

UNITED WAY OF BROOME COUNTY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2008

**UNITED WAY OF BROOME COUNTY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

ASSETS	<u>2008</u>	<u>2007</u>
Cash and Cash Equivalents (Note 1)	\$2,607,455	\$3,243,053
Pledges, Grants and Bequests Receivable, Net of Allowance for Uncollectible Pledges (Note 1)	4,000,457	3,609,802
Investment Income Receivable	104,361	111,798
Other Receivables and Prepayments	117,942	262,176
Investments, At Market (Note 2)	17,497,838	22,592,705
Property and Equipment, At Cost, Net of Accumulated Depreciation (Note 1)	<u>199,659</u>	<u>198,991</u>
TOTAL ASSETS	<u>\$24,527,712</u>	<u>\$30,018,525</u>
LIABILITIES AND NET ASSETS		
Allocations Payable to Member Agencies, Other Grants Payable	\$211,554	\$442,568
Other Liabilities	281,734	321,833
Accrued Pension Cost (Note 3)	<u>537,967</u>	<u>139,536</u>
Total Liabilities	1,031,255	903,937
Net Assets		
Unrestricted: (Note 5)		
Board Designated	10,367,517	17,042,631
Undesignated	<u>-</u>	<u>270,114</u>
Total Unrestricted	10,367,517	17,312,745
Temporarily Restricted (Note 6)	2,483,939	2,877,525
Permanently Restricted (Note 7)	<u>10,645,001</u>	<u>8,924,318</u>
Total Net Assets	<u>23,496,457</u>	<u>29,114,588</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$24,527,712</u>	<u>\$30,018,525</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE TOTALS FOR 2007

	<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>2008</u>	<u>Total</u> <u>2007</u>
PUBLIC SUPPORT AND REVENUE					
Public Support and Revenue					
Gross Campaign Results (2007/2008)	\$118,406	-	-	\$118,406	\$117,657
Less: Provision for Net Collection Losses	(13,500)	-	-	(13,500)	14,393
Less: Donor Designations	-	-	-	-	-
Net Campaign Revenue (2007/2008)	<u>104,906</u>	<u>-</u>	<u>-</u>	<u>104,906</u>	<u>132,050</u>
Gross Campaign Results (2008/2009)	-	\$2,738,622	-	2,738,622	2,889,398
Less: Provision for Net Collection Losses	-	(113,000)	-	(113,000)	(106,500)
Less: Donor Designations	-	(307,820)	-	(307,820)	(304,128)
Net Campaign Revenue (2008/2009)	<u>-</u>	<u>2,317,802</u>	<u>-</u>	<u>2,317,802</u>	<u>2,478,770</u>
Bequests and Other Contributions	375,540	37,600	\$2,068,145	2,481,285	333,442
Interest and Dividend Income, Net of Fees	704,456	-	-	704,456	704,661
Realized Gains on Investments	55,019	-	-	55,019	1,043,674
Unrealized Gains (Losses) on Investments	(6,328,477)	-	(347,462)	(6,675,939)	222,946
Donated Equipment and Merchandise (Note 4)	3,925	-	-	3,925	10,505
Grants and Program Income	70,134	-	-	70,134	1,051,930
Service Fees	7,556	-	-	7,556	24,634
Other Income	351	24,200	-	24,551	\$27,003
Net Assets Released from Restrictions	<u>2,773,188</u>	<u>(2,773,188)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>(\$2,233,402)</u>	<u>(\$393,586)</u>	<u>\$1,720,683</u>	<u>(\$906,305)</u>	<u>\$6,029,615</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE TOTALS FOR 2007

