

UNITED WAY OF BROOME COUNTY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2005

Volunteer Officers, Board of Directors

President:	Gina S. Denniston
Vice President:	Patrick M. Gleason
Vice President:	Judy U. Siggins
Secretary:	Ann McNichols
Treasurer:	Edgar B. Parsons III
Assistant Treasurer:	John G. Mondorf

Executive Director:	John G. Spencer
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**UNITED WAY OF BROOME COUNTY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2005**

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UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2005 AND 2004

ASSETS	<u>2005</u>	<u>2004</u>
Cash and Cash Equivalents (Note 1)	\$1,742,742	\$1,727,356
Pledges, Grants and Bequests Receivable, Net of Allowance for Uncollectible Pledges (Note 1)	3,812,429	2,901,901
Investment Income Receivable	110,795	118,897
Prepaid Pension Costs (Note 3)	81,879	115,369
Other Receivables and Prepayments	25,177	32,270
Investments, At Market (Note 2)	21,055,268	21,343,075
Property and Equipment, At Cost, Net of Accumulated Depreciation (Note 1)	234,241	224,886
Intangible Asset-Pension (Note 3)	1,385	1,869
TOTAL ASSETS	<u>\$27,063,916</u>	<u>\$26,465,623</u>
LIABILITIES AND NET ASSETS		
Allocations Payable to Member Agencies, Other Grants Payable	\$208,234	\$212,555
Other Liabilities	291,328	221,788
Accrued Pension Cost (Note 3)	114,304	123,124
Total Liabilities	613,866	557,467
Net Assets		
Unrestricted: (Note 5)		
Board Designated	14,586,184	14,877,588
Undesignated	330,017	292,744
Total Unrestricted	14,916,201	15,170,332
Temporarily Restricted (Note 6)	2,758,068	2,474,262
Permanently Restricted (Note 7)	8,775,781	8,263,562
Total Net Assets	<u>26,450,050</u>	<u>25,908,156</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$27,063,916</u>	<u>\$26,465,623</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR 2004

	<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>2005</u>	<u>Total</u> <u>2004</u>
PUBLIC SUPPORT AND REVENUE					
Public Support and Revenue					
Gross Campaign Results (2004/2005)	\$219,455	-	-	\$219,455	\$399,315
Plus: Collection in Excess of Loss Provision	22,566	-	-	22,566	(24,763)
Less: Donor Designations	-	-	-	-	(148,996)
Net Campaign Revenue (2004/2005)	<u>242,021</u>	<u>-</u>	<u>-</u>	<u>242,021</u>	<u>225,556</u>
Gross Campaign Results (2005/2006)	-	3,033,664	-	3,033,664	2,728,237
Less: Provision for Net Collection Losses	-	(124,750)	-	(124,750)	(118,800)
Less: Donor Designations	-	(254,729)	-	(254,729)	(253,806)
Net Campaign Revenue (2005/2006)	<u>-</u>	<u>2,654,185</u>	<u>-</u>	<u>2,654,185</u>	<u>2,355,631</u>
Bequests and Other Contributions	101,250	-	500,000	601,250	175,763
Interest and Dividend Income, Net of Fees	574,983	-	-	574,983	616,620
Realized Gains on Investments	766,769	-	-	766,769	518,220
Unrealized Gains (Losses) on Investments	(669,425)	-	12,219	(657,206)	257,368
Donated Equipment and Merchandise (Note 4)	6,140	-	-	6,140	40,004
Program Income	105,724	547	-	106,271	60,674
Service Fees	12,126	-	-	12,126	13,455
Other Income	-	-	-	-	12,000
Prepaid Pension Expense (Note 3)	(33,490)	-	-	(33,490)	(30,628)
Net Assets Released from Restrictions	<u>2,370,926</u>	<u>(2,370,926)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$3,477,024</u>	<u>\$283,806</u>	<u>\$512,219</u>	<u>\$4,273,049</u>	<u>\$4,244,663</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR 2004

