

UNITED WAY OF BROOME COUNTY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2006

Volunteer Officers, Board of Directors

President:	Gina S. Denniston
Vice President:	Patrick M. Gleason
Vice President:	Judy U. Siggins
Secretary:	Ann McNichols
Treasurer:	John G. Mondorf
Assistant Treasurer:	Susan M. Farrell

Executive Director:	John G. Spencer
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UNITED WAY OF BROOME COUNTY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2006

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**UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005**

ASSETS	<u>2006</u>	<u>2005</u>
Cash and Cash Equivalents (Note 1)	\$2,726,584	\$1,742,742
Pledges, Grants and Bequests Receivable, Net of Allowance for Uncollectible Pledges (Note 1)	3,592,906	3,812,429
Investment Income Receivable	111,998	110,795
Prepaid Pension Costs (Note 3)	56,129	81,879
Other Receivables and Prepayments	413,989	25,177
Investments, At Market (Note 2)	21,689,036	21,055,268
Property and Equipment, At Cost, Net of Accumulated Depreciation (Note 1)	212,197	234,241
Intangible Asset-Pension (Note 3)	901	1,385
TOTAL ASSETS	<u>\$28,803,740</u>	<u>\$27,063,916</u>
LIABILITIES AND NET ASSETS		
Allocations Payable to Member Agencies, Other Grants Payable	\$190,560	\$208,234
Other Liabilities	731,097	291,328
Accrued Pension Cost (Note 3)	75,175	114,304
Total Liabilities	996,832	613,866
Net Assets		
Unrestricted: (Note 5)		
Board Designated	15,852,658	14,586,184
Undesignated	417,541	330,017
Total Unrestricted	16,270,199	14,916,201
Temporarily Restricted (Note 6)	2,642,885	2,758,068
Permanently Restricted (Note 7)	8,893,824	8,775,781
Total Net Assets	<u>27,806,908</u>	<u>26,450,050</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$28,803,740</u>	<u>\$27,063,916</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR 2005

	<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>2006</u>	<u>Total</u> <u>2005</u>
PUBLIC SUPPORT AND REVENUE					
Public Support and Revenue					
Gross Campaign Results (2005/2006)	-	-	-	-	\$219,455
Plus: Collection in Excess of Loss Provision	-	-	-	-	22,566
Less: Donor Designations	(108,912)	-	-	(108,912)	-
Net Campaign Revenue (2005/2006)	<u>(108,912)</u>	<u>-</u>	<u>-</u>	<u>(108,912)</u>	<u>242,021</u>
Gross Campaign Results (2006/2007)	-	2,871,401	-	2,871,401	3,033,664
Less: Provision for Net Collection Losses	-	(108,500)	-	(108,500)	(124,750)
Less: Donor Designations	-	(312,782)	-	(312,782)	(254,729)
Net Campaign Revenue (2006/2007)	<u>-</u>	<u>2,450,119</u>	<u>-</u>	<u>2,450,119</u>	<u>2,654,185</u>
Bequests and Other Contributions	142,996	98,463	42,058	283,517	601,250
Interest and Dividend Income, Net of Fees	642,780	-	-	642,780	574,983
Realized Gains on Investments	147,847	-	-	147,847	766,769
Unrealized Gains (Losses) on Investments	1,384,471	-	75,985	1,460,456	(657,206)
Donated Equipment and Merchandise (Note 4)	2,295	-	-	2,295	6,140
Grants and Program Income	553,303	-	-	553,303	106,271
Service Fees	11,512	-	-	11,512	12,126
Other Income	-	31,820	-	31,820	-
Net Assets Released from Restrictions	<u>2,695,585</u>	<u>(2,695,585)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$5,471,877</u>	<u>(\$115,183)</u>	<u>\$118,043</u>	<u>\$5,474,737</u>	<u>\$4,306,539</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR 2005