	<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>2008</u>	Total <u>2007</u>
EXPENSES					
Gross Funds Awarded/Distributed	\$3,209,690	-	-	\$3,209,690	\$3,174,396
Less: Allocations Funded Through Donor Designations	(217,424)	-	-	(217,424)	(199,722)
Net Allocations and Grants	<u>2,992,266</u>	-	-	<u>2,992,266</u>	<u>2,974,674</u>
Agency Allocation Services	68,741	-	-	68,741	82,024
First Call For Help	154,837	-	-	154,837	103,050
Day of Caring/Voluntary Action Center	51,501	-	-	51,501	50,180
Community Planning and Programs	491,924	-	-	491,924	893,668
Total Program Services	<u>3,759,269</u>	-	-	<u>3,759,269</u>	<u>4,103,596</u>
Supporting Services					
Management and General	333,279	-	-	333,279	269,258
Fund Raising	220,847	-	-	220,847	227,706
Total Support Services	<u>554,126</u>	-	-	<u>554,126</u>	<u>496,964</u>
Total Functional Expense	<u>4,313,395</u>	-	-	<u>4,313,395</u>	<u>4,600,560</u>
Minimum Pension Liability Adjustment (Note 3)	398,431	-	-	398,431	97,319
TOTAL ALLOCATIONS AND OTHER EXPENSE	<u>4,711,826</u>	-	-	<u>4,711,826</u>	<u>4,697,879</u>
Increase (Decrease) in Net Assets	(6,945,228)	(393,586)	1,720,683	(5,618,131)	1,307,680
Net Assets - Beginning of Year	<u>17,312,745</u>	<u>2,877,525</u>	<u>8,924,318</u>	<u>29,114,588</u>	<u>27,806,908</u>
Net Assets - End of Year	<u><u>\$10,367,517</u></u>	<u><u>\$2,483,939</u></u>	<u><u>\$10,645,001</u></u>	<u><u>\$23,496,457</u></u>	<u><u>\$29,114,588</u></u>

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE TOTALS FOR 2007**

	<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>Total</u>	
									<u>2008</u>	<u>2007</u>
Allocations and Grants	\$3,209,690	-	-	-	-	\$3,209,690	-	-	\$3,209,690	\$3,174,396
Less: Donor Designations	(217,424)	-	-	-	-	(217,424)	-	-	(217,424)	(199,722)
Sub-Total	<u>2,992,266</u>	-	-	-	-	<u>2,992,266</u>	-	-	<u>2,992,266</u>	<u>2,974,674</u>
Staff Salaries	-	\$44,525	\$93,347	\$17,843	\$33,998	189,713	\$207,315	\$108,340	505,368	482,943
Personnel Benefits and Taxes (Note 3)	-	9,755	20,450	3,909	7,448	41,562	45,418	23,735	110,715	100,648
Sub-Total	-	<u>54,280</u>	<u>113,797</u>	<u>21,752</u>	<u>41,446</u>	<u>231,275</u>	<u>252,733</u>	<u>132,075</u>	<u>616,083</u>	<u>583,591</u>
Professional Services	-	574	1,203	230	438	2,445	14,921	1,396	18,762	575,520
Supplies and Program Costs	-	733	2,979	235	439,730	443,677	3,242	2,540	449,459	253,741
Telephone	-	436	4,023	175	333	4,967	2,031	1,061	8,059	7,493
Postage	-	972	2,995	414	759	5,140	4,526	2,365	12,031	13,677
Occupancy Costs	-	2,398	5,027	961	1,831	10,217	11,165	5,835	27,217	26,534
Printing, Publication, Publicity	-	403	4,970	24,482	307	30,162	3,248	51,960	85,370	87,077
Travel	-	536	2,171	179	927	3,813	1,748	2,370	7,931	3,269
Dues and Subscriptions	-	194	957	78	148	1,377	3,351	473	5,201	4,341
Equipment Maintenance, Rental	-	536	1,124	215	409	2,284	2,496	1,304	6,084	8,215
Business Insurance	-	716	1,501	287	547	3,051	3,334	1,742	8,127	8,017
Depreciation	-	2,458	5,155	985	1,878	10,476	11,449	5,984	27,909	27,518
Dues to Affiliates	-	3,461	7,256	1,387	2,643	14,747	16,114	8,421	39,282	39,411
Other Expenses	-	1,044	1,679	121	528	3,372	2,921	3,321	9,614	11,538
Sub-Total	-	<u>14,461</u>	<u>41,040</u>	<u>29,749</u>	<u>450,478</u>	<u>535,728</u>	<u>80,546</u>	<u>88,772</u>	<u>705,046</u>	<u>1,066,351</u>
Total Functional Expense	<u>\$2,992,266</u>	<u>\$68,741</u>	<u>\$154,837</u>	<u>\$51,501</u>	<u>\$491,924</u>	<u>\$3,759,269</u>	<u>\$333,279</u>	<u>\$220,847</u>	<u>\$4,313,395</u>	<u>\$4,624,616</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Cash Flows From Operating Activities:		
Increase (Decrease) in Net Assets	<u>(\$5,618,131)</u>	<u>\$1,307,680</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	27,909	27,518
Unrealized (Gain) Loss on Investments	6,675,939	(222,946)
Realized Gains on Investments	(55,019)	(1,043,674)
Minimum Pension Liability Adjustment	398,431	97,319
Prepaid Pension Costs	-	24,072
Donated Securities	(894,713)	-
Donated Equipment and Merchandise	(3,925)	(10,505)
Decrease in Allowance for Uncollectible Pledges	21,197	3,753
(Increase) Decrease in Operating Assets		
Pledges, Grants and Bequests Receivable	(759,314)	9,845
Investment Income Receivable	7,437	200
Other Receivables and Prepayments	144,234	151,813
Increase (Decrease) in Operating Liabilities		
Allocations Payable	(231,014)	41,564
Other Liabilities	(40,099)	(198,820)
Net Adjustments	<u>5,291,063</u>	<u>(1,119,861)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(327,068)</u>	<u>187,819</u>
Cash Flows From Investing Activities:		
Purchase of Investments	(7,269,285)	(5,464,188)
Proceeds from the Sale of Investments	6,985,407	5,796,645
Payments for Property and Equipment	(24,652)	(3,807)
Net Cash Provided by (Used in) Investing Activities	<u>(308,530)</u>	<u>328,650</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(635,598)</u>	<u>516,469</u>
Beginning Cash and Cash Equivalents	<u>3,243,053</u>	<u>2,726,584</u>
Ending Cash and Cash Equivalents	<u>\$2,607,455</u>	<u>\$3,243,053</u>
Supplemental Disclosure of Non-cash Investing Activities:		
Computer equipment donations	\$3,925	\$10,505
Securities donations	894,499	-