	<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>2005</u>	<u>Total</u> <u>2004</u>
EXPENSES					
Gross Funds Awarded/Distributed	\$3,072,982	-	-	\$3,072,982	\$3,060,132
Donated Equipment and Merchandise	-	-	-	-	34,554
Less: Allocations Funded Through Donor Designations	(151,229)	-	-	(151,229)	(148,996)
Net Allocations and Allocation Services	2,921,753	-	-	2,921,753	2,945,690
Agency Allocation Services	94,964	-	-	94,964	77,562
First Call For Help	67,464	-	-	67,464	68,856
Day of Caring/Voluntary Action Center	25,854	-	-	25,854	32,058
Community Planning and Programs	138,490	-	-	138,490	88,068
Total Program Services	3,248,525	-	-	3,248,525	3,212,234
Supporting Services					
Management and General	262,826	-	-	262,826	269,452
Fund Raising	198,112	-	-	198,112	191,053
United Way of America Dues	30,028	-	-	30,028	22,476
Total Support Services	490,966	-	-	490,966	482,981
Total Functional Expense	3,739,491	-	-	3,739,491	3,695,215
Minimum Pension Liability Adjustment (Note 3)	(8,336)	-	-	(8,336)	121,255
TOTAL ALLOCATIONS AND OTHER EXPENSE	3,731,155	-	-	3,731,155	3,816,470
Increase (Decrease) in Net Assets	(254,131)	283,806	512,219	541,894	428,193
Net Assets - Beginning of Year	15,170,332	2,474,262	8,263,562	25,908,156	25,479,963
Net Assets - End of Year	\$14,916,201	\$2,758,068	\$8,775,781	\$26,450,050	\$25,908,156

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR 2004**

	Allocations	Agency & Allocation Services	First Call For Help	Day of Caring/ VAC	Community Planning & Programs	Total Services	Management & General	Fund Raising	UWA Dues	Total	
										2005	2004
Allocations and Grants	3,072,982	-	-	-	-	3,072,982	-	-	-	3,072,982	3,060,132
Less: Donor Designations	(151,229)	-	-	-	-	(151,229)	-	-	-	(151,229)	(148,996)
Donated Equipment and Merchandise	-	-	-	-	-	-	-	-	-	-	34,554
Sub-Total	2,921,753	-	-	-	-	2,921,753	-	-	-	2,921,753	2,945,690
Staff Salaries	-	65,896	42,512	18,248	47,201	173,857	168,409	89,378	-	431,644	438,962
Personnel Benefits and Taxes (Note 3)	-	11,029	7,115	3,054	7,900	29,098	28,188	14,960	-	72,246	71,088
Sub-Total	-	76,925	49,627	21,302	55,101	202,955	196,597	104,338	-	503,890	510,050
Professional Services	-	424	274	118	4,447	5,263	10,759	576	-	16,598	17,257
Supplies and Program Costs	-	3,395	1,201	467	50,985	56,048	5,251	2,485	-	63,784	12,173
Telephone	-	544	3,042	151	402	4,139	1,391	738	-	6,268	6,282
Postage	-	2,121	2,000	656	1,519	6,296	5,421	2,884	-	14,601	14,753
Occupancy Costs	-	3,877	2,501	1,074	2,777	10,229	9,908	5,259	-	25,396	23,359
Printing, Publication, Publicity	-	357	3,931	99	16,788	21,175	913	68,498	-	90,586	75,958
Travel	-	501	319	116	568	1,504	2,670	1,230	-	5,404	4,680
Dues and Subscriptions	-	30	290	33	21	374	12,246	40	-	12,660	12,473
Equipment Maintenance, Rental	-	933	602	259	669	2,463	2,386	1,266	-	6,115	6,954
Business Insurance	-	1,179	761	327	845	3,112	3,014	1,600	-	7,726	7,375
Depreciation	-	4,398	2,837	1,218	3,151	11,604	11,239	5,965	-	28,808	29,481
Other Expenses	-	280	79	34	1,217	1,610	1,031	3,233	-	5,874	6,254
Sub-Total	-	18,039	17,837	4,552	83,389	123,817	66,229	93,774	-	283,820	216,999
United Way of America Dues	-	-	-	-	-	-	-	-	30,028	30,028	22,476
Total Functional Expense	<u>\$2,921,753</u>	<u>\$94,964</u>	<u>\$67,464</u>	<u>\$25,854</u>	<u>\$138,490</u>	<u>\$3,248,525</u>	<u>\$262,826</u>	<u>\$198,112</u>	<u>\$30,028</u>	<u>\$3,739,491</u>	<u>\$3,695,215</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities:		
Increase in Net Assets	<u>\$541,894</u>	<u>\$428,193</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	28,808	29,481
Unrealized (Gain) Loss on Investments	657,206	(257,368)
Realized Gains on Investments	(766,769)	(518,220)
Minimum Pension Liability Adjustment	(8,336)	121,255
Prepaid Pension Costs	33,490	30,628
Donated Equipment and Merchandise, Net of Allocations	(6,140)	(5,450)
Increase in Allowance for Uncollectible Pledges	13,588	45,215
(Increase) Decrease in Operating Assets		
Pledges, Grants and Bequests Receivable	(911,897)	(272,060)
Investment Income Receivable	8,102	4,957
Other Receivables and Prepayments	7,093	31,958
Increase (Decrease) in Operating Liabilities		
Allocations Payable	(4,321)	(8,874)
Other Liabilities	69,540	(23,036)
Net Adjustments	<u>(879,636)</u>	<u>(821,514)</u>
Net Cash Used in Operating Activities	<u>(337,742)</u>	<u>(393,321)</u>
Cash Flows From Investing Activities:		
Purchase of Investments	(5,849,109)	(5,665,628)
Proceeds from the Sale of Investments	6,234,260	5,945,357
Payments for Property and Equipment	(32,023)	(995)
Net Cash Provided by Investing Activities	<u>353,128</u>	<u>278,734</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>15,386</u>	<u>(114,587)</u>
Beginning Cash and Cash Equivalents	<u>1,727,356</u>	<u>1,841,943</u>
Ending Cash and Cash Equivalents	<u>\$1,742,742</u>	<u>\$1,727,356</u>
Supplemental Disclosure of Non-cash Investing Activities:		
Computer equipment donations	\$6,140	\$5,450

