

**UNITED WAY OF BROOME COUNTY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2004**

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UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2004 AND 2003

ASSETS	<u>2004</u>	<u>2003</u>
Cash and Cash Equivalents (Note 1)	\$1,727,356	\$1,841,943
Pledges, Grants and Bequests Receivable, Net of Allowance for Uncollectible Pledges (Note 1)	2,901,901	2,631,803
Investment Income Receivable	118,897	123,854
Prepaid Pension Costs (Note 3)	115,369	145,997
Other Receivables and Prepayments	32,270	64,228
Investments, At Market (Note 2)	21,343,075	20,890,469
Property and Equipment, At Cost, Net of Accumulated Depreciation (Note 1)	224,886	247,922
Intangible Asset-Pension (Note 3)	1,869	-
	<u>\$26,465,623</u>	<u>\$25,946,216</u>
TOTAL ASSETS	\$26,465,623	\$25,946,216
LIABILITIES AND NET ASSETS		
Allocations Payable to Member Agencies, Other Grants Payable	\$212,555	\$221,429
Other Liabilities	221,788	244,824
Accrued Pension Cost (Note 3)	123,124	-
	<u>557,467</u>	<u>466,253</u>
Total Liabilities	557,467	466,253
Net Assets		
Unrestricted: (Note 5)		
Board Designated	14,877,588	14,523,690
Undesignated	292,744	465,103
	<u>15,170,332</u>	<u>14,988,793</u>
Total Unrestricted	15,170,332	14,988,793
Temporarily Restricted (Note 6)	2,474,262	2,436,059
Permanently Restricted (Note 7)	8,263,562	8,055,111
	<u>25,908,156</u>	<u>25,479,963</u>
Total Net Assets	25,908,156	25,479,963
	\$26,465,623	\$25,946,216
TOTAL LIABILITIES AND NET ASSETS	\$26,465,623	\$25,946,216

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR 2003

	<u>Unrestricted</u> <u>Net Assets</u>	<u>Temporarily</u> <u>Restricted</u> <u>Net Assets</u>	<u>Permanently</u> <u>Restricted</u> <u>Net Assets</u>	<u>Total</u> <u>2004</u>	Total <u>2003</u>
PUBLIC SUPPORT AND REVENUE					
Public Support and Revenue					
Gross Campaign Results (2003/2004)	\$399,315	-	-	\$399,315	\$687,293
Less: Provision for Net Collection Losses	(24,763)	-	-	(24,763)	(45,186)
Less: Donor Designations	(148,996)	-	-	(148,996)	(153,940)
Net Campaign Revenue (2003/2004)	<u>225,556</u>	<u>-</u>	<u>-</u>	<u>225,556</u>	<u>488,167</u>
Gross Campaign Results (2004/2005)	-	2,728,237	-	2,728,237	2,659,268
Less: Provision for Net Collection Losses	-	(118,800)	-	(118,800)	(120,000)
Less: Donor Designations	-	(253,806)	-	(253,806)	(223,913)
Net Campaign Revenue (2004/2005)	<u>-</u>	<u>2,355,631</u>	<u>-</u>	<u>2,355,631</u>	<u>2,315,355</u>
Bequests and Other Contributions	10,565	-	165,198	175,763	348,068
Service Fees	13,455	-	-	13,455	12,083
Interest and Dividend Income, Net of Fees	616,620	-	-	616,620	566,513
Realized Gains Losses on Investments	518,220	-	-	518,220	(650,070)
Unrealized Gains (Losses) on Investments	214,115	-	43,253	257,368	3,356,514
Donated Equipment and Merchandise (Note 4)	40,004	-	-	40,004	116,087
Program Income	60,674	-	-	60,674	160,665
Other Income	10,054	1,946	-	12,000	17,687
Prepaid Pension Credit (Expense) (Note 3)	(30,628)	-	-	(30,628)	(32,556)
Net Assets Released from Restrictions	<u>2,319,374</u>	<u>(2,319,374)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$3,998,009</u>	<u>\$38,203</u>	<u>\$208,451</u>	<u>\$4,244,663</u>	<u>\$6,698,513</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR 2003

