

UNITED WAY OF BROOME COUNTY, INC.

**FINANCIAL STATEMENTS
DECEMBER 31, 2009
With Comparative Totals For December 31, 2008**

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UNITED WAY OF BROOME COUNTY, INC.

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UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

ASSETS	<u>2009</u>	<u>2008</u>
Cash and Cash Equivalents	\$2,857,322	\$2,607,455
Pledges, Grants and Bequests Receivable, Net of Allowance for Uncollectible Pledges	1,902,340	3,303,231
Investment Income Receivable	72,719	104,361
Other Receivables and Prepayments	119,649	117,942
Investments, At Market	22,265,032	17,497,838
Beneficial Interest in Trusts	845,961	697,226
Property and Equipment, At Cost, Net of Accumulated Depreciation	<u>177,519</u>	<u>199,659</u>
TOTAL ASSETS	<u>\$28,240,542</u>	<u>\$24,527,712</u>
LIABILITIES AND NET ASSETS		
Allocations Payable to Member Agencies, Other Grants Payable	\$193,796	\$211,554
Other Liabilities	249,431	281,734
Accrued Pension Cost	<u>430,588</u>	<u>537,967</u>
Total Liabilities	873,815	1,031,255
Net Assets		
Unrestricted:		
Board Designated	14,004,960	10,367,517
Undesignated	<u>76,512</u>	<u>-</u>
Total Unrestricted	14,081,472	10,367,517
Temporarily Restricted	2,365,519	2,483,939
Permanently Restricted	<u>10,919,736</u>	<u>10,645,001</u>
Total Net Assets	<u>27,366,727</u>	<u>23,496,457</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$28,240,542</u>	<u>\$24,527,712</u>

See the accompanying notes to financial statements.

EXHIBIT B

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009
WITH COMPARATIVE TOTALS FOR 2008**

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total 2009	Total 2008
PUBLIC SUPPORT AND REVENUE					
Gross Campaign Results (2008/2009)	\$26,301	-	-	\$26,301	\$118,406
Less: Provision for Net Collection Losses	(6,981)	-	-	(6,981)	(13,500)
Less: Donor Designations	(1,798)	-	-	(1,798)	-
Net Campaign Revenue (2008/2009)	17,522	-	-	17,522	104,906
Gross Campaign Results (2009/2010)	-	\$2,643,897	-	2,643,897	2,738,622
Less: Provision for Net Collection Losses	-	(118,000)	-	(118,000)	(113,000)
Less: Donor Designations	-	(289,204)	-	(289,204)	(307,820)
Net Campaign Revenue (2009/2010)	-	2,236,693	-	2,236,693	2,317,802
Bequests and Other Contributions	53,639	40,750	\$126,000	220,389	2,481,285
Interest and Dividend Income, Net of Investment Fees of \$75,051 and \$82,093 for 2009 and 2008 respectively	582,233	-	-	582,233	704,456
Realized Gains (Losses) on Investments	(659,401)	-	-	(659,401)	55,019
Unrealized Gains (Losses) on Investments	4,757,800	-	148,735	4,906,535	(6,675,939)
Donated Equipment and Merchandise	48,267	-	-	48,267	3,925
Grants and Program Income	115,956	4,914	-	120,870	70,134
Service Fees	4,437	-	-	4,437	7,556
Other Income	1,005	29,350	-	30,355	24,551
Net Assets Released from Restrictions	2,430,127	(2,430,127)	-	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	\$7,351,585	(\$118,420)	\$274,735	\$7,507,900	(\$906,305)

See the accompanying notes to financial statements.

EXHIBIT B

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009
WITH COMPARATIVE TOTALS FOR 2008**

