39,500)	--
	--	(1,396)	--	(1,396)	(1,504)
(Increase) Decrease in Operating Assets:					
Unconditional Promises to Give:					
Unrestricted	(23,314)	--	--	(23,314)	(75,916)
Due From Affiliate	(15,000)	--	15,000	--	--
Prepaid Expenses	6,756	--	--	6,756	(2,778)
Increase (Decrease) in Operating Liabilities:					
Accrued Expenses	(553)	--	--	(553)	(1,717)
Accrued Wages	(61)	--	--	(61)	2,436
Accrued and Withheld Payroll Taxes	(449)	--	--	(449)	240
Due to Affiliate	--	15,000	(15,000)	--	--
Due to Member Agencies	3,060	--	--	3,060	(16,874)
Due to Designated Member Agencies	(29,321)	--	--	(29,321)	19,963
Due to Designated Nonmember Agencies	20,707	--	--	20,707	(8,330)
Net Cash Provided (Used) by Operating Activities	<u>(79,500)</u>	<u>2,450</u>	<u>--</u>	<u>(77,050)</u>	<u>(197,543)</u>
Cash Flows from Investing Activities:					
Purchase of Equipment	--	--	--	--	(10,661)
Proceeds from Sale of Investments	--	--	--	--	27,000
Purchase of Investments	--	(1,000)	--	(1,000)	--
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>(1,000)</u>	<u>--</u>	<u>(1,000)</u>	<u>16,339</u>
Increase (Decrease) in Cash and Cash Equivalents	(79,500)	1,450	--	(78,050)	(181,204)
Cash and Cash Equivalents - Beginning of Year	<u>1,296,308</u>	<u>6,797</u>	<u>--</u>	<u>1,303,105</u>	<u>1,484,309</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,216,808</u>	<u>\$ 8,247</u>	<u>\$ --</u>	<u>\$ 1,225,055</u>	<u>\$ 1,303,105</u>

The accompanying notes are an integral part of the consolidated financial statements.

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY**
Notes to Consolidated Financial Statements
June 30, 2011
With Comparative Totals as of June 30, 2010

Note 1 - Summary of Significant Accounting Policies:

General Information

North Penn United Way, Inc. (NPUW) is a non-profit community-based volunteer driven organization whose purpose is to provide leadership to maximize the North Penn and Indian Valley's capacity to address the human care needs of its residents.

Foundation for the North Penn United Way (Foundation) is a non-profit entity created for the purpose of providing financial, administrative, property management and other support services for the benefit of the NPUW.

Consolidated Financial Statements

The consolidated financial statements include the accounts of the North Penn United Way and the Foundation for the North Penn United Way. All significant inter-company transactions and accounts are eliminated.

Consolidated financial statement presentation follows Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC 958, the Organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organizations' consolidated financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Basis of Accounting

The consolidated financial statements of the Organizations have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For purposes of the consolidated statements of financial position and cash flows, the Organizations consider cash on hand, demand deposits and certificates of deposit in banks as cash equivalents. Demand deposits and certificates of deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of June 30, 2011 and 2010, the Organizations had uninsured demand deposits and certificates of deposit totaling \$610,288 and \$555,755, respectively.

Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Organizations use the allowance method to determine uncollectible unconditional promises to give receivable. The allowance is based on past years' experience and management's analysis of specific promises made.

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY**
Notes to Consolidated Financial Statements - Continued
June 30, 2011
With Comparative Totals as of June 30, 2010

Note 1 - Continued:

Office Furniture and Equipment

Office furniture and equipment are stated at cost at the date of acquisition. Major renewals and betterments are charged to the property accounts while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Donations of property and equipment are recorded as support at their estimated fair value.

Depreciation

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense amounted to \$5,459 and \$4,664 for the years ended June 30, 2011 and 2010, respectively. Accumulated Depreciation amounted to \$68,601 and \$63,141 as of June 30, 2011 and 2010, respectively.

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair market value.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated Statements of Activities as net assets released from restrictions.