	<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>2006</u>	<u>Total</u> <u>2005</u>
EXPENSES					
Gross Funds Awarded/Distributed	\$3,059,121	-	-	\$3,059,121	\$3,072,982
Less: Allocations Funded Through Donor Designations	<u>(230,499)</u>	<u>-</u>	<u>-</u>	<u>(230,499)</u>	<u>(151,229)</u>
Net Allocations and Allocation Services	2,828,622	-	-	2,828,622	2,921,753
Agency Allocation Services	92,968	-	-	92,968	100,077
First Call For Help	85,498	-	-	85,498	70,762
Day of Caring/Voluntary Action Center	57,659	-	-	57,659	27,270
Community Planning and Programs	<u>628,313</u>	<u>-</u>	<u>-</u>	<u>628,313</u>	<u>142,152</u>
Total Program Services	3,693,060	-	-	3,693,060	3,262,014
Supporting Services					
Management and General	230,360	-	-	230,360	275,893
Fund Raising	201,966	-	-	201,966	205,046
United Way of America Dues	<u>31,138</u>	<u>-</u>	<u>-</u>	<u>31,138</u>	<u>30,028</u>
Total Support Services	463,464	-	-	463,464	510,967
Total Functional Expense	4,156,524	-	-	4,156,524	3,772,981
Minimum Pension Liability Adjustment (Note 3)	(38,645)	-	-	(38,645)	(8,336)
TOTAL ALLOCATIONS AND OTHER EXPENSE	4,117,879	-	-	4,117,879	3,764,645
Increase (Decrease) in Net Assets	1,353,998	(115,183)	118,043	1,356,858	541,894
Net Assets - Beginning of Year	<u>14,916,201</u>	<u>2,758,068</u>	<u>8,775,781</u>	<u>26,450,050</u>	<u>25,908,156</u>
Net Assets - End of Year	<u>\$16,270,199</u>	<u>\$2,642,885</u>	<u>\$8,893,824</u>	<u>\$27,806,908</u>	<u>\$26,450,050</u>