EXPENSES	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total 2009	Total 2008
Gross Funds Awarded/Distributed	\$3,001,172	-	-	\$3,001,172	\$3,209,690
Less: Allocations Funded Through Donor Designations	(216,881)	-	-	(216,881)	(217,424)
Net Allocations and Grants	2,784,291	-	-	2,784,291	2,992,266
Agency and Allocation Services	92,504	-	-	92,504	68,741
First Call For Help/2-1-1	154,753	-	-	154,753	154,837
Day of Caring/Voluntary Action Center	50,357	-	-	50,357	51,501
Community Planning and Programs	90,013	-	-	90,013	491,924
Total Program Services	3,171,918	-	-	3,171,918	3,759,269
Supporting Services					
Management and General	341,165	-	-	341,165	333,279
Fund Raising	224,737	-	-	224,737	220,847
Total Support Services	565,902	-	-	565,902	554,126
Total Functional Expense	3,737,820	-	-	3,737,820	4,313,395
Minimum Pension Liability Adjustment	(100,190)	-	-	(100,190)	398,431
TOTAL ALLOCATIONS AND OTHER EXPENSE	3,637,630	-	-	3,637,630	4,711,826
Increase (Decrease) in Net Assets	3,713,955	(118,420)	274,735	3,870,270	(5,618,131)
Net Assets - Beginning of Year	10,367,517	2,483,939	10,645,001	23,496,457	29,114,588
Net Assets - End of Year	\$14,081,472	\$2,365,519	\$10,919,736	\$27,366,727	\$23,496,457

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009
WITH COMPARATIVE TOTALS FOR 2008**

	Allocations	Agency & Allocation Services	First Call For Help/ 2-1-1	Day of Caring/ VAC	Community Planning & Programs	Total Program Services	Management & General	Fund Raising	Total	
	\$3,001,172 (216,881) 2,784,291					\$3,001,172 (216,881) 2,784,291			2009 2008	
Allocations and Grants	-	\$36,524	\$83,993	\$18,542	\$41,615	200,674	\$196,561	\$110,516	507,751	505,368
Less: Donor Designations	-	19,810	29,438	6,499	14,585	70,332	68,891	38,734	177,957	110,715
Sub-Total	-	76,334	113,431	25,041	56,200	271,006	265,452	149,250	685,708	616,083
Professional Services	-	513	10,073	168	3,247	14,001	16,521	1,004	31,526	18,762
Supplies and Program Costs	-	1,317	2,324	20,695	18,069	42,405	3,760	1,921	48,086	449,459
Telephone	-	434	3,558	142	362	4,496	1,943	848	7,287	8,059
Postage	-	757	1,614	289	553	3,213	2,622	1,486	7,321	12,031
Occupancy Costs	-	2,787	4,141	914	2,052	9,894	9,691	5,449	25,034	27,217
Printing, Publication, Publicity	-	573	4,626	188	422	5,809	4,430	43,383	53,622	85,370
Travel	-	756	615	13	1,835	3,219	1,553	1,432	6,204	7,931
Dues and Subscriptions	-	81	819	52	412	1,364	4,088	158	5,610	5,201
Equipment Maintenance, Rental	-	788	1,171	258	580	2,797	2,829	1,540	7,166	6,084
Business Insurance	-	913	1,356	299	672	3,240	3,173	1,784	8,197	8,127
Depreciation	-	2,749	4,085	902	2,024	9,760	9,561	5,375	24,696	27,909
Dues to Affiliates	-	4,164	6,188	1,366	3,066	14,784	14,481	8,142	37,407	39,282
Other Expenses	-	338	752	30	519	1,639	1,061	2,965	5,665	9,614
Sub-Total	-	16,170	41,322	25,316	33,813	116,621	75,713	75,487	267,821	705,046
Total Functional Expense	\$2,784,291	\$92,504	\$154,753	\$50,357	\$90,013	\$3,171,918	\$341,165	\$224,737	\$3,737,820	\$4,313,395

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash Flows From Operating Activities:		
Increase (Decrease) in Net Assets	<u>\$3,870,270</u>	<u>(\$5,618,131)</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	24,696	27,909
Unrealized (Gain) Loss on Investments	(4,906,535)	6,675,939
Realized (Gain) Loss on Investments	659,401	(55,019)
Minimum Pension Liability Adjustment	(107,379)	398,431
Donated Securities	(1,200,745)	(894,713)
Donated Equipment and Merchandise, Net of Grants	(2,556)	(3,925)
Increase in Allowance for Uncollectible Pledges	5,159	21,197
(Increase) Decrease in Operating Assets		
Pledges, Grants and Bequests Receivable	1,395,732	(759,314)
Investment Income Receivable	31,641	7,437
Other Receivables and Prepayments	(1,707)	144,234
Increase (Decrease) in Operating Liabilities		
Allocations Payable	(17,759)	(231,014)
Other Liabilities	(32,303)	(40,099)
Net Adjustments	<u>(4,152,355)</u>	<u>5,291,063</u>
Net Cash Provided by (Used in) Operating Activities	<u>(282,085)</u>	<u>(327,068)</u>
Cash Flows From Investing Activities:		
Purchase of Investments	(12,896,764)	(7,269,285)
Proceeds from the Sale of Investments	13,428,716	6,985,407
Payments for Property and Equipment	-	(24,652)
Net Cash Provided by (Used in) Investing Activities	<u>531,952</u>	<u>(308,530)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>249,867</u>	<u>(635,598)</u>
Beginning Cash and Cash Equivalents	<u>2,607,455</u>	<u>3,243,053</u>
Ending Cash and Cash Equivalents	<u>\$2,857,322</u>	<u>\$2,607,455</u>
Supplemental Disclosure of Non-cash Investing Activities:		
Securities donations	\$1,200,745	\$894,499
Computer equipment donations, net of grants	2,556	3,925
See the accompanying notes to financial statements.		