Management Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Economic Dependency

For the years ended June 30, 2011 and 2010, the NPUW received 44% and 45%, respectively, of its total support and revenue from three companies and their employees. Subsequent to June 30, 2011, one of the companies is being sold to a national company. It is unknown what impact this will have on the future revenue of the NPUW.

Reclassifications

Certain accounts in the prior year have been reclassified for comparative purposes to conform to the presentation in the current year's consolidated financial statements.

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY**
Notes to Consolidated Financial Statements - Continued
June 30, 2011
With Comparative Totals as of June 30, 2010

Note 1 - Continued:

Concentrations of Credit Risk

Financial instruments that potentially subject the Organizations to concentrations of credit risk consist principally of temporary cash investments and unconditional promises to give. The Organizations places their temporary cash investments with financial institutions. Concentrations of credit risk with respect to unconditional promises to give are limited due to the large number of contributors comprising the Organizations' contributor base and their dispersion across different industries.

Donated Services

A number of unpaid volunteers have made contributions of their time to enhance the programs of Organizations. The value of this contributed time is not recorded in these consolidated financial statements as they don't meet the definition of services to be recorded.

Federal Income Taxes

Both North Penn United Way, Inc. and Foundation for the North Penn United Way are exempt from Federal Income Taxes as defined in Section 501(c)(3) of the Internal Revenue Code and are not considered a private foundation as defined in Section 509 of the Internal Revenue Code. The Organizations are exempt from state income taxes.

The Organizations have implemented the accounting guidance for uncertainty in income taxes using FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the taxing authorities. The Organizations' open tax audit periods are for the proceeding three years from June 30, 2011.

Subsequent Events

Management has evaluated subsequent events through October 19, 2011, the date the financial statements were available to be issued.

Note 2 - Unconditional Promises to Give:

NPUW receives unconditional promises to give in connection with its fund raising campaigns. Unconditional promises to give received in the fall of the campaign are deemed temporarily restricted until January 1 of that campaign year, at which time they are released to unrestricted net assets. Unconditional promises to give which are not received seventeen months after the beginning of the campaign are written off against the allowance account established. Details of unconditional promises to give are as follows:

	<u>2011</u>	<u>2010</u>
2010 - 2011 Campaign	\$ 696,827	\$ --
2009 - 2010 Campaign	27,450	675,474
2008 - 2009 Campaign	--	88,326
	<u>724,277</u>	<u>763,800</u>
Less: Prior Year Campaign not Received	<u>(24,812)</u>	<u>(87,649)</u>
	699,465	676,151
Less: Allowance for Uncollectible Promises to Give	<u>(70,500)</u>	<u>(110,000)</u>
Net Unconditional Promises to Give	<u>\$ 628,965</u>	<u>\$ 566,151</u>

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY**
Notes to Consolidated Financial Statements - Continued
June 30, 2011
With Comparative Totals as of June 30, 2010

Note 3 - Cash and Certificates of Deposits:

	<u>Interest Rate</u>	<u>2011</u> <u>Balance</u>	<u>2010</u> <u>Balance</u>
<u>NPUW</u>			
Cash			
Petty Cash	None	\$ 100	\$ 100
Univest National Bank & Trust - Savings	Variable	600,649	285,123
Univest National Bank & Trust - Corporate Checking	None	18,279	(26,446)
Univest National Bank & Trust - Office Checking	None	17,669	23,356
First Niagara Bank - 5k Race	None	243	3,088
Harleysville Savings Bank - Gift of Warmth	None	<u>7,177</u>	<u>11,292</u>
Total Cash		<u>644,117</u>	<u>296,513</u>
Certificates of Deposit (includes Accrued Interest):			
National Penn Bank - Matured 3/3/11	1.98%	--	73,304
Harleysville Savings Bank - Matures 10/30/11	3.93%	83,528	80,556
Harleysville Savings Bank - Matured 5/4/11	1.74%	--	74,457
Harleysville Savings Bank - Matures 9/27/11	3.93%	46,421	44,775
First Niagara Bank - Matures 6/7/12	1.73%	78,543	77,210
First Niagara Bank - Matured 9/5/11	4.02%	81,420	78,583
First Niagara Bank - Matures 5/27/12	2.81%	133,664	130,124
Univest National Bank & Trust - Matured 3/15/11	3.15%	--	138,061
Univest National Bank & Trust - Matured 9/04/11	3.25%	149,115	144,677
Univest National Bank & Trust - Matured 8/28/10	1.24%	--	158,048
Total		<u>572,691</u>	<u>999,795</u>
<u>Foundation</u>			
First Niagara Bank - Checking	Variable	<u>8,247</u>	<u>6,797</u>
Total Cash and Cash Equivalents		<u>\$ 1,225,055</u>	<u>\$ 1,303,105</u>