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

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, 2008 and 2007 respectively, management has deemed allowances of \$266,881 and \$245,684 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, the organization's management estimates that over 1,900 volunteers served during 2008 and 2007 as fundraisers, committee members and/or participators in the annual Day of Caring.

G 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, 2008 and 2007, this liability amounted to approximately \$16,709 and \$11,648, 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, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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.

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>2008</u>	<u>2007</u>
Land	\$ 12,881	\$ 12,881
Building and Improvements	507,468	504,944
Equipment, Furniture and Fixtures	167,587	153,774
Intangible Assets	<u>43,043</u>	<u>43,043</u>
Total Cost	730,979	\$ 714,642
Less: Accumulated Depreciation	<u>(531,320)</u>	<u>(515,651)</u>
Net	<u>\$ 199,659</u>	<u>\$ 198,991</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, 2007 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, 2008 and 2007 was \$72,092, and \$79,038, 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 \$250,000. 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.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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).

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 (depreciation) at December 31, 2008 and 2007, are summarized as follows:

	<u>Cost</u>	<u>2008 Quoted Market Value</u>	<u>Unrealized Gain (Loss)</u>	<u>Cost</u>	<u>2007 Quoted Market Value</u>	<u>Unrealized Gain</u>
Operating Account						
Corporate Bonds/Stocks	<u>\$ 26,075</u>	<u>\$26,075</u>	\$ -	<u>\$24,976</u>	<u>\$24,976</u>	\$ -
Trust Accounts						
Government and Corporate Bonds	<u>3,584,850</u>	<u>3,634,303</u>	<u>49,453</u>	<u>3,210,230</u>	<u>3,287,870</u>	<u>77,640</u>
Stocks	<u>5,269,446</u>	<u>3,939,107</u>	<u>(1,330,339)</u>	<u>5,107,625</u>	<u>6,811,781</u>	<u>1,704,156</u>
Total Trust Accounts	<u>8,854,296</u>	<u>7,573,410</u>	<u>(1,280,886)</u>	<u>8,317,855</u>	<u>10,099,651</u>	<u>1,781,796</u>
Endowment Funds						
Government and Corporate Bonds	<u>3,623,897</u>	<u>3,715,445</u>	<u>91,548</u>	<u>4,140,492</u>	<u>4,201,663</u>	<u>61,171</u>
Stocks	<u>7,843,150</u>	<u>6,182,908</u>	<u>(1,660,242)</u>	<u>6,630,485</u>	<u>8,266,415</u>	<u>1,635,930</u>
Total Endowment Funds	<u>11,467,047</u>	<u>9,898,353</u>	<u>(1,568,694)</u>	<u>10,770,977</u>	<u>12,468,078</u>	<u>1,697,101</u>
TOTAL INVESTMENTS	<u>\$ 20,347,418</u>	<u>\$ 17,497,838</u>	<u>\$(2,849,580)</u>	<u>\$19,113,808</u>	<u>\$22,592,705</u>	<u>\$3,478,897</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.