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 1 – NATURE OF OPERATIONS

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 partner agencies that meet identified needs. The Organization also provides the following services: First Call for Help/2-1-1, Voluntary Action Center, Community Planning, Teaming for Technology and Allocations and Agency Relations.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Accounting** -The accompanying financial statements have been prepared using the accrual basis of accounting. The Organization follows the generally accepted accounting principles for non-profit organizations and reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Classification of restricted net assets is determined by the nature of any donor imposed restrictions.
- B. Revenue Recognition** - Contributions received are recognized at fair value, including unconditional promises to give when the promise is made. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods (time restriction) or are restricted by the donor for specific purposes (purpose restriction) are reported as temporarily restricted support. All amounts accounted for in the current campaign year revenue are considered to be temporarily restricted, as those funds are designated for use in the succeeding year.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

The Organization is a beneficiary under various Wills and trust agreements. Related amounts are recorded when either a Will is declared valid by a probate court, or the Organization is notified as an irrevocable beneficiary of a trust, and the proceeds are measurable. The Organization receives various grants from state, local, and private agencies for program and supporting services. These grants are generally on a cost reimbursement basis. Revenues from grants are recognized in the statement of activities when expenses are made for the purpose specified. Grant funds that have been received but have not yet been expended for the purposes specified are reported as temporary restricted net assets.

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

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 2 – SIGNIFICANT ACCOUNT POLICIES (continued)

- D. 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.

Generally accepted accounting principles contain a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Organization considers many factors when evaluating and estimating its tax positions, which may require periodic adjustments and which may not accurately anticipate actual outcomes. Based on guidance set forth in professional standards, the Organization has not recorded any liabilities for uncertain tax positions or any related interest and penalties. The Organization's tax returns are open to audit for years ending December 31, 2006 through 2009.

- E. Allowance for Uncollectible Pledges** - 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. Pledges receivable that are not collected are subject to Board approval for write-off. At December 31, 2009 and 2008 respectively, management has deemed allowances of \$272,040 and \$266,881 to be adequate.
- 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 2009 and 2008 as fund raisers, 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, 2009 and 2008, this liability amounted to approximately \$19,249 and \$16,709, respectively, and has been included in other liabilities in the accompanying financial statements.
- 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. Functional Expenses** - Expenses are charged to each program based upon direct expenditures incurred. Any program expenses not directly chargeable are allocated to programs based on time records and estimates made by management.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 2 – SIGNIFICANT ACCOUNT POLICIES (continued)

- J. 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>2009</u>	<u>2008</u>
Land	\$ 12,881	\$ 12,881
Building and Improvements	507,468	507,468
Equipment, Furniture and Fixtures	170,142	167,587
Intangible Assets	<u>43,043</u>	<u>43,043</u>
Total Cost	<u>733,534</u>	<u>\$ 730,979</u>
Less: Accumulated Depreciation	<u>(556,015)</u>	<u>(531,320)</u>
Net	<u>\$ 177,519</u>	<u>\$ 199,659</u>

- K. Comparative Data** – The data for the year ended December 31, 2008 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, 2009 and 2008 was \$60,864 and \$72,092, respectively.
- M. Subsequent Events** - The Organization has evaluated events and transactions that have occurred between January 1, 2010 and June 10, 2010, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. No significant subsequent events have been noted to have occurred within this time period.
- N. 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.
- Credit risk for pledges receivable and contribution revenue is concentrated as substantially all receivable balances and contributions earned are from individuals located within the same geographic region.
- O. 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.
- 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.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 3 – FAIR VALUE MEASUREMENTS

Cash equivalents, investments and beneficial interest in trusts are stated at fair value. The following table presents fair value measurement information for certain financial instruments.

