

**UNITED WAY OF BROOME COUNTY, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2007**

**UNITED WAY OF BROOME COUNTY, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2007**

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**UNITED WAY OF BROOME COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2007 AND 2006**

<b>ASSETS</b>	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents (Note 1)	\$3,243,053	\$2,726,584
Pledges, Grants and Bequests Receivable, Net of Allowance for Uncollectible Pledges (Note 1)	3,609,802	3,592,906
Investment Income Receivable	111,798	111,998
Prepaid Pension Costs (Note 3)	-	56,129
Other Receivables and Prepayments	262,176	413,989
Investments, At Market (Note 2)	22,592,705	21,689,036
Property and Equipment, At Cost, Net of Accumulated Depreciation (Note 1)	198,991	212,197
Intangible Asset-Pension (Note 3)	-	901
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b><u>\$30,018,525</u></b>	<b><u>\$28,803,740</u></b>
 <b>LIABILITIES AND NET ASSETS</b>  		
Allocations Payable to Member Agencies, Other Grants Payable	\$442,568	\$401,004
Other Liabilities	321,833	520,653
Accrued Pension Cost (Note 3)	139,536	75,175
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>903,937</b>	<b>996,832</b>
<b>Net Assets</b>		
Unrestricted: (Note 5)		
Board Designated	17,059,045	15,852,658
Undesignated	253,700	417,541
	<hr/>	<hr/>
<b>Total Unrestricted</b>	<b>17,312,745</b>	<b>16,270,199</b>
Temporarily Restricted (Note 6)	2,877,525	2,642,885
Permanently Restricted (Note 7)	8,924,318	8,893,824
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<b>Total Net Assets</b>	<b><u>29,114,588</u></b>	<b><u>27,806,908</u></b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$30,018,525</u></b>	<b><u>\$28,803,740</u></b>

See the accompanying notes to financial statements.

**EXHIBIT B**

**UNITED WAY OF BROOME COUNTY, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007  
WITH COMPARATIVE TOTALS FOR 2006**

	Unrestricted <u>Net Assets</u>	Temporarily Restricted <u>Net Assets</u>	Permanently Restricted <u>Net Assets</u>	Total <u>2007</u>	Total <u>2006</u>
<b>PUBLIC SUPPORT AND REVENUE</b>					
<b>Public Support and Revenue</b>					
Gross Campaign Results (2006/2007)	\$117,657	-	-	\$117,657	-
Plus: Collection in Excess of Loss Provision	14,393	-	-	14,393	-
Less: Donor Designations	-	-	-	-	(\$108,912)
Net Campaign Revenue (2006/2007)	<u>132,050</u>	<u>-</u>	<u>-</u>	<u>132,050</u>	<u>(108,912)</u>
Gross Campaign Results (2007/2008)	-	\$2,889,398	-	2,889,398	2,871,401
Less: Provision for Net Collection Losses	-	(106,500)	-	(106,500)	(108,500)
Less: Donor Designations	-	(304,128)	-	(304,128)	(312,782)
Net Campaign Revenue (2007/2008)	<u>-</u>	<u>2,478,770</u>	<u>-</u>	<u>2,478,770</u>	<u>2,450,119</u>
Bequests and Other Contributions	321,511	11,931	-	333,442	283,517
Interest and Dividend Income, Net of Fees	704,661	-	-	704,661	642,780
Realized Gains on Investments	1,043,674	-	-	1,043,674	147,847
Unrealized Gains (Losses) on Investments	192,452	-	30,494	222,946	1,460,456
Donated Equipment and Merchandise (Note 4)	10,505	-	-	10,505	2,295
Grants and Program Income	595,625	456,305	-	1,051,930	553,303
Service Fees	24,634	-	-	24,634	11,512
Other Income	1,203	25,800	-	27,003	\$31,820
Net Assets Released from Restrictions	<u>2,738,166</u>	<u>(2,738,166)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b><u>\$5,764,481</u></b>	<b><u>\$234,640</u></b>	<b><u>\$30,494</u></b>	<b><u>\$6,029,615</u></b>	<b><u>\$5,474,737</u></b>

See the accompanying notes to financial statements.