Note 4 - Investments:

Investments of the Foundation are in connection with the endowment campaign. A summary of investments for the years ended June 30, 2011 and 2010 follows:

	<u>2011</u>	<u>2010</u>
<u>NPUW</u>		
Common Stock:		
Harleysville Group: 2011 and 2010 - 408 Shares	\$ 12,717	\$ 12,660
Univest Corporation: 2010 and 2009 - 1,747 Shares	<u>27,306</u>	<u>30,258</u>
Total	<u>40,023</u>	<u>42,918</u>
<u>Foundation:</u>		
Vanguard Short-Term Bond Index Fund	195,107	190,024
Vanguard 500 Index Fund	518,273	396,645
Vanguard GNMA Fund	156,782	149,434
Vanguard Federal Money Market Fund	<u>1,160</u>	<u>160</u>
Total	<u>871,322</u>	<u>736,263</u>
Total Investments	<u>\$911,345</u>	<u>\$779,181</u>

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY**
Notes to Consolidated Financial Statements - Continued
June 30, 2011
With Comparative Totals as of June 30, 2010

Note 4 - Continued:

A breakdown of investment income (includes interest earnings from cash accounts) for the years ended June 30, 2011 and 2010 follows:

	<u>2011</u>	<u>2010</u>
Interest and Dividend Income	\$ 48,739	\$51,668
Unrealized Gain (Loss) from Investments	<u>108,627</u>	<u>47,605</u>
Total Investment Income (Loss)	<u>\$157,366</u>	<u>\$99,273</u>

Note 5 - Net Assets:

	<u>2011</u>	<u>2010</u>
Unrestricted Net Assets:		
Undesignated	\$1,024,785	\$1,033,964
Designated for Endowment	<u>877,314</u>	<u>754,409</u>
Unrestricted Net Assets	<u>1,902,099</u>	<u>1,788,373</u>
Temporarily Restricted Net Assets:		
Restricted for -		
2010 - 2011 Campaign	--	1,000
Mitchell Memorial	<u>940</u>	<u>940</u>
Temporarily Restricted Net Assets	<u>940</u>	<u>1,940</u>
Permanently Restricted Net Assets:		
Restricted for Endowment	<u>33,296</u>	<u>33,296</u>
Total Net Assets	<u>\$1,936,335</u>	<u>\$1,823,609</u>

Note 6 - Endowments:

The Organizations' endowments consist of both board designated and donor-restricted funds that were established to support the mission of the Organizations. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Board Designated Endowments – the Board of Directors has designated monies towards a general endowment fund to provide financial, administrative, property management and other support for the benefit of the NPUW. Since the amounts in board designated endowments result from an internal designation and are not donor-restricted, they are classified and reported as unrestricted net assets.

Permanent Endowment – The Organizations classify as permanent endowment (a) the original value of gifts donated (b) the original value of subsequent gifts donated 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 as in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organizations in a manner consistent with donor wishes.

The Organizations have adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds.