	<u>Cost</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Fair Value</u>	<u>Quoted Prices in Active Si Markets For Identical Assets (Level 1)</u>	<u>gnificant Other Observable Inputs (Level 2)</u>
December 31, 2009				
Cash Equivalents	\$ 1,558,156	\$ 1,558,156	-	\$ 1,558,156
Beneficial Interest in Trusts	\$ 840,104	\$ 795,961	-	\$ 795,561
Government & Corporate Bonds	\$5,008,342	\$ 5,245,727	\$ 1,042,994	\$ 4,202,733
Equity Securities	8,842,730	10,347,513	10,347,513	-
Mutual Funds	6,505,740	6,671,792	4,307,658	2,364,135
Total Investments	\$20,356,812	\$ 22,265,032	\$15,698,165	\$ 6,566,868
December 31, 2008				
Cash Equivalents	\$ 1,430,367	\$ 1,430,367	-	\$ 1,430,367
Beneficial Interest in Trusts	\$ 879,504	\$ 697,226	-	\$ 697,226
Government & Corporate Bonds	\$ 6,964,822	\$ 7,135,684	\$ 1,512,776	\$ 5,622,908
Equity Securities	10,640,254	8,542,644	8,542,644	-
Mutual Funds	2,742,342	1,819,510	1,579,371	240,139
Total Investments	\$ 20,347,418	\$ 17,497,838	\$ 11,634,791	\$ 5,863,047

Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs, because they generally provide the most reliable evidence of fair value. There were no investments valued using Level 3 inputs.

Level 1 - Fair Value Measurements

The fair values of common stock, equity mutual funds, and U.S. Government securities are based on quoted market prices. The unit price for these investments held by the Organization are revalued and published on an actively traded market at least daily.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

Level 2 - Fair Value Measurements

The fair value of auction rate preferred securities, corporate bonds, money market funds, bond funds, and government agency obligations are determined using quoted market prices currently available for securities with similar terms and maturity dates. Beneficial interests in trust are valued at the quoted market price of the securities held in trust, adjusted for the Organization's beneficial share of the trust.

Investment securities are subject to various risks, including credit, interest rate, and overall market risk. Due to these risks associated with investment securities, the amount the Organization will ultimately realize could differ materially from the estimated value in the near term.

NOTE 4 - RETIREMENT PLANS

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 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.

Pension Plan Obligations and Funded Status As of December 31:	<u>2009</u>	<u>2008</u>
Projected benefit obligation	\$ 1,238,155	\$1,171,843
Fair value of plan assets	<u>807,567</u>	<u>633,876</u>
Funded status	<u>\$(430,588)</u>	<u>\$(537,967)</u>
Accumulated benefit obligation	1,200,530	1,123,417
Employer contributions	99,409	36,000
Benefits paid and expense charges	43,112	53,137
Net periodic benefit cost	92,220	27,920
<u>Amounts recognized in the statement of financial position</u>		
Accrued pension cost	<u>\$430,588</u>	<u>\$537,967</u>
<u>Amounts recognized in the statement of activities consist of:</u>		
Net (gain) or loss	\$ 470,934	\$571,124
<u>Less:</u> Amounts previously recognized in unrestricted net assets not recognized as periodic pension costs	<u>(571,124)</u>	<u>(171,593)</u>
Total charge to net assets	<u>\$ (100,190)</u>	<u>\$399,531</u>

The following assumptions were used in accounting for the pension plan:

Weighted Average Assumptions used to determine net periodic benefit cost

Discount Rate	5.87%	6.25%
Long-term Rate of Return on Plan Assets	9.00%	9.00%
Salary Increase Rate	3.50%	3.00%

Weighted Average Assumptions used to determine pension benefit obligations

Discount Rate	6.00%	5.87%
Salary Increase Rate	2.50%	3.50%

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 4 - RETIREMENT PLANS (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 private placement investment 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 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 long-term investment objectives are to maintain plan assets at a level that will sufficiently cover long-term obligations and to generate a return on plan assets that will meet or exceed the rate at which long-term obligations will grow. A broadly diversified combination of equity and fixed income portfolios and various risk management techniques are used to help achieve these objectives.