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR 2005**

	<u>Allocations</u>	<u>Agency & Allocation Services</u>	<u>First Call For Help</u>	<u>Day of Caring/ VAC</u>	<u>Community Planning & Programs</u>	<u>Total Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>UWA Dues</u>	<u>Total 2006</u>	<u>2005</u>
Allocations and Grants	3,059,121	-	-	-	-	3,059,121	-	-	-	3,059,121	3,072,982
Less: Donor Designations	(230,499)	-	-	-	-	(230,499)	-	-	-	(230,499)	(151,229)
Sub-Total	2,828,622	-	-	-	-	2,828,622	-	-	-	2,828,622	2,921,753
Staff Salaries	-	64,463	53,116	22,095	61,908	201,582	141,805	99,420	-	442,807	431,644
Personnel Benefits and Taxes (Note 3)	-	14,312	11,793	4,905	13,745	44,755	31,484	22,073	-	98,312	105,736
Sub-Total	-	78,775	64,909	27,000	75,653	246,337	173,289	121,493	-	541,119	537,380
Professional Services	-	372	307	128	527,445	528,252	10,769	574	-	539,595	16,598
Supplies and Program Costs	-	1,620	1,998	556	11,798	15,972	4,185	2,601	-	22,758	63,784
Telephone	-	533	3,263	183	525	4,504	1,172	822	-	6,498	6,268
Postage	-	1,759	2,338	750	1,972	6,819	3,870	2,714	-	13,403	14,601
Occupancy Costs	-	3,437	2,832	1,178	3,301	10,748	7,560	5,301	-	23,609	25,396
Printing, Publication, Publicity	-	22	3,227	25,761	22	29,032	3,354	53,755	-	86,141	90,586
Travel	-	83	722	10	461	1,276	1,666	1,000	-	3,942	5,404
Dues and Subscriptions	-	30	525	10	29	594	10,925	47	-	11,566	12,660
Equipment Maintenance, Rental	-	747	617	257	719	2,340	1,647	1,154	-	5,141	6,115
Business Insurance	-	1,128	930	387	1,083	3,528	2,482	1,740	-	7,750	7,726
Depreciation	-	4,126	3,399	1,414	3,962	12,901	9,075	6,363	-	28,339	28,808
Other Expenses	-	336	431	25	1,343	2,135	366	4,402	-	6,903	5,874
Sub-Total	-	14,193	20,589	30,659	552,660	618,101	57,071	80,473	-	755,645	283,820
United Way of America Dues	-	-	-	-	-	-	-	-	31,138	31,138	30,028
Total Functional Expense	<u>\$2,828,622</u>	<u>\$92,968</u>	<u>\$85,498</u>	<u>\$57,659</u>	<u>\$628,313</u>	<u>\$3,693,060</u>	<u>\$230,360</u>	<u>\$201,966</u>	<u>\$31,138</u>	<u>\$4,156,524</u>	<u>\$3,772,981</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash Flows From Operating Activities:		
Increase in Net Assets	<u>\$1,356,858</u>	<u>\$541,894</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	28,339	28,808
Unrealized (Gain) Loss on Investments	(1,460,456)	657,206
Realized Gains on Investments	(147,847)	(766,769)
Minimum Pension Liability Adjustment	(38,645)	(8,336)
Prepaid Pension Costs	25,750	33,490
Donated Equipment and Merchandise	(2,295)	(6,140)
Increase in Allowance for Uncollectible Pledges	(80,538)	13,588
(Increase) Decrease in Operating Assets		
Pledges, Grants and Bequests Receivable	376,046	(911,897)
Investment Income Receivable	(1,203)	8,102
Other Receivables and Prepayments	(388,812)	7,093
Increase (Decrease) in Operating Liabilities		
Allocations Payable	(17,674)	(4,321)
Other Liabilities	<u>439,769</u>	<u>69,540</u>
Net Adjustments	<u>(1,267,566)</u>	<u>(879,636)</u>
Net Cash Provided by (Used) in Operating Activities	<u>89,292</u>	<u>(337,742)</u>
Cash Flows From Investing Activities:		
Purchase of Investments	(5,826,964)	(5,849,109)
Proceeds from the Sale of Investments	6,725,514	6,234,260
Payments for Property and Equipment	<u>(4,000)</u>	<u>(32,023)</u>
Net Cash Provided by Investing Activities	<u>894,550</u>	<u>353,128</u>
Net Increase in Cash and Cash Equivalents	<u>983,842</u>	<u>15,386</u>
Beginning Cash and Cash Equivalents	<u>1,742,742</u>	<u>1,727,356</u>
Ending Cash and Cash Equivalents	<u>\$2,726,584</u>	<u>\$1,742,742</u>
Supplemental Disclosure of Non-cash Investing Activities:		
Computer equipment donations	\$2,295	\$6,140

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

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, 2006 and 2005 respectively, management has deemed allowances of \$241,931 and \$322,469 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, 2006 and 2005, this liability amounted to approximately \$18,640 and \$16,500 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, 2006

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>2006</u>	<u>2005</u>
Land	\$ 12,881	\$ 12,881
Building and Improvements	501,469	501,469
Equipment, Furniture and Fixtures	161,271	158,975
Intangible Assets	<u>43,043</u>	<u>39,043</u>
Total Cost	\$ 718,664	\$ 712,368
Less: Accumulated Depreciation	<u>(506,467)</u>	<u>(478,127)</u>
NET	<u>\$ 212,197</u>	<u>\$ 234,241</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, 2005 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, 2006 and 2005 was \$69,053, and \$70,491, 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, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. **Reclassification** – Certain reclassifications have been made to the prior year financial information to conform to the current year presentation. The reclassifications had no effect on the net assets reported.