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, 2008

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:

	Before Application of SFAS No. 158	<u>Adjustments</u>	After Application of SFAS No. 158
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 following tables provide further information about the Organization's pension benefit plan:

Obligations and Funded Status:	<u>2008</u>	<u>2007</u>
Annual measurement date:	December 31, 2008	October 1, 2007
Projected benefit obligation at the end of the year	\$ 1,171,843	\$1,059,878
Fair value of plan assets	633,876	918,467
Funded status	(537,967)	(141,411)
Accumulated benefit obligation	1,123,417	973,718
Employer contributions	36,000	7,500
Benefits paid and expense charges	53,137	14,594
Net periodic benefit cost	(1,100)	24,072
<u>Amounts recognized in the statement of financial position consist of:</u>		
Accrued pension cost	\$537,967	\$139,536
Prepaid pension cost	-	-
Intangible asset- pension	-	-

Amounts recognized in the statement of activities consist of:

	<u>2008</u>	<u>2007</u>
Net (gain) or loss	\$ 571,124	\$ 171,593
Less: Amounts previously recognized in unrestricted net assets, not yet recognized as periodic pension cost	(171,593)	(74,274)
Total charge to net assets	\$ 399,531	\$97,319

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

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 diversified investment funds of the RSI Retirement Trust (the "Trust"), a series of no load private placement funds. 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 Private Placement Memorandum. 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 by asset category are as follows:

<u>Asset Category</u>	<u>Plan assets at</u> <u>December 31,</u> <u>2008</u>	<u>Plan assets at</u> <u>October 1,</u> <u>2007</u>
Equity securities	59%	70%
Debt Securities (Bond Mutual Funds)	41%	30%
Real Estate	0%	0%
Other	0%	0%
Total	<u>100%</u>	<u>100%</u>

Cash Flows

Expected Contributions

For the Fiscal Year ending December 31, 2009, the United Way of Broome County expects to contribute \$100,000 to the Plan.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE 3 - RETIREMENT PLAN (continued)

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:

2009	\$ 65,681
2010	65,312
2011	67,752
2012	68,187
2013	69,475
Years 2014-2018	\$433,756

NOTE 4 - DONATED EQUIPMENT AND SECURITIES

In November of 2008, the organization received a bequest in the form of 12,000 shares of IBM stock. In addition, over the last two years 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, 2008 consist of the following:

	<u>Net Assets</u> <u>At 12/31/07</u>	<u>Increase</u> <u>(Decrease)</u> <u>in Net Assets</u>	<u>Net Assets</u> <u>12/31/08</u>
Current Operating	\$ 324,823	\$ (372,604)	\$ (47,781)
Trust and Endowment Accounts	16,788,931	(6,573,292)	10,215,639
Property, Plant and Equipment	<u>198,991</u>	<u>668</u>	<u>199,659</u>
	<u>\$17,312,745</u>	<u>\$ (6,945,228)</u>	<u>\$ 10,367,517</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 contributions 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 lesser of the unrestricted portion of the trust and endowment funds, or 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 \$10,215,639 and \$16,788,931 at December 31, 2008 and 2007, respectively.

In addition, the Board has established a reserve equal to one month's allocation expense as a contingency fund. The total amount reserved under these policies was \$253,700 for both 2008 and 2007.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets result primarily from timing restrictions on campaign pledges received at December 31, 2008, but designated for use in 2009. These net assets will be transferred to unrestricted net assets when the time restrictions expire in 2009. In addition, as of the end of December of 2007 there remained \$205,480 in unspent Foundation awards and designated contributions for the Broome Area Networking in Disaster (BAND) initiative. These funds were spent in 2008.

**UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 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 2008 and 2007. Amounts raised as part of this campaign are included in Gross Campaign results reported. The following is a summary of the campaign results.

	<u>2008</u>	<u>2007</u>
Gross Campaign- Broome County State Employees	\$267,502	\$245,173
Less: Amounts Designated to Other Agencies	<u>(195,861)</u>	<u>(165,449)</u>
Net Campaign Revenue	<u>\$ 70,641</u>	<u>\$79,724</u>

**UNITED WAY OF BROOME COUNTY, INC.
ALLOCATIONS AND GRANTS
YEAR ENDED DECEMBER 31, 2008**

Local Member Agencies:

ACCORD	\$ 9,917
Action for Older Persons	93,302
American Civic Association	33,140
American Red Cross, Southern Tier Chapter	316,380
Baden-Powell Council, Boy Scouts of America	147,702
Boys and Girls Club of Binghamton	242,584
Boys and Girls Club of Western Broome	247,603
Broome County Urban League	107,130
Catholic Social Services-Broome County	263,436
Broome County Catholic Youth Organization	38,909
Crime Victims Assistance Center	16,542
Day Nursery Association	143,284
Deposit Foundation and Rural Housing Services	13,685
Family and Children's Society	226,410
Girl Scouts, Indian Hills Council	129,826
Handicapped Children's Association	44,950
Jewish Community Center	70,059
Johnson City Senior Citizens Center	25,761
Legal Aid Society, Mid-New York Binghamton Chapter	24,000
Literacy Volunteers of Broome/Tioga	13,906
Mental Health Association	116,362
National MS Society, Upstate New York Chapter	14,166
Planned Parenthood of South Central NY	29,500
Retired and Senior Volunteer Program	42,997
Salvation Army	101,450
SOS Shelter	64,150
Wilson Children's Center	11,000
Young Men's Christian Association	200,919
Young Women's Christian Association	152,213

Total Local Member Agencies	2,941,283
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National Member Agencies:

American Social Health Association	-
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Other Allocations and Grants:

Venture Grant and Miscellaneous Grants	268,407
Less: Allocations Funded By Donor Designations	<u>(217,424)</u>

TOTALS	\$ <u><u>2,992,266</u></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, 2008**

Allocations and Agency Relations

Program Expenditures **\$ 68,741**

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 performance, and expected accomplishments. Periodic and annual financial reports of member agencies are submitted for careful review by the committees.

First Call For Help

Program Expenditures **\$ 154,837**

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 an extensive database of agency and program information. A Human Services Directory is published annually from this database.

Day of Caring/Voluntary Action Center

Program Expenditures **\$ 51,501**

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.

Community Planning and Programs

Program Expenditures **\$ 491,924**

The **Community Planning** function develops community partnerships, linkages, and coalitions aimed at seeking solutions to human services issues. It assists in the identification of current human service needs and evaluates the services provided to meet those needs.

Community programs in effect in 2007 included the Building Brighter Futures for Broome, Early Childhood Coalition program, (BBFFB) for which United Way of Broome acted as fiscal agent. The BBFFB project involved 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 in 2007 amounted to \$552,828.

In addition, during 2008 and 2007, the United Way of Broome County was part of another coalition called 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 spent for this program in 2008 and 2007 was \$439,282 and \$240,348, respectively.

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**
Janeen F. Sutryk, CPA*



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Website: pnlepa.com

*Also Licensed in Pennsylvania
**Also Licensed in Maryland

Also Member of:
*National Association of Certified Valuation Analysts

INDEPENDENT AUDITORS' REPORT

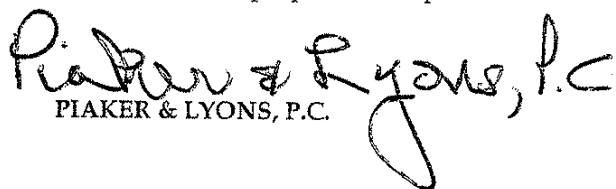
To the Board of Directors
United Way of Broome County, Inc.
Vestal Parkway East and Jensen Road
Vestal, New York 13850

We have audited the accompanying statements of financial position of UNITED WAY OF BROOME COUNTY, INC. (a non-profit organization) as of December 31, 2008, 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, 2008, 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, 2007 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 2, 2009