EXHIBIT B

UNITED WAY OF BROOME COUNTY, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007  
WITH COMPARATIVE TOTALS FOR 2006

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total 2007	Total 2006
<b>EXPENSES</b>					
Gross Funds Awarded/Distributed	\$3,174,396	-	-	\$3,174,396	\$3,059,121
Less: Allocations Funded Through Donor Designations	(199,722)	-	-	(199,722)	(230,499)
<b>Net Allocations and Grants</b>	<b>2,974,674</b>	-	-	<b>2,974,674</b>	<b>2,828,622</b>
Agency Allocation Services	82,024	-	-	82,024	92,968
First Call For Help	103,050	-	-	103,050	85,498
Day of Caring/Voluntary Action Center	50,180	-	-	50,180	57,659
Community Planning and Programs	893,668	-	-	893,668	628,313
<b>Total Program Services</b>	<b>4,103,596</b>	-	-	<b>4,103,596</b>	<b>3,693,060</b>
<b>Supporting Services</b>					
Management and General	269,258	-	-	269,258	230,360
Fund Raising	220,651	-	-	220,651	201,966
United Way of America Dues	31,111	-	-	31,111	31,138
<b>Total Support Services</b>	<b>521,020</b>	-	-	<b>521,020</b>	<b>463,464</b>
<b>Total Functional Expense</b>	<b>4,624,616</b>	-	-	<b>4,624,616</b>	<b>4,156,524</b>
Minimum Pension Liability Adjustment (Note 3)	97,319	-	-	97,319	(38,645)
<b>TOTAL ALLOCATIONS AND OTHER EXPENSE</b>	<b>4,721,935</b>	-	-	<b>4,721,935</b>	<b>4,117,879</b>
Increase in Net Assets	1,042,546	234,640	30,494	1,307,680	1,356,858
Net Assets - Beginning of Year	16,270,199	2,642,885	8,893,824	27,806,908	26,450,050
<b>Net Assets - End of Year</b>	<b>\$17,312,745</b>	<b>\$2,877,525</b>	<b>\$8,924,318</b>	<b>\$29,114,588</b>	<b>\$27,806,908</b>

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2007  
WITH COMPARATIVE TOTALS FOR 2006**

	Agency & Allocation Services	First Call For Help	Day of Caring/ VAC	Community Planning & Programs	Total Services	Management & General	Fund Raising	UWA Dues	2007	2006
Allocations and Grants	-	-	-	-	\$3,174,396	-	-	-	\$3,174,396	\$3,059,121
Less: Donor Designations	-	-	-	-	(199,722)	-	-	-	(199,722)	(230,499)
Sub-Total	-	-	-	-	2,974,674	-	-	-	2,974,674	2,828,622
Staff Salaries	56,660	65,229	19,471	62,308	203,668	169,773	109,502	-	482,943	442,807
Personnel Benefits and Taxes (Note 3)	11,808	13,594	4,058	12,985	42,445	35,382	22,821	-	100,648	98,312
Sub-Total	68,468	78,823	23,529	75,293	246,113	205,155	132,323	-	583,591	541,119
Professional Services	310	357	107	562,818	563,592	11,329	599	-	575,520	539,595
Supplies and Program Costs	1,417	1,662	469	241,849	245,397	5,019	3,325	-	253,741	22,758
Telephone	527	3,593	181	592	4,893	1,580	1,020	-	7,493	6,498
Postage	1,416	2,798	585	1,883	6,682	4,247	2,748	-	13,677	13,403
Occupancy Costs	3,113	3,584	1,070	3,423	11,190	9,328	6,016	-	26,534	23,609
Printing, Publication, Publicity	-	3,326	22,012	-	25,338	3,528	58,211	-	87,077	86,141
Travel	66	771	9	551	1,397	1,027	845	-	3,269	3,942
Dues and Subscriptions	1,001	1,818	344	1,101	4,264	6,442	1,935	-	12,641	11,566
Equipment Maintenance, Rental	964	1,109	331	1,060	3,464	2,888	1,863	-	8,215	5,141
Business Insurance	941	1,083	323	1,034	3,381	2,818	1,818	-	8,017	7,750
Depreciation	3,228	3,717	1,109	3,550	11,604	9,674	6,240	-	27,518	28,339
Other Expenses	573	409	111	514	1,607	6,223	3,708	-	11,538	6,903
Sub-Total	13,556	24,227	26,651	818,375	882,809	64,103	88,328	-	1,035,240	755,645
United Way of America Dues	-	-	-	-	-	-	-	31,111	31,111	31,138
<b>Total Functional Expense</b>	<b>\$82,024</b>	<b>\$103,050</b>	<b>\$50,180</b>	<b>\$893,668</b>	<b>\$4,103,596</b>	<b>\$269,258</b>	<b>\$220,651</b>	<b>\$31,111</b>	<b>\$4,624,616</b>	<b>\$4,156,524</b>