NOTE 2 - INVESTMENTS

Investments are stated at fair value. Market values and unrealized appreciation at December 31, 2006 and 2005, are summarized as follows:

	<u>Cost</u>	<u>2006 Quoted Market Value</u>	<u>Unrealized Gain (Loss)</u>	<u>Cost</u>	<u>2005 Quoted Market Value</u>	<u>Unrealized Gain</u>
Operating Account						
Corporate Bonds/Stocks	<u>\$ 21,160</u>	<u>\$21,160</u>	-	<u>\$25,793</u>	<u>\$25,793</u>	-
Trust Accounts						
Government and Corporate Bonds	3,395,274	3,392,315	(2,959)	3,459,732	3,468,054	8,322
Stocks	<u>5,103,200</u>	<u>6,766,478</u>	<u>1,663,278</u>	<u>5,553,232</u>	<u>6,483,690</u>	<u>930,458</u>
Total Trust Accounts	<u>8,498,474</u>	<u>10,158,793</u>	<u>1,660,319</u>	<u>9,012,964</u>	<u>9,951,744</u>	<u>938,780</u>
Endowment Funds						
Government and Corporate Bonds	3,594,928	3,581,384	(13,544)	3,763,356	3,775,625	12,269
Stocks	<u>6,288,029</u>	<u>7,927,699</u>	<u>1,639,670</u>	<u>6,351,180</u>	<u>7,302,106</u>	<u>950,926</u>
Total Endowment Funds	<u>9,882,957</u>	<u>11,509,083</u>	<u>1,626,126</u>	<u>10,114,536</u>	<u>11,077,731</u>	<u>963,195</u>
TOTAL INVESTMENTS	<u>\$ 18,402,591</u>	<u>\$21,689,036</u>	<u>\$3,286,445</u>	<u>\$19,153,293</u>	<u>21,055,268</u>	<u>1,901,975</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 \$75,175 and \$114,304 at December 31, 2006 and 2005, 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 \$901 and \$1,385 and charges to pension expense of \$25,750 and \$33,490 for 2006 and 2005 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.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 3 - RETIREMENT PLAN (continued)

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

	<u>2006</u>	<u>2005</u>
a) assumed discount rate	6.25%	5.875%
b) rate of compensation increases	3.00%	3.00%
c) expected long-term rate of return on plan assets	9.00%	9.00%

The funded status of the Pension Plan as of December 31, 2006 and 2005 is as follows:

	<u>2006</u>	<u>2005</u>
Fair value of plan assets	\$814,995	\$ 756,282
Accumulated benefit obligation	835,921	788,707
Projected benefit obligation at the end of the year	918,038	849,080
Funded status	(103,043)	(92,798)
Employer contributions	6,250	3,750
Benefits paid and expense charges	9,695	8,099
Net periodic benefit cost	25,750	33,490

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 26% fixed income and 74% equities at December 31, 2006 and 28% fixed income and 72% equities at December 31, 2005.

NOTE 4 - DONATED EQUIPMENT AND MERCHANDISE

During 2006 and 2005, the United Way of Broome County received computer equipment as part of the Gifts-in-Kind and Teaming for Technology programs.

NOTE 5 - UNRESTRICTED NET ASSETS

Under SFAS No. 117, unrestricted net assets at December 31, 2006 consist of the following:

	<u>Net Assets</u> <u>At 12/31/05</u>	<u>Increase</u> <u>(Decrease)</u> <u>in Net Assets</u>	<u>Net Assets</u> <u>12/31/06</u>
Current Operating	\$ 431,355	\$83,818	\$ 515,173
Trust and Endowment Accounts	14,250,605	1,292,224	15,542,829
Property, Plant and Equipment	<u>234,241</u>	<u>(22,044)</u>	<u>212,197</u>
	<u>\$14,916,201</u>	<u>1,353,998</u>	<u>\$16,270,199</u>

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 \$15,542,829 and \$14,250,605 at December 31, 2006 and 2005, respectively.

**UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 5 - UNRESTRICTED NET ASSETS (continued)

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 \$309,829 and \$335,579 as of December 31, 2006 and 2005 respectively.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets result primarily from timing restrictions on campaign pledges received at December 31, 2006, but designated for use in 2007. These net assets will be transferred to unrestricted net assets when the time restrictions expire in 2007.

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>2006</u>	<u>2005</u>
Gross Campaign- Broome County State Employees	\$225,650	\$205,416
Gross Campaign – Southern Tier Federal Employees	20,806	19,658
Less: Amounts Designated to Other Agencies	<u>(156,488)</u>	<u>(115,982)</u>
Net Campaign Revenue	<u>\$89,968</u>	<u>\$109,092</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, 2006**

Local Member Agencies:

ACCORD	\$ 11,030
Action for Older Persons	91,322
American Civic Association	30,384
American Red Cross, Southern Tier Chapter	315,525
Arthritis Foundation-Broome County Branch	5,360
Association for Retarded Citizens	26,456
Baden-Powell Council, Boy Scouts of America	146,013
Boys and Girls Club of Binghamton	268,580
Boys and Girls Club of Western Broome	246,636
Broome County Urban League	89,781
Catholic Social Services-Broome County	260,473
Broome County Catholic Youth Organization	39,185
Crime Victims Assistance Center	17,863
Day Nursery Association	158,661
Deposit Foundation and Rural Housing Services	13,366
Family and Children's Society	227,673
Girl Scouts, Indian Hills Council	128,146
Handicapped Children's Association	69,254
Jewish Community Center	72,489
Johnson City Senior Citizens Center	26,319
Legal Aid Society, Mid-New York Binghamton Chapter	20,000
Literacy Volunteers of Broome/Tioga	13,906
Mental Health Association	114,284
National MS Society, Upstate New York Chapter	13,354
Planned Parenthood of South Central NY	29,485
Retired and Senior Volunteer Program	42,234
Salvation Army	103,112
SOS Shelter	64,589
Young Men's Christian Association	200,810
Young Women's Christian Association	150,831

Total Local Member Agencies	2,997,121
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National Member Agencies:

American Social Health Association	-
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Other Allocations and Grants:

Venture Grant and Miscellaneous Grants	62,000
Less: Allocations Funded By Donor Designations	(230,499)

TOTALS	\$ <u>2,828,622</u>
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See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF SERVICES RENDERED
YEAR ENDED DECEMBER 31, 2006**

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	\$ 92,968
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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.

Program Expenditures	\$ 85,498
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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	\$ 57,659
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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. A new coalition this year is the Building Brighter Futures For Broome (BBFFB), Early Childhood Coalition program, for which United Way of Broome is acting as fiscal agent. The BBFFB project involves five public and not-for-profit service providers and their funded programs are designed to improve effective parenting, strengthen early childhood development and enhance the skills of infant and toddler caregivers.

Program Expenditures	\$ 628,313
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See the accompanying notes to financial statements.

Officers:
James J. Lewis, CPA*/ABV, CVA+
Alan D. Piaker, CPA
Ronald L. Simons, CPA
Roy E. Fuller, CPA
John R. May, CPA*
Angelo J. Gallo, CPA



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Of Counsel:
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Kenneth L. Coleman, CPA

Principals:
Amy E. Brown, CPA**
Richard A. Lynch, CPA
Janeen F. Sutryk, CPA*

Members of:
American Institute of Certified Public Accountants
New York State Society of Certified Public Accountants

*Also Licensed in Pennsylvania
**Also Licensed in Maryland

Also Member of:
*National Association of Certified Valuation Analysts

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, 2006, 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, 2006, 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, 2005 on which we expressed an unqualified opinion. The data from that report has been included for the purpose of comparison.

PIAKER & LYONS, P.C.

Binghamton, New York
June 11, 2007