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

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, 2005 and 2004 respectively, management has deemed allowances of \$322,469 and \$308,881 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, 2005 and 2004, this liability amounted to approximately \$16,500 and \$14,240 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, 2005

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>2005</u>	<u>2004</u>
Land	\$ 12,881	\$ 12,881
Building and Improvements	501,469	501,469
Equipment, Furniture and Fixtures	158,975	155,717
Intangible Assets	<u>39,043</u>	<u>13,900</u>
Total Cost	\$ 712,368	\$ 683,967
Less: Accumulated Depreciation	(478,127)	(459,081)
NET	<u>\$ 234,241</u>	<u>\$ 224,886</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, 2004 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, 2005 and 2004 was \$70,491, and \$70,611, 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, 2005

NOTE 2 - INVESTMENTS

Investments are stated at fair value. Market values and unrealized appreciation at December 31, 2005 and 2004, are summarized as follows:

	<u>Cost</u>	<u>2005 Quoted Market Value</u>	<u>Unrealized Gain</u>	<u>Cost</u>	<u>2004 Quoted Market Value</u>	<u>Unrealized Gain</u>
Operating Account						
Corporate Bonds/Stocks	<u>\$25,793</u>	<u>\$25,793</u>	-	<u>\$20,159</u>	<u>\$20,159</u>	-
Trust Accounts						
Government and Corporate Bonds	<u>3,459,732</u>	<u>3,468,054</u>	<u>8,322</u>	<u>3,453,132</u>	<u>3,571,082</u>	<u>117,950</u>
Stocks	<u>5,553,232</u>	<u>6,483,690</u>	<u>930,458</u>	<u>5,681,267</u>	<u>6,791,974</u>	<u>1,110,707</u>
Total Trust Accounts	<u>9,012,964</u>	<u>9,951,744</u>	<u>938,780</u>	<u>9,134,399</u>	<u>10,363,056</u>	<u>1,228,657</u>
Endowment Funds						
Government and Corporate Bonds	<u>3,763,356</u>	<u>3,775,625</u>	<u>12,269</u>	<u>3,745,557</u>	<u>3,883,222</u>	<u>137,665</u>
Stocks	<u>6,351,180</u>	<u>7,302,106</u>	<u>950,926</u>	<u>5,871,560</u>	<u>7,076,638</u>	<u>1,205,078</u>
Total Endowment Funds	<u>10,114,536</u>	<u>11,077,731</u>	<u>963,195</u>	<u>9,617,117</u>	<u>10,959,860</u>	<u>1,342,743</u>
TOTAL INVESTMENTS	<u>\$ 19,153,293</u>	<u>\$21,055,268</u>	<u>\$1,901,975</u>	<u>\$18,771,675</u>	<u>\$21,343,075</u>	<u>\$2,571,400</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 30 from December 31.

The Organization recorded a minimum pension liability of \$114,304 and \$123,124 at December 31, 2005 and 2004, respectively, as required by Financial Accounting Standards Board Statement No. 87. The additional minimum liability was offset by the creation of an intangible asset of \$1,385 and \$1,869 and charges to other expense of \$33,490 and \$30,628 for 2005 and 2004 respectively. 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>2005</u>	<u>2004</u>
a) assumed discount rate	5.875%	6.125%
b) rate of compensation increases	3.0%	3.25%
c) expected long-term rate of return on plan assets	9.00%	9.00%

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 3 - RETIREMENT PLAN (continued)

The funded status of the Pension Plan as of December 31, 2005 and 2004 is as follows:

	<u>2005</u>	<u>2004</u>
Fair value of plan assets	\$756,282	\$ 677,668
Accumulated benefit obligation	788,707	685,423
Projected benefit obligation at the end of the year	849,080	755,982
Funded status	(92,798)	(78,314)
Employer contributions	3,750	-
Benefits paid and expense charges	8,099	10,250
Net periodic benefit cost	33,490	30,628

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 28% fixed income and 72% equities at December 31, 2005 and 30% fixed income and 70% equities at December 31, 2004.