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.**  
**STATEMENTS OF CASH FLOW**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
<b>Cash Flows From Operating Activities:</b>		
Increase in Net Assets	<u>\$1,307,680</u>	<u>\$1,356,858</u>
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:</b>		
Depreciation	27,518	28,339
Unrealized (Gain) Loss on Investments	(222,946)	(1,460,456)
Realized Gains on Investments	(1,043,674)	(147,847)
Minimum Pension Liability Adjustment	97,319	(38,645)
Prepaid Pension Costs	24,072	25,750
Donated Equipment and Merchandise	(10,505)	(2,295)
Increase (decrease) in Allowance for Uncollectible Pledges	3,753	(80,538)
<b>(Increase) Decrease in Operating Assets</b>		
Pledges, Grants and Bequests Receivable	9,845	376,046
Investment Income Receivable	200	(1,203)
Other Receivables and Prepayments	151,813	(388,812)
<b>Increase (Decrease) in Operating Liabilities</b>		
Allocations Payable	41,564	(17,674)
Other Liabilities	<u>(198,820)</u>	<u>439,769</u>
<b>Net Adjustments</b>	<u>(1,119,861)</u>	<u>(1,267,566)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>187,819</u>	<u>89,292</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of Investments	(5,464,188)	(5,826,964)
Proceeds from the Sale of Investments	5,796,645	6,725,514
Payments for Property and Equipment	<u>(3,807)</u>	<u>(4,000)</u>
<b>Net Cash Provided by Investing Activities</b>	<u>328,650</u>	<u>894,550</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>516,469</u>	<u>983,842</u>
Beginning Cash and Cash Equivalents	<u>2,726,584</u>	<u>1,742,742</u>
<b>Ending Cash and Cash Equivalents</b>	<u>\$3,243,053</u>	<u>\$2,726,584</u>
<b>Supplemental Disclosure of Non-cash Investing Activities:</b>		
Computer equipment donations	\$10,505	\$2,295

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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, 2007 and 2006 respectively, management has deemed allowances of \$245,684 and \$241,931 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, 2007 and 2006, this liability amounted to approximately \$11,648 and \$18,640 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, 2007**

**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>2007</u>	<u>2006</u>
Land	\$ 12,881	\$ 12,881
Building and Improvements	504,944	501,469
Equipment, Furniture and Fixtures	153,774	161,271
Intangible Assets	<u>43,043</u>	<u>43,043</u>
<b>Total Cost</b>	<b>\$ 714,642</b>	<b>\$ 718,664</b>
<b>Less: Accumulated Depreciation</b>	<b><u>(515,651)</u></b>	<b><u>(506,467)</u></b>
<b>NET</b>	<b><u>\$ 198,991</u></b>	<b><u>\$ 212,197</u></b>

**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, 2006 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, 2007 and 2006 was \$79,038, and \$69,053, 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, 2007**