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY**
Notes to Consolidated Financial Statements - Continued
June 30, 2011
With Comparative Totals as of June 30, 2010

Note 6 - Continued:

Endowment net asset composition by type of fund as of June 30, 2011 and 2010 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanent Restricted</u>	<u>Total Net Endowment Assets</u>
	<u>2011</u>			
Donor-Restricted Endowment Fund	\$ --	\$ --	\$33,296	\$ 33,296
Board-Designated Endowment Fund	<u>877,314</u>	<u>--</u>	<u>--</u>	<u>877,314</u>
Total Funds	<u>\$877,314</u>	<u>\$ --</u>	<u>\$33,296</u>	<u>\$910,610</u>
	<u>2010</u>			
Donor-Restricted Endowment Fund	\$ --	\$ --	\$33,296	\$ 33,296
Board-Designated Endowment Fund	<u>754,409</u>	<u>--</u>	<u>--</u>	<u>754,409</u>
Total Funds	<u>\$754,409</u>	<u>\$ --</u>	<u>\$33,926</u>	<u>\$787,705</u>

Change in endowment net assets as of June 30, 2011 and 2010 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanent Restricted</u>	<u>Total Net Endowment Assets</u>
Endowment Net Assets – July 1, 2009	\$ 689,458	\$ --	\$32,296	\$ 721,754
Contributions	--	--	1,000	1,000
Increase in Cash Surrender Value	1,504	--	--	1,504
Fundraisers (Net)	6,952	--	--	6,952
Investment Income	19,915	--	--	19,915
Net Appreciation (Depreciation)	51,595	--	--	51,595
Amounts Expended	<u>(15,015)</u>	<u>--</u>	<u>--</u>	<u>(15,015)</u>
Endowment Net Assets – June 30, 2010	754,409	--	33,296	787,705
Contributions	--	--	--	--
Increase in Cash Surrender Value	1,396	--	--	1,396
Fundraisers (Net)	5,333	--	--	5,333
Investment Income	22,538	--	--	22,538
Net Appreciation (Depreciation)	111,522	--	--	111,522
Amounts Expended	<u>(17,884)</u>	<u>--</u>	<u>--</u>	<u>(17,884)</u>
Endowment Net Assets – June 30, 2011	<u>\$ 877,314</u>	<u>\$ --</u>	<u>\$33,296</u>	<u>\$ 910,610</u>

Note 7 - Donor Designated Funds:

The NPUW receives campaign promises to give that are designated for certain organizations. Contributions that are designated are not recorded by the NPUW as either revenue or expense, the amount designated is treated as a liability until the cash is received and remitted to that agency. The NPUW deducts an administrative fee on the amount remitted to nonmember agencies. These fees are recorded as revenue on the consolidated statements of activities.

Note 8 - Community Partner Investments:

Community partner investments represent approved commitments to partner agencies for the next fiscal year. During the years ended June 30, 2011 and 2010, NPUW approved a commitment to each partner agency in March to be paid over a period of July 1 through June 30 of the following year. For the years ended June 30, 2011 and 2010, total commitments outstanding were \$768,500 and \$778,500, respectively, less amounts funded by donor designations of \$38,159 and \$51,219, respectively.

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY**
Notes to Consolidated Financial Statements - Continued
June 30, 2011
With Comparative Totals as of June 30, 2010

Note 9 - Operating Lease Commitments:

Office Rent

NPUW leases office space on a month to month basis. Monthly rent payments are \$1,809 for each of the years ended June 30, 2011 and 2010. Rent expense totaled \$21,708 for each of the years ended June 30, 2011 and 2010.

Equipment Leases

NPUW leases a copier and a mail machine. The leases have monthly payments of \$263 and \$66, respectively through March 2012 and October 2011, respectively. Total rent expense for each of the years ended June 30, 2011 and 2010 was \$3,946, which is included in repairs and maintenance. Future Minimum payments are as follows: \$2,564 – 2012.

Note 10 - Retirement Plan:

Effective November 1, 1992, NPUW instituted a simplified employee pension plan (SEP). Under this plan, NPUW makes contributions directly to the individual retirement account of its eligible employees. Benefits are vested immediately. NPUW contributes 10% of eligible wages to the plan. Retirement expense for the years ended June 30, 2011 and 2010 was \$24,285 and \$20,120, respectively.