	<u>Unrestricted</u> <u>Net Assets</u>	<u>Temporarily</u> <u>Restricted</u> <u>Net Assets</u>	<u>Permanently</u> <u>Restricted</u> <u>Net Assets</u>	<u>Total</u> <u>2004</u>	<u>Total</u> <u>2003</u>
EXPENSES					
Gross Funds Awarded/Distributed	\$3,060,132	-	-	\$3,060,132	\$3,056,885
Donated Equipment and Merchandise	34,554	-	-	34,554	103,292
Less: Allocations Funded Through Donor Designations	(148,996)	-	-	(148,996)	(151,919)
Net Allocations and Allocation Services	2,945,690	-	-	2,945,690	3,008,258
Agency Allocation Services	77,562	-	-	77,562	84,288
First Call For Help	68,856	-	-	68,856	62,255
Day of Caring/Voluntary Action Center	32,058	-	-	32,058	24,016
Community Planning and Programs	88,068	-	-	88,068	172,089
Total Program Services	3,212,234	-	-	3,212,234	3,350,906
Supporting Services					
Management and General	269,452	-	-	269,452	241,110
Fund Raising	191,053	-	-	191,053	197,248
United Way of America Dues	22,476	-	-	22,476	22,060
Total Support Services	482,981	-	-	482,981	460,418
Total Functional Expense	3,695,215	-	-	3,695,215	3,811,324
Minimum Pension Liability Adjustment (Note 3)	121,255	-	-	121,255	-
TOTAL ALLOCATIONS AND OTHER EXPENSE	3,816,470	-	-	3,816,470	3,811,324
Increase in Net Assets	181,539	38,203	208,451	428,193	2,887,189
Net Assets - Beginning of Year	14,988,793	2,436,059	8,055,111	25,479,963	22,592,774
Net Assets - End of Year	\$15,170,332	\$2,474,262	\$8,263,562	\$25,908,156	\$25,479,963

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR 2003**

	Allocations	Agency & Allocation Services	First Call For Help	Day of Caring/ VAC	Community Planning & Programs	Total Services	Management & General	Fund Raising	UWA Dues	Total	
										2004	2003
Allocations and Grants	3,060,132	-	-	-	-	3,060,132	-	-	-	3,060,132	3,056,885
Less: Donor Designations	(148,996)	-	-	-	-	(148,996)	-	-	-	(148,996)	(151,919)
Donated Equipment and Merchandise	34,554	-	-	-	-	34,554	-	-	-	34,554	103,292
Sub-Total	2,945,690	-	-	-	-	2,945,690	-	-	-	2,945,690	3,008,258
Staff Salaries	-	54,362	41,723	15,397	57,416	168,898	178,052	92,012	-	438,962	444,976
Personnel Benefits and Taxes (Note 3)	-	8,804	6,757	2,493	9,298	27,352	28,835	14,901	-	71,088	68,699
Sub-Total	-	63,166	48,480	17,890	66,714	196,250	206,887	106,913	-	510,050	513,675
Professional Services	-	157	121	44	6,278	6,600	10,390	267	-	17,257	67,033
Supplies and Program Costs	-	2,579	1,142	337	1,500	5,558	4,016	2,599	-	12,173	15,867
Telephone	-	445	3,013	126	487	4,071	1,458	753	-	6,282	7,956
Postage	-	1,707	2,188	568	1,803	6,266	5,591	2,896	-	14,753	14,515
Occupancy Costs	-	2,893	2,220	819	3,055	8,987	9,475	4,897	-	23,359	26,226
Printing, Publication, Publicity	-	142	5,455	10,094	150	15,841	4,161	55,956	-	75,958	65,305
Travel	-	217	317	16	1,101	1,651	1,887	1,142	-	4,680	4,682
Dues and Subscriptions	-	1,056	985	299	1,114	3,454	7,232	1,787	-	12,473	13,407
Equipment Maintenance, Rental	-	861	661	244	910	2,676	2,821	1,457	-	6,954	6,479
Business Insurance	-	913	701	259	965	2,838	2,991	1,546	-	7,375	6,916
Depreciation	-	3,145	2,792	1,300	3,571	10,808	10,926	7,747	-	29,481	31,694
Other Expenses	-	281	781	62	420	1,544	1,617	3,093	-	6,254	7,251
Sub-Total	-	14,396	20,376	14,168	21,354	70,294	62,565	84,140	-	216,999	267,331
United Way of America Dues	-	-	-	-	-	-	-	-	22,476	22,476	22,060
Total Functional Expense	<u>\$2,945,690</u>	<u>\$77,562</u>	<u>\$68,856</u>	<u>\$32,058</u>	<u>\$88,068</u>	<u>\$3,212,234</u>	<u>\$269,452</u>	<u>\$191,053</u>	<u>22,476</u>	<u>\$3,695,215</u>	<u>\$3,811,324</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities:		
Increase in Net Assets	<u>\$428,193</u>	<u>\$2,887,189</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	29,481	31,694
Unrealized Gain on Investments	(257,368)	(3,356,514)
Realized (Gain) Loss on Investments	(518,220)	650,070
Minimum Pension Liability Adjustment	121,255	-
Prepaid Pension Costs	30,628	32,556
Donated Equipment and Merchandise, Net of Allocations	(5,450)	(12,795)
Increase in Allowance for Uncollectible Pledges	45,215	(1,198)
(Increase) Decrease in Operating Assets		
Pledges, Grants and Bequests Receivable	(272,060)	(330,768)
Investment Income Receivable	4,957	12,996
Other Receivables and Prepaids	31,958	5,267
Increase (Decrease) in Operating Liabilities		
Allocations Payable	(8,874)	1,815
Other Liabilities	(23,036)	32,365
Net Adjustments	<u>(821,514)</u>	<u>(2,934,512)</u>
Net Cash Used in Operating Activities	<u>(393,321)</u>	<u>(47,323)</u>
Cash Flows From Investing Activities:		
Purchase of Investments	(5,665,628)	(5,372,286)
Proceeds from the Sale of Investments	5,945,357	5,044,044
Payments for Property and Equipment	(995)	-
Net Cash Provided by (Used in) Investing Activities	<u>278,734</u>	<u>(328,242)</u>
Net Decrease in Cash and Cash Equivalents	<u>(114,587)</u>	<u>(375,565)</u>
Beginning Cash and Cash Equivalents	<u>1,841,943</u>	<u>2,217,508</u>
Ending Cash and Cash Equivalents	<u>\$1,727,356</u>	<u>\$1,841,943</u>
Supplemental Disclosure of Non-cash Investing Activities:		
Computer equipment donations	5,450	12,795