In addition, significant consideration is paid to the plan's funding levels when determining the overall asset allocation. If the plan is considered to be well funded, approximately 65% of the plan's assets are allocated to equities and approximately 35% allocated to fixed-income. If the plan does not satisfy the criteria for a well-funded plan, approximately 50% of the plan's assets are allocated to equities and approximately 50% allocated to fixed-income. Asset rebalancing normally occurs when the equity and fixed income allocations vary by more than 10% from their respective targets (i.e., a 20% policy range guideline). In April of 2010, the plan asset allocation was moved to 50% to bonds, in accordance with these guidelines. When the plan is no longer underfunded, the bond fund portion will be decreased back to 35%.

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 of 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, 2009</u>	<u>Plan assets at</u> <u>December 31, 2008</u>
Mutual Funds- Equity Securities	63%	59%
Mutual Funds- Fixed Income Securities	37%	41%
Real Estate	0%	0%
Other	<u>0%</u>	<u>0%</u>
Total	<u>100%</u>	<u>100%</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 4 - RETIREMENT PLANS (continued)

<u>Major Categories of Plan Assets Fair Value Measurements</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<u>December 31, 2009</u>			
Mutual Funds-Equity	\$ 156,735	\$ 156,735	-
Common/Collective Trusts-Equity	353,428	-	\$ 353,428
Common/Collective Trusts-Fixed Income	297,404	-	297,404
Total	<u>\$ 807,567</u>	<u>\$ 156,735</u>	<u>\$ 650,832</u>
<u>December 31, 2008</u>			
Mutual Funds-Equity	\$ 118,253	\$ 118,253	-
Common/Collective Trusts-Equity	253,429	-	\$ 253,429
Common/Collective Trusts-Fixed Income	262,194	-	262,194
Total	<u>\$ 633,876</u>	<u>\$ 118,253</u>	<u>\$ 515,623</u>

Level 1 - Fair Value Measurements

The fair values of equity mutual funds are based on quoted market prices. The unit price for these investments held in the Organization's pension account are revalued and published on an actively traded market at least daily.

Level 2 - Fair Value Measurements

The fair values of common collective trusts are determined using quoted market prices currently available for securities with similar terms and maturity dates.

Cash Flows

Expected Contributions

For the Fiscal Year ending December 31, 2010, the Organization expects to contribute \$ 69,007 to the Plan

Estimated Future Benefit Payments

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

2010	\$ 69,471
2011	71,070
2012	72,375
2013	72,386
2014	75,034
Years 2015-2019	\$460,651

Tax Deferred Annuity Plan

The Organization has adopted a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers all permanent employees of the Organization and is funded through employee voluntary contributions to the plan. There are no expenses for the Organization for this plan.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 5 - DONATED EQUIPMENT AND SECURITIES

The Organization received a bequest in 2008 in the form of donated securities, with the actual distribution spread over two years. The donation consisted entirely of shares of IBM stock, with 13,000 and 12,000 shares received in 2009 and 2008, respectively. In addition, over the last two years the Organization has received computer equipment as part of the Gifts-in-Kind and Teaming for Technology programs.

NOTE 6 - TEMPORARILY RESTRICTED AND BOARD DESIGNATED NET ASSETS

Temporarily restricted net assets result primarily from timing restrictions on campaign pledges received in the current fiscal year but designated for use in the next fiscal year. The following is a table of the composition of temporarily restricted assets as of the end of the year.

	<u>2009</u>	<u>2008</u>
Deferred Campaign Revenue	\$ 2,236,693	\$ 2,317,802
Deferred Grant Income	52,079	96,378
Deferred Sponsorship Income	26,747	19,759
Interest in Beneficial Trusts	<u>50,000</u>	<u>50,000</u>
Totals	<u>\$2,365,519</u>	<u>\$2,483,939</u>

Board designated net assets are a result of two actions by the Board of Directors of the Organization.

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 \$ 13,751,260 and \$10,215,639 at December 31, 2009 and 2008, 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 2009 and 2008.