Note 11 - Payments to Affiliated Organizations:

NPUW serves the citizens of the North Penn and Indian Valley regions of Southeastern PA. NPUW is independently governed by a local board of community leaders and volunteers. NPUW is dedicated to creating positive change and is a member organization of United Way Worldwide and United Way of Pennsylvania. Annual dues to both organizations were \$18,115 and \$18,594 for the years ended June 30, 2011 and 2010, respectively.

Note 12 - Expense Allocation:

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. For the years ended June 30, 2011 and 2010, it was estimated that 64% and 48.9%, respectively, of supporting services expenses were for the direct benefit of the program services, therefore these costs have been allocated to program expenses. For the years ended June 30, 2011 and 2010, it was estimated that 23.4% and 29.5%, respectively, of supporting services were fund raising costs, therefore these costs have been allocated to fund raising costs.

Note 13 - Fair Value Measurements:

FASB ASC 820, *Fair Value Measurements*, effective for fiscal years beginning after November 15, 2007, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level I measurements) and the lowest priority to unobservable inputs (level III measurements). The three levels of hierarch under FASB 820 are described as follows:

Level I: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY**
Notes to Consolidated Financial Statements - Concluded
June 30, 2011
With Comparative Totals as of June 30, 2010

Note 13 - Continued:

Level II: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level II input must be observable for substantially the full term of the asset or liability.

Level III: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The carrying amounts approximate the fair value for the following instruments because of the short maturity of these instruments: cash and cash equivalents and interest receivable.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for the unconditional promises to give receivables is determined by calculating the value of the future amounts to be received.

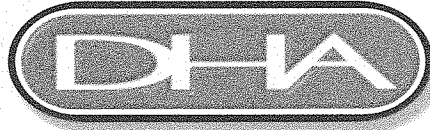
Fair values of assets measured on a recurring basis at June 30, 2011 and 2010 are as follows:

<u>2011</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
<u>Investments:</u>				
Harleysville Group	\$ 12,717	\$ --	\$ --	\$ 12,717
Univest Corporation	27,306	--	--	27,306
<u>Vanguard:</u>				
Short-Term Bond Index Fund	195,107	--	--	195,107
500 Index Fund	518,273	--	--	518,273
GNMA Fund	156,782	--	--	156,782
Federal Money Market Fund	1,160	--	--	1,160
Total	<u>\$911,345</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$911,345</u>
<u>2010</u>				
<u>Investments:</u>				
Harleysville Group	\$ 12,660	\$ --	\$ --	\$ 12,660
Univest Corporation	30,258	--	--	30,258
<u>Vanguard:</u>				
Short-Term Bond Index Fund	190,024	--	--	190,024
500 Index Fund	396,645	--	--	396,645
GNMA Fund	149,434	--	--	149,434
Federal Money Market Fund	160	--	--	160
Total	<u>\$779,181</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$779,181</u>

Note 14 - Related Party Transactions:

Some of the members of the Board of Directors of the Organizations are employed by organizations that provide support to the Organizations.

SUPPLEMENTAL INFORMATION



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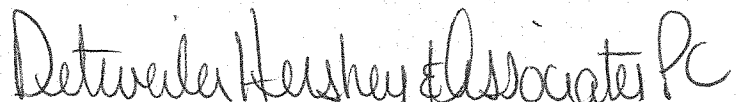
CERTIFIED PUBLIC ACCOUNTANTS • CERTIFIED VALUATION ANALYSTS • CERTIFIED FORENSIC FINANCIAL ANALYSTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTAL INFORMATION

Board of Directors
North Penn United Way, Inc. and
Foundation for the North Penn United Way

Our report on our audit of the basic consolidated financial statements of North Penn United Way, Inc. and Foundation for the North Penn United Way as of June 30, 2011 appears on Page 1. That audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental information in Schedule I - II is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