**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, 2007 and 2006, are summarized as follows:

	<u>Cost</u>	<u>2007 Quoted Market Value</u>	<u>Unrealized Gain (Loss)</u>	<u>Cost</u>	<u>2006 Quoted Market Value</u>	<u>Unrealized Gain</u>
<b>Operating Account</b>						
Corporate Bonds/Stocks	<u>\$24,976</u>	<u>\$24,976</u>	\$ -	<u>\$21,160</u>	<u>\$21,160</u>	\$ -
<b>Trust Accounts</b>						
Government and Corporate Bonds	3,210,230	3,287,870	77,640	3,395,274	3,392,315	(2,959)
Stocks	<u>5,107,625</u>	<u>6,811,781</u>	<u>1,704,156</u>	<u>5,103,200</u>	<u>6,766,478</u>	<u>1,663,278</u>
<b>Total Trust Accounts</b>	<u>8,317,855</u>	<u>10,099,651</u>	<u>1,781,796</u>	<u>8,498,474</u>	<u>10,158,793</u>	<u>1,660,319</u>
<b>Endowment Funds</b>						
Government and Corporate Bonds	4,140,492	4,201,663	61,171	3,594,928	3,581,384	(13,544)
Stocks	<u>6,630,485</u>	<u>8,266,415</u>	<u>1,635,930</u>	<u>6,288,029</u>	<u>7,927,699</u>	<u>1,639,670</u>
<b>Total Endowment Funds</b>	<u>10,770,977</u>	<u>12,468,078</u>	<u>1,697,101</u>	<u>9,882,957</u>	<u>11,509,083</u>	<u>1,626,126</u>
<b>TOTAL INVESTMENTS</b>	<u>\$ 19,113,808</u>	<u>22,592,705</u>	<u>\$3,478,897</u>	<u>\$18,402,591</u>	<u>21,689,036</u>	<u>3,286,445</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. The Organization's funding policy is to make at least the required annual contribution under applicable standards and will attempt to increase the contribution to the recommended level, when funding is available. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Expected Organization contributions in 2008 are \$36,000.

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans-an amendment of FASB Statements No. 87, 88, 106, and 132(R)*. SFAS No. 158 requires an employer that sponsors a defined benefit postretirement plan to report the current economic status (the overfunded or underfunded status) of the plan in its statement of financial position, to measure the plan assets and plan obligations as of the statement of financial position date, and to include enhanced disclosures about the plan.

**UNITED WAY OF BROOME COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 3 - RETIREMENT PLAN (continued)**

The Organization adopted the recognition provisions of FASB Statement 158, as of December 31, 2007, the incremental effects of applying FASB Statement 158 on individual line items in the statement of financial position as of that date are as follows:

	<b>Before Application of SFAS No. 158</b>	<b>Adjustments</b>	<b>After Application of SFAS No. 158</b>
Prepaid and intangible asset	\$ 32,057	(\$32,057)	\$ -
Total assets	30,050,582	(32,057)	30,018,525
Pension liability, net	85,433	54,103	139,536
Total liabilities	849,834	54,103	903,937
Unrestricted net assets	17,398,905	(86,160)	17,312,745
Total net assets	29,200,748	(86,160)	29,114,588

The annual measurement date is October 1<sup>st</sup>. The following tables provide further information about the Organization's pension benefit plan:

	<u>2007</u>	<u>2006</u>
Obligations and Funded Status:		
Projected benefit obligation at the end of the year	<b>\$1,059,878</b>	\$918,038
Fair value of plan assets	<b>918,467</b>	814,995
Funded status	<b>(141,411)</b>	(103,043)
Accumulated benefit obligation	<b>973,718</b>	835,291
Employer contributions	<b>7,500</b>	6,250
Benefits paid and expense charges	<b>14,594</b>	9,695
Net periodic benefit cost	<b>24,072</b>	25,750
<u>Amounts recognized in the statement of financial position consist of:</u>		
Accrued pension cost	<b>\$139,536</b>	\$75,175
Prepaid pension cost	-	56,129
Intangible asset- pension	-	901

Amounts recognized in the statement of activities consist of:

Net (gain) or loss	<b>\$97,319</b>
Amounts previously recognized in unrestricted net assets, not yet recognized as periodic pension cost	<u>74,274</u>
Total charge to net assets	<u><b>\$171,593</b></u>