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description - The United Way of Broome County, Inc. (the Organization) is a non profit corporation established February 1, 1954 as the United Fund of Broome County and merged with the Broome County Social Planning Council in January of 1973. The Organization is governed by a volunteer board of directors with a mission to develop the health, recreation, and welfare of the Broome County community. The Organization assesses community needs, solicits public contributions and allocates those funds to programs of member agencies that meet identified needs. The Organization also provides the following services: First Call for Help, Voluntary Action Center, Community Planning, Teaming for Technology and Allocations and Agency Relations.

B. Accounting Method - The Organization uses the accrual method of accounting, recognizing revenues as earned and expenses as incurred, and conforms to standards of accounting and reporting appropriate to not-for-profit organizations.

C. Federal Income Taxes - The Organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Accordingly, it is not liable for income taxes or federal unemployment insurance.

D. Contributions, Grants and Bequests - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to provide for uncollectible pledge receivables. The allowance is based on prior years' experience and management's analysis of specific promises made applied to gross campaign. Pledge receivables that are not collected are subject to Board approval for write-off. At December 31, 2004 and 2003 respectively, management has deemed allowances of \$308,881 and \$263,666 to be adequate.

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

F. Donated Fixed Assets/Services - Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted, unless the donor has restricted the donated asset to a specific purpose.

The value of donated services is not reflected in the accompanying financial statements, since there is no objective basis available by which to measure the value of such services. However, a number of volunteers have donated their time to the Organization's operation.

G. Cash and Cash Equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

H. Compensated Absences - A liability is accrued where future vacation benefits are attributable to employee services already rendered. The obligation relates to rights that are accumulated or vested; payment of compensation is probable and can be reasonably estimated. At December 31, 2004 and 2003, this liability amounted to approximately \$14,240 and \$13,800 respectively, and has been included in other liabilities in the accompanying financial statements.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Property, Equipment, and Depreciation - The Organization considers expenditures of \$250 or more made for items expected to have a useful life of three years or more to be capital in nature. The fair value of donated fixed assets is similarly capitalized. Depreciation is then recorded for these assets as an expense, using the straight-line method over estimated useful lives, ranging from three to forty years. At December 31, the cost basis of such assets was as follows:

<u>Asset Class</u>	<u>2004</u>	<u>2003</u>
Land	\$ 12,881	\$ 12,881
Building and Improvements	501,469	501,469
Equipment, Furniture and Fixtures	155,717	166,229
Intangible Assets	<u>13,900</u>	<u>13,900</u>
Total Cost	\$ 683,967	694,479
Less: Accumulated Depreciation	<u>(459,081)</u>	<u>(446,557)</u>
NET	<u>\$ 224,886</u>	<u>\$ 247,922</u>

J. Financial Statement Presentation - The Organization has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." In accordance with that pronouncement, the Organization reports its investments in equity securities and debt securities at fair value in the statement of financial position. Gains and losses on investments are reported in the statement of activities as increases or decreases in unrestricted assets, unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

The Organization has also adopted FASB No. 136, "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others." Pursuant to that pronouncement, the Organization has deducted from campaign revenue and the corresponding allocation expense, amounts designated by the donor to other agencies.