October 19, 2011


DETWEILER, HERSHEY & ASSOCIATES, P.C.
Certified Public Accountants

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY
Schedule I - Community Partner Investments
For the Year Ended June 30, 2011
With Comparative Totals for the Year Ended June 30, 2010**

	<u>2011</u>	<u>2010</u>
Community Partner Investments:		
American Red Cross	\$ 9,600	\$ 9,600
Arthritis Foundation	--	2,400
Big Brothers - Big Sisters of Montgomery County	14,004	14,004
Boy Scouts of America, Cradle of Liberty Council	5,004	5,004
Carson Valley Children's Aid	60,000	60,000
Child, Home and Community	24,000	24,000
Children's Literacy Initiative	9,996	9,996
Developmental Enterprises Corporation	6,996	6,996
Encore Experience at Harleysville	35,004	35,004
Family Service of Montgomery County	53,004	53,004
Generations	60,000	60,000
Girl Scouts of Southeastern Pennsylvania, Inc.	6,396	6,396
Indian Creek Foundation - STAR of Indian Creek	32,496	32,496
Ivy Hill Foundation	9,000	9,000
Keystone Opportunity Center	102,996	102,996
Laurel House	12,000	12,000
Manna on Main Street	30,000	30,000
Montgomery County Association for the Blind	2,496	2,496
North Penn Valley & Indian Valley Boys & Girls Club	90,000	90,000
North Penn Visiting Nurse Association	33,000	33,000
North Penn YMCA	33,000	33,000
Northwestern Human Services	20,004	20,004
The Peak Center	63,000	63,000
Penn Foundation	30,000	30,000
RSVP	6,000	6,000
Salvation Army Service Units	9,996	9,996
Sebastian Riding Association	6,000	6,000
Victim Services of Montgomery County	6,504	6,504
Women's Center of Montgomery County	8,004	8,004
Total Community Partner Investments	778,500	780,900
Add Community Partner Investments for 2011/2012	768,500	--
Add Community Partner Investments for 2010/2011	--	778,500
Less Community Partner Investments for 2010/2011	(778,500)	--
Less Community Partner Investments for 2009/2010	--	(780,900)
Less Allocations Funded through Designations	(76,318)	(73,804)
Net Community Partner Investments	<u>\$ 692,182</u>	<u>\$ 704,696</u>

**NORTH PENN UNITED WAY, INC. and
FOUNDATION FOR THE NORTH PENN UNITED WAY
Schedule II - Community Impact
For the Year Ended June 30, 2011
With Comparative Totals for the Year Ended June 30, 2010**

	<u>2011</u>	<u>2010</u>
Community Impact:		
AmeriCorps Vista - Community Capacity Building	\$ 14,201	\$ 18,366
Community Leadership Institute	3,000	3,000
Community Nutrition Coalition - Greater North Penn/Indian Valley	--	2,500
Community Solutions Team - Technical Support	--	5,018
Days of Caring Program	7,988	13,544
Gifts of Warmth Program	4,514	7,452
Greater North Penn Collaborative for Health and Human Services	30,000	30,000
International Spring Festival	2,530	2,750
Korean Community Health and Education Expo	--	3,000
Miscellaneous Community Impact Initiatives	11,034	9,212
North Montco Volunteer Center	--	1,564
North Penn Goodwill	1,200	1,200
North Penn Housing Homeless Coalition	--	3,813
North Penn Korean Community Service Center - ESL Training	--	3,000
North Penn Regional School Readiness Initiative	10,160	6,686
One in Commitment Multicultural Center	--	15,000
Resource Directory-InfoLink PA.org	--	37,500
Results Based Accountability Training and Consulting	28,328	30,571
Stuff the Bus	3,308	--
Summit	4,680	--
2-1-1	--	12,000
Volunteer Income Tax Assistance/Financial Stability Coalition	38,895	8,993
	<hr/>	<hr/>
Total Community Impact	<u>\$ 159,838</u>	<u>\$ 215,169</u>