**UNITED WAY OF BROOME COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 3 - RETIREMENT PLAN (continued)**

**Determination of Long-Term Rate-of-Return**

The long-term rate-of-return-on-assets assumption was set based on historical returns earned by equities and fixed income securities, adjusted to reflect expectations of future returns as applied to the plan's target allocation of asset classes. Equities and fixed income securities were assumed to earn real rates of return in the ranges of 5-9% and 2-6%, respectively. The long-term inflation rate was estimated to be 3%. When these overall return expectations are applied to the plan's target allocation, the result is an expected rate of return of 7% to 11%.

**Investment Policies and Strategies**

Plan assets are invested in six diversified investment funds of the RSI Retirement Trust (the "Trust"), a no load series open-ended mutual fund. The investment funds include four equity mutual funds and two bond mutual funds, each with its own investment objectives, investment strategies and risks, as detailed in the Trust's prospectus. The Trust has been given discretion by the Plan Sponsor to determine the appropriate strategic asset allocation versus plan liabilities, as governed by the Trust's Statement of Investment Objectives and Guidelines (the "Guidelines").

The long-term investment objective is to be invested 65% in equity securities (equity mutual funds) and 35% in debt securities (bond mutual funds). If the plan is underfunded under the Guidelines, the bond fund portion will be temporarily increased to 50% in order to lessen asset value volatility. When the plan is no longer underfunded, the bond fund portion will be decreased back to 35%. Asset rebalancing is scheduled when the investment mix varies more than 10% from the target (i.e., a 20% target range).

The investment goal is to achieve investment results that will contribute to the proper funding of the pension plan by exceeding the rate of inflation over the long-term. In addition, investment managers for the Trust are expected to provide above average performance when compared to their peer managers. Performance volatility is also monitored. Risk/volatility is further managed by the distinct investment objectives of each of the Trust funds and the diversification each fund.

**Current Asset Allocation**

The organization's pension plan weighted-average asset allocations at October 1, 2006, and October 1, 2007, by asset category are as follows:

Asset Category	<u>Plan assets at</u> <u>October 1,</u> <u>2007</u>	<u>Plan assets at</u> <u>October 1,</u> <u>2006</u>
Equity securities	70%	73%
Debt Securities (Bond Mutual Funds)	30%	27%
Real Estate	0%	0%
Other	0%	0%
Total	<u>100%</u>	<u>100%</u>

**UNITED WAY OF BROOME COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007**

**NOTE 3 - RETIREMENT PLAN (continued)**

**Cash Flows**

**Expected Contributions**

For the Fiscal Year ending December 31, 2008, the United Way of Broome County expects to contribute \$36,000 to the Plan.

**Estimated Future Benefit Payments**

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid.

**Fiscal year ending December 31:**

2008	\$ 35,743
2009	42,458
2010	70,287
2011	72,408
2012	72,650
Years 2013-2017	\$420,893

**NOTE 4 - DONATED EQUIPMENT AND MERCHANDISE**

During 2007 and 2006, 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, 2007 consist of the following:

	<b>Net Assets</b>	<b>Increase</b>	<b>Net Assets</b>
	<b><u>At 12/31/06</u></b>	<b>(Decrease)</b>	<b><u>12/31/07</u></b>
		<b><u>in Net Assets</u></b>	
Current Operating	\$ 515,173	\$(190,350)	<b>\$324,823</b>
Trust and Endowment Accounts	15,542,829	1,246,102	<b>16,788,931</b>
Property, Plant and Equipment	<u>212,197</u>	<u>(13,206)</u>	<b><u>198,991</u></b>
	<b><u>\$16,270,199</u></b>	<b><u>\$1,042,546</u></b>	<b><u>\$17,312,745</u></b>

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 \$16,788,931 and \$15,542,829 at December 31, 2007 and 2006, 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 \$253,700 and \$309,829 as of December 31, 2007 and 2006 respectively.