K. Comparative Data – The data for the year ended December 31, 2003 has been included for comparison purposes only. It is not intended to fully reflect the Organization's financial position or results of activities for that period.

L. Advertising - The Organization expenses advertising charges as incurred. Advertising and promotion expense for the years ended December 31, 2004 and 2003 was \$70,611, and \$72,975, respectively.

M. Concentrations of Credit Risk- The Organization maintains cash balances at a banking institution which is insured by the Federal Deposit Insurance Corporation up to the first \$100,000. At various times throughout the year, cash balances held have exceeded this limit.

N. Risks and Uncertainties – Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the net assets of the Organization.

O. Functional Expenses – Expenses are charged to each program based upon direct expenditures incurred. Any program expenses not directly chargeable are allocated to programs based upon the timesheet method as detailed in United Way of America in its publication *Functional Expense and Overhead Reporting Standards for United Ways* (Revised 2004).

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Reclassification – Certain reclassifications have been made to 2003 financial statements to conform to the current year presentation. The reclassifications had no effect on the net assets.

NOTE 2 - INVESTMENTS

Investments are stated at fair value. Market values and unrealized appreciation at December 31, 2004 and 2003, are summarized as follows:

	<u>Cost</u>	<u>2004 Quoted Market Value</u>	<u>Unrealized Gain (Loss)</u>	<u>Cost</u>	<u>2003 Quoted Market Value</u>	<u>Unrealized Gain (Loss)</u>
Operating Account						
Corporate Bonds/Stocks	<u>20,159</u>	<u>20,159</u>	-	<u>\$24,077</u>	<u>\$24,077</u>	-
Trust Accounts						
Government and Corporate Bonds	<u>3,453,132</u>	<u>3,571,082</u>	<u>117,950</u>	3,269,174	3,498,012	228,838
Stocks	<u>5,681,267</u>	<u>6,791,974</u>	<u>1,110,707</u>	<u>5,898,127</u>	<u>6,793,488</u>	<u>895,361</u>
Total Trust Accounts	<u>9,134,399</u>	<u>10,363,056</u>	<u>1,228,657</u>	<u>9,167,301</u>	<u>10,291,500</u>	<u>1,124,199</u>
Endowment Funds						
Government and Corporate Bonds	<u>3,745,557</u>	<u>3,883,222</u>	<u>137,665</u>	3,209,993	3,465,464	255,471
Stocks	<u>5,871,560</u>	<u>7,076,638</u>	<u>1,205,078</u>	<u>6,131,813</u>	<u>7,109,428</u>	<u>977,615</u>
Total Endowment Funds	<u>9,617,117</u>	<u>10,959,860</u>	<u>1,342,743</u>	<u>9,341,806</u>	<u>10,574,892</u>	<u>1,233,086</u>
TOTAL INVESTMENTS	<u>\$ 18,771,675</u>	<u>21,343,075</u>	<u>2,571,400</u>	<u>\$18,533,184</u>	<u>\$20,890,469</u>	<u>\$2,357,285</u>

NOTE 3 - RETIREMENT PLAN

The Organization sponsors a noncontributory defined benefit Pension Plan covering substantially all of its employees. The Plan provides normal and early retirement, death, and disability benefits based on a percentage of qualifying compensation during the final 36 months of employment. Effective January 1, 1998, the Organization adopted Financial Accounting Standard No. 132, Disclosures about Pensions and Post Retirement Benefits. Effective for 2003, the measurement date for the plan was changed to September 30th from December 31st.

The Organization recorded a minimum pension liability of \$123,124 at December 31, 2004, as required by Financial Accounting Standards Board Statement No. 87. The additional minimum liability was offset by the creation of a \$1,869 intangible asset and charges to other expense of \$121,255. A minimum pension liability adjustment is required when the accumulated benefit obligation in the plan exceeds the fair value of the underlying pension plan assets and accrued pension plan assets and accrued pension liabilities.