NOTE 7- PERMANENTLY RESTRICTED NET ASSETS

The following is a table of the composition of permanently restricted net assets as of the end of the year:

	<u>2009</u>	<u>2008</u>
Donor Restricted Endowments	\$ 10,123,775	\$ 9,997,775
Donor Restricted Interest in Beneficial Trusts	<u>795,961</u>	<u>647,226</u>
	<u>\$ 10,919,736</u>	<u>\$ 10,645,001</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 8- BENEFICIAL INTEREST IN TRUSTS

The Organization has recognized as contributions the United Way's respective beneficial interest in a charitable remainder and three perpetual trusts. With respect to the charitable remainder trust, the Organization has recorded the contribution as temporarily restricted revenue at the estimated fair value of the assets to be received.

Under the terms of the perpetual trusts, the Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The Organization has recorded the asset at the estimated fair value of the Organization's share of the beneficial interest in trust assets. Income earned on the trust assets is recorded as unrestricted revenue in the accompanying statement of activities unless otherwise restricted by the donor. Changes in fair value of the beneficial interest in the trust assets are recorded as unrealized gains or losses in the permanently restricted net asset class.

A summary of the Beneficial Interest in Trusts is as follows:

	<u>2009</u>	<u>2008</u>
Perpetual trusts	\$ 795,961	\$ 647,226
Charitable remainder trusts	<u>50,000</u>	<u>50,000</u>
	<u>\$ 845,961</u>	<u>\$ 697,226</u>

NOTE 9 - ENDOWMENTS

The Organization's endowment includes both donor-restricted endowments and funds designated by the Board of Directors to function as endowments. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Although New York State has yet to enact a version of the *Uniform Prudent Management of Institutional Funds Act*, the Organization does consider the following factors when making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the funds
2. The purposes of the Organization and the donor-restricted endowment funds
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 9 – ENDOWMENTS (continued)

The following tables reports endowment net asset composition and changes in net assets by type of fund:

<u>Net Asset Composition</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>December 31, 2009</u>			
Donor Restricted Endowment	\$4,230,375	\$ 10,123,775	\$14,354,150
Board -Designated Endowment	9,520,885	-	9,520,885
Total	<u>\$13,751,260</u>	<u>\$ 10,123,775</u>	<u>\$ 23,875,035</u>
<u>December 31, 2008</u>			
Donor Restricted Endowment	\$ 1,842,400	\$ 9,997,775	\$ 11,840,175
Board -Designated Endowment	8,373,239	-	8,373,239
Total	<u>\$ 10,215,639</u>	<u>\$ 9,997,775</u>	<u>\$ 20,213,414</u>

<u>Changes in Endowment Net Assets for the Year Ended :</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>December 31, 2009</u>			
Endowment net assets, beginning of the year	\$ 10,215,639	\$ 9,997,775	\$ 20,213,414
Contributions	1,534	126,000	127,534
Appropriation of endowment funds for expenditure	(1,096,060)	-	(1,096,060)
<u>Investment Return:</u>			
Investment Income	532,314	-	532,314
Realized and Unrealized Appreciation (Depreciation)	4,097,833	-	4,097,833
Total	<u>\$ 13,751,260</u>	<u>\$ 10,123,775</u>	<u>\$23,875,035</u>

<u>Changes in Endowment Net Assets for the Year Ended:</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>December 31, 2008</u>			
Endowment net assets, beginning of the year	\$ 16,788,931	\$ 7,929,630	\$ 24,718,561
Contributions	130,420	2,068,145	2,198,565
Appropriation of endowment funds for expenditure	(1,068,763)	-	(1,068,763)
<u>Investment Return:</u>			
Investment Income	638,295	-	638,295
Realized and Unrealized Appreciation (Depreciation)	(6,273,244)	-	(6,273,244)
Total	<u>\$ 10,215,639</u>	<u>\$ 9,997,775</u>	<u>\$ 20,213,414</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

NOTE 9 – ENDOWMENTS (continued)

Return objectives and risk parameters - The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods, as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested to provide an average rate of return of approximately nine percent annually. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives - To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investment to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objective relates to spending policy - Distribution of endowment funds are approved annually by the Trust Fund Committee. A guideline for distributions from the two main trust and endowment funds is calculated based upon 5% of the five-year average of the fair market value of these two funds as of June 30 of each year. The amount approved for distribution from these two funds was \$940,000 for both 2009 and 2008. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of 4 percent annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Distributions from the Emergency and Capital Needs Fund is also approved annually by the Trust Fund Committee and caps the annual distribution to a five-year average of the fair market value of the account, less 120% of the original restricted bequest. To establish the approved maximum distribution from the Emergency & Capital Needs Fund, the Trust Fund Committee also considers the projected income from the fund for the next year, the estimated funding requests, and the amount of emergency funds remaining from the prior year(s). Distributions from the Robert L. McDevitt Fund is based upon the income earned, as the donor has stipulated that any income not distributed will revert to restricted balances