**UNITED WAY OF BROOME COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007**

**NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets result primarily from timing restrictions on campaign pledges received at December 31, 2007, but designated for use in 2008. These net assets will be transferred to unrestricted net assets when the time restrictions expire in 2008. In addition, as of the end of December, there remained \$205,480 in unspent Foundation awards and designated contributions for the Broome Area Networking in Disaster (BAND) initiative. These funds were substantially spent by the end of May, 2008.

**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 served as the campaign agent for the Broome County State Employees Campaign for both 2007 and 2006 and the Southern Tier Federal Employees Campaign for 2006. Amounts raised as part of these campaigns are included in Gross Campaign results reported. The following is a summary of the campaign results.

	<u>2007</u>	<u>2006</u>
Gross Campaign- Broome County State Employees	\$245,173	\$225,650
Gross Campaign – Southern Tier Federal Employees	-	20,806
Less: Amounts Designated to Other Agencies	<u>(165,449)</u>	<u>( 156,488)</u>
Net Campaign Revenue	<u>\$79,724</u>	<u>\$89,968</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, 2007**

**Local Member Agencies:**

ACCORD	\$ 11,206
Action for Older Persons	92,708
American Civic Association	32,000
American Red Cross, Southern Tier Chapter	316,848
Association for Retarded Citizens	26,550
Baden-Powell Council, Boy Scouts of America	146,862
Boys and Girls Club of Binghamton	270,665
Boys and Girls Club of Western Broome	247,367
Broome County Urban League	90,340
Catholic Social Services-Broome County	262,646
Broome County Catholic Youth Organization	39,292
Crime Victims Assistance Center	17,863
Day Nursery Association	159,761
Deposit Foundation and Rural Housing Services	13,417
Family and Children's Society	228,488
Girl Scouts, Indian Hills Council	128,774
Handicapped Children's Association	69,254
Jewish Community Center	72,597
Johnson City Senior Citizens Center	25,619
Legal Aid Society, Mid-New York Binghamton Chapter	20,367
Literacy Volunteers of Broome/Tioga	13,906
Mental Health Association	114,813
National MS Society, Upstate New York Chapter	14,166
Planned Parenthood of South Central NY	29,500
Retired and Senior Volunteer Program	42,439
Salvation Army	103,163
SOS Shelter	64,589
Wilson Children's Center	11,000
Young Men's Christian Association	201,987
Young Women's Christian Association	151,508

**Total Local Member Agencies****3,019,695****National Member Agencies:**

American Social Health Association

-

**Other Allocations and Grants:**

Venture Grant and Miscellaneous Grants

154,701

Less: Allocations Funded By Donor Designations

(199,722)**TOTALS****\$ 2,974,674**

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.  
STATEMENT OF SERVICES RENDERED  
YEAR ENDED DECEMBER 31, 2007**

**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** **\$ 82,024**

**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** **\$ 103,050**

**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** **\$ 50,180**

**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.

**Community programs** in effect include the Building Brighter Futures for Broome, Early Childhood Coalition program, (BBFFB) for which United Way of Broome acted as fiscal agent. The BBFFB project involves five public and not-for-profit service providers and their funded programs and is designed to improve effective parenting, strengthen early childhood development and enhance the skills of infant and toddler caregivers. The total amount paid to the service providers amounted to \$552,828 and \$521,631 for 2007 and 2006, respectively.

In addition, during 2007, the United Way of Broome County was part of another coalition Broome Area Networking in Disaster (BAND). This group was formed to assist in the rebuilding effort for residents impacted by the June, 2006 Flood, by providing coordination of the distribution of donated materials, and available funds. In addition to State and Federal flood relief grants, available funding included grants from several local foundations. The total amount of spent for this program in 2007 was \$240,348.

**Program Expenditures** **\$ 893,668**

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  
Richard A. Lynch, CPA  
Amy E. Brown, CPA\*\*

*Principals:*

Janeen F. Sutryk, CPA\*

*Members of:*

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



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

*Of Counsel:*  
Allan R. Lyons, CPA  
Kenneth L. Coleman, CPA

\*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, 2007, and the related statement 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, 2007, 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, 2006 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.

Binghamton, New York  
June 10, 2008