On a weighted average basis, the following assumptions were used to determine the benefit obligation and the funding status of the plan:

	<u>2004</u>	<u>2003</u>
a) assumed discount rate	<u>6.125%</u>	6.375%
b) rate of compensation increases	<u>3.25%</u>	3.50%
c) expected long-term rate of return on plan assets	<u>9.00%</u>	9.00%

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 3 - RETIREMENT PLAN (continued)

The funded status of the Pension Plan as of December 31, 2004 and 2003 is as follows:

	<u>2004</u>	<u>2003</u>
Fair value of plan assets	\$677,668	\$ 625,618
Accumulated benefit obligation	685,423	592,603
Projected benefit obligation at the end of the year	755,982	659,388
Funded status	(78,314)	(33,770)
Employer contributions	-	-
Benefits paid and expense charges	10,250	5,197
Net periodic benefit cost (credit)	30,628	32,556

Assets in the plan are allocated to achieve a balanced portfolio of no more than 70% equities. The portfolio will be rebalanced at least quarterly, or more frequently, as needed, in changing market conditions. The actual allocations were 30% fixed income and 70% equities at December 31, 2004 and 31% fixed income and 69% equities at December 31, 2003.

NOTE 4 - DONATED EQUIPMENT AND MERCHANDISE

During 2004 and 2003, the United Way of Broome County received computer equipment and printers as part of the Gifts-in-Kind and Teaming for Technology programs. In 2003, the Organization received computer equipment from a corporate donor for distribution to local charities. In 2004, the computer donation program was changed with the corporate donor making awards of equipment directly to the agencies. In addition the United Way received a number of multi-function printers in 2004. The following is a breakdown of equipment donations for 2004 and 2003.

	<u>2004</u>	<u>2003</u>
Computer and Printers (at estimated fair value):		
Member and Nonmember Agencies	\$ 34,554	\$ 103,292
United Way of Broome County	5,450	\$ 12,795
Subtotal	40,004	116,087
Donated Equipment Retained by United Way of Broome	(5,450)	(12,795)
Allocation of Donated Items	<u>\$ 34,554</u>	<u>\$ 103,292</u>

NOTE 5 - UNRESTRICTED NET ASSETS

Under SFAS No. 117, unrestricted net assets at December 31, 2004 consist of the following:

	<u>Net Assets</u> <u>At 12/31/03</u>	<u>Increase</u> <u>(Decrease)</u> <u>in Net Assets</u>	<u>Net Assets</u> <u>12/31/04</u>
Current Operating	616,878	\$(179,951)	\$436,927
Trust and Endowment Accounts	14,123,993	384,526	14,508,519
Property, Plant and Equipment	<u>247,922</u>	<u>(23,036)</u>	224,886
	<u>\$14,988,793</u>	<u>\$ 181,539</u>	<u>\$15,170,332</u>

**UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004**

NOTE 5 - UNRESTRICTED NET ASSETS (continued)

Effective December 31, 1996, the Board of Directors passed a resolution to designate a portion of the unrestricted net asset balance of the trust and endowment funds. This designation was made to reflect the total return policy adopted by the Board, which allows contribution to the annual campaign from the trust and endowment funds of 5% of the market value of these funds. Therefore, the Board has reserved the portion of the net assets needed to meet the succeeding year pledge from the trust and endowment funds. The amount reserved based upon this formula amounted to \$14,508,519 and \$ 14,123,993 at December 31, 2004 and 2003, respectively.

In addition, the Board has established policies of reserving prepaid pension costs against future pension outlays and has a reserve equal to one month's allocation expense as a contingency fund. The total amount reserved under these policies was \$369,069 and \$399,697 as of December 31, 2004 and 2003 respectively.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets result primarily from timing restrictions on campaign pledges received at December 31, 2004, but designated for use in 2005. These net assets will be transferred to unrestricted net assets when the time restrictions expire in 2005.

NOTE 7 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets represent endowment funds received from donors. Income generated from these assets may be used pursuant to the donor's original restrictions; however, the principal must be kept intact and may not be used by the Organization.

NOTE 8 – GOVERNMENT CAMPAIGNS

The Organization serves as the campaign agent for the Broome County State Employees Campaign and the Southern Tier Federal Employees Campaign. Amounts raised as part of these campaigns are included in Gross Campaign results reported. The following is a summary of the campaign results.