NOTE 10 – GOVERNMENT CAMPAIGNS

The Organization served as the campaign agent for the Broome County State Employees Campaign for both 2009 and 2008. Amounts raised as part of this campaign are included in Gross Campaign results reported. The following is a summary of the campaign results.

	<u>2009</u>	<u>2008</u>
Gross Campaign- Broome County State Employees	\$ 229,657	\$267,502
Less: Amounts Designated to Other Agencies	<u>(154,657)</u>	<u>(195,861)</u>
Net Campaign Revenue	<u>\$ 75,000</u>	<u>\$ 71,641</u>

SCHEDULE 1

**UNITED WAY OF BROOME COUNTY, INC.
ALLOCATIONS AND GRANTS
YEAR ENDED DECEMBER 31, 2009**

Local Member Agencies:	
ACCORD	\$ 9,345
Action for Older Persons	90,275
American Civic Association	31,865
American Red Cross, Southern Tier Chapter	305,000
Baden-Powell Council, Boy Scouts of America	141,255
Boys and Girls Club of Binghamton	240,025
Boys and Girls Club of Western Broome	238,555
Broome County Urban League	100,945
Catholic Social Services-Broome County	258,260
Broome County Catholic Youth Organization	35,715
Crime Victims Assistance Center	15,530
Day Nursery Association	91,286
Deposit Foundation and Rural Housing Services	13,620
Family and Children's Society	216,050
Girl Scouts of NYPENN Pathways	121,255
Handicapped Children's Association	27,736
Jewish Community Center	69,820
Johnson City Senior Citizens Center	24,870
Legal Aid Society, Mid-New York Binghamton Chapter	21,890
Literacy Volunteers of Broome/Tioga	12,265
Mental Health Association	113,090
National MS Society, Upstate New York Chapter	14,090
Planned Parenthood of South Central NY	28,800
Retired and Senior Volunteer Program	41,610
Salvation Army	101,090
SOS Shelter	58,410
Wilson Children's Center	13,000
Young Men's Christian Association	193,680
Young Women's Christian Association	144,460
Total Local Member Agencies	<u><u>2,773,792</u></u>
 Other Allocations and Grants:	
Venture Grant and Miscellaneous Grants	227,380
Less: Allocations Funded By Donor Designations	<u>(216,881)</u>
 TOTALS	 \$ <u><u>2,784,291</u></u>

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF SERVICES RENDERED
YEAR ENDED DECEMBER 31, 2009**

Allocations and Agency Relations

Program Expenditures **\$ 92,504**

The **Allocations and Agency Relations** function is designated to identify and gain consensus on the long-range objectives 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/2-1-1

Program Expenditures **\$ 154,753**

The information and referral program entitled "**First Call For Help**" links people in need with the appropriate service in Broome, Tioga, or Chenango Counties, maintains an extensive database of agency and program information. First Call for Help is transitioning to a regional 2-1-1 call center. This transition will be completed in 2010.

Day of Caring/Voluntary Action Center

Program Expenditures **\$ 50,357**

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 serves numerous nonprofit agencies and charitable organizations throughout Broome County and surrounding areas.

Community Planning and Programs

Program Expenditures **\$ 90,013**

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 during 2009 and 2008 included participation in the Broome Area Networking in Disaster (BAND) coalition. 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 2009 and 2008 was \$ 17,430 and \$439,282, respectively.

See the accompanying notes to financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Broome County, Inc.

We have audited the accompanying statement of financial position of United Way of Broome County, Inc. as of December 31, 2009, 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. The prior year comparative and summarized comparative information has been derived from the United Way of Broome County, Inc.'s 2008 financial statements. These financial statements were audited by other auditors whose report dated June 2, 2009, expressed an unqualified opinion on those statements.

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, 2009 and the results of its operations and changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules on pages 17-18 are presented for 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, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Davidson, Fox & Company, LLP

Binghamton, New York
June 10, 2010