NOTE 4 - DONATED EQUIPMENT AND MERCHANDISE

During 2005 and 2004, the United Way of Broome County received computer equipment as part of the Gifts-in-Kind and Teaming for Technology programs. In addition in 2004, the Organization received a number of multi-function printers, for distribution to local agencies. The following is a breakdown of equipment donations for 2004.

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

NOTE 5 - UNRESTRICTED NET ASSETS

Under SFAS No. 117, unrestricted net assets at December 31, 2005 consist of the following:

	<u>Net Assets</u> <u>At 12/31/04</u>	Increase (Decrease) in Net Assets	<u>Net Assets</u> <u>12/31/05</u>
Current Operating	\$ 436,927	\$ (5,572)	\$ 431,355
Trust and Endowment Accounts	14,508,519	(257,914)	14,250,605
Property, Plant and Equipment	<u>224,886</u>	<u>9,355</u>	<u>234,241</u>
	<u>\$15,170,332</u>	<u>\$ (254,131)</u>	<u>\$14,916,201</u>

**UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005**

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 \$14,250,605 and \$14,508,519 at December 31, 2005 and 2004, 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 \$335,579 and \$369,069 as of December 31, 2005 and 2004 respectively.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets result primarily from timing restrictions on campaign pledges received at December 31, 2005, but designated for use in 2006. These net assets will be transferred to unrestricted net assets when the time restrictions expire in 2006.

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>2005</u>	<u>2004</u>
Gross Campaign- Broome County State Employees	\$205,416	\$194,405
Gross Campaign – Southern Tier Federal Employees	19,658	16,424
Less: Amounts Designated to Other Agencies	<u>(115,982)</u>	<u>(132,989)</u>
Net Campaign Revenue	<u>\$109,092</u>	<u>\$ 77,840</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, 2005**

Local Member Agencies:

ACCORD	\$	11,000
Action for Older Persons		88,991
American Civic Association		30,000
American Red Cross, Southern Tier Chapter		313,223
Arthritis Foundation-Broome County Branch		8,365
Association for Retarded Citizens		27,012
Baden-Powell Council, Boy Scouts of America		145,824
Boys and Girls Club of Binghamton		268,237
Boys and Girls Club of Western Broome		246,336
Broome County Urban League		89,781
Catholic Social Services-Broome County		260,153
Broome County Catholic Youth Organization		39,185
Crime Victims Assistance Center		17,683
Day Nursery Association		158,226
Deposit Foundation and Rural Housing Services		13,102
Family and Children's Society		227,314
Girl Scouts, Indian Hills Council		127,948
Handicapped Children's Association		69,000
Jewish Community Center		72,344
Johnson City Senior Citizens Center		26,185
Legal Aid Society, Mid-New York Binghamton Chapter		20,000
Literacy Volunteers of Broome/Tioga		13,760
Mental Health Association		114,345
National MS Society, Upstate New York Chapter		13,200
Planned Parenthood of South Central NY		29,074
Retired and Senior Volunteer Program		41,725
Salvation Army		103,112
SOS Shelter		64,719
Young Men's Christian Association		196,763
Young Women's Christian Association		140,831

Total Local Member Agencies

2,977,438

National Member Agencies:

American Social Health Association		-
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Other Allocations and Grants:

Venture Grant and Miscellaneous Grants		95,544
Less: Allocations Funded By Donor Designations		(151,229)

TOTALS

\$ 2,921,753

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF SERVICES RENDERED
YEAR ENDED DECEMBER 31, 2005**

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 **\$ 94,964**

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	\$ 4,764
Grant Income and Program Income	\$ 7,524

Program Expenditures **\$ 67,464**

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 **\$ 25,854**

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 **\$ 138,490**

See the accompanying notes to financial statements.

Philip M. Piaker, CPA
(1921-2003)
Abraham L. Piaker, CPA
(1925-2005)



Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS

Established in 1955

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**Also Licensed in Maryland

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New York State Society of Certified Public Accountants

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, 2005, and the related statements of activities, functional expenses and cash flow 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, 2005, 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, 2004 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 31, 2006