	<u>2004</u>	<u>2003</u>
Gross Campaign- Broome County State Employees	\$ 194,405	\$ 194,807
Gross Campaign – Southern Tier Federal Employees	16,424	22,164
Less: Amounts Designated to Other Agencies	<u>(132,989)</u>	<u>(129,909)</u>
Net Campaign Revenue	<u>\$ 77,840</u>	<u>\$ 87,062</u>

NOTE 9 – UNITED WAY OF AMERICA COST DEDUCTION STANDARDS

The Organization pledges to comply with the United Way of America Cost Deduction Standards.

**UNITED WAY OF BROOME COUNTY, INC.
ALLOCATIONS AND GRANTS
YEAR ENDED DECEMBER 31, 2004**

Local Member Agencies:

Action for Older Persons	\$ 89,974
American Civic Association	27,311
American Red Cross, Southern Tier Chapter	314,599
Arthritis Foundation-Broome County Branch	9,297
Association for Retarded Citizens	28,050
Baden-Powell Council, Boy Scouts of America	147,545
Boys and Girls Club of Binghamton	271,860
Boys and Girls Club of Western Broome	249,595
Broome County Urban League	90,294
Catholic Social Services-Broome County	262,579
Broome County Catholic Youth Organization	39,604
Crime Victims Assistance Center	17,392
Day Nursery Association	160,251
Deposit Foundation and Rural Housing Services	13,691
Family and Children's Society	232,290
Girl Scouts, Indian Hills Council	129,288
Handicapped Children's Association	69,006
Jewish Community Center	73,124
Johnson City Senior Citizens Center	28,098
Legal Aid Society, Mid-New York Binghamton Chapter	17,902
Literacy Volunteers of Broome/Tioga	13,761
Mental Health Association	116,692
National MS Society, Upstate New York Chapter	13,200
Planned Parenthood of South Central NY	28,964
Retired and Senior Volunteer Program	39,613
Salvation Army	100,101
SOS Shelter	64,833
Young Men's Christian Association	200,107
Young Women's Christian Association	163,809
	<hr/>
Total Local Member Agencies	3,012,830

National Member Agencies:

American Social Health Association	-
Other Allocations and Grants:	
Donated Equipment and Merchandise	34,554
Venture Grant and Miscellaneous Grants	47,302
Less: Allocations Funded By Donor Designations	(148,996)
	<hr/>

TOTALS **\$ 2,945,690**

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF SERVICES RENDERED
YEAR ENDED DECEMBER 31, 2004**

Allocations and Agency Relations

The **Allocations and Agency Relations** function is designated to identify and gain consensus on the long-range objective of the United Way and its member agencies. Programs are monitored to insure that agreed upon needs of the community are met in an economical and effective manner. Recommendations for allocations of Campaign proceeds are based upon an appraisal of needs, past performances, and expected accomplishments. Periodic and annual financial reports of member agencies are submitted for careful review by the committees.

Program Expenditures **\$ 77,562**

First Call For Help

The information and referral program entitled "**First Call For Help**" links people in need with the appropriate service in Broome, Tioga, or Chenango Counties, using a computerized file of information. A Human Services Directory is published annually from this database.

Human Services Directory Income	\$ 5,361
Grant Income and Program Income	\$ 7,374

Program Expenditures **\$68,856**

Day of Caring/Voluntary Action Center

The **Voluntary Action Center** of Broome County (VAC) works to promote active volunteerism in the local community. **Day of Caring**, is a community-wide volunteer event which served numerous nonprofit agencies and charitable organizations throughout Broome County and surrounding areas.

Program Expenditures **\$ 32,058**

Community Planning and Programs

The **Community Planning** function develops community partnerships, linkages, and coalitions aimed at seeking solutions to human problems. It assists in the identification of current human service needs and evaluates the services provided to meet those needs. In addition, services are provided to the general community, including the Teaming for Technology program which provides technology assistance to various nonprofit agencies.

Program Expenditures **\$ 88,068**

See the accompanying notes to financial statements.



Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS

Established in 1955

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
United Way of Broome County, Inc.
Vestal Parkway East and Jensen Road
Vestal, New York 13850

We have audited the accompanying statements of financial position of UNITED WAY OF BROOME COUNTY, INC. (a non-profit organization) as of December 31, 2004, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Broome County, Inc. as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have previously examined the financial statements for the year ended December 31, 2003 on which we expressed an unqualified opinion. The data from that report has been included for the purpose of comparison.

Piaker & Lyons, P.C.
PIAKER & LYONS, P.C.

Vestal, New York
May 23, 2005