

UNITED WAY OF BROOME
COUNTY, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2010
With Comparative Totals For
December 31, 2009

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UNITED WAY OF BROOME COUNTY, INC.

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UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR THEN ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

ASSETS	<u>2010</u>	<u>2009</u>
Cash and Cash Equivalents	\$2,339,289	\$2,857,322
Pledges, Grants and Bequests Receivable, Net of Allowance for Uncollectible Pledges	1,691,967	1,902,340
Investment Income Receivable	73,844	72,719
Other Receivables and Prepayments	26,290	119,649
Investments, At Market	24,858,184	22,265,032
Beneficial Interest in Trusts	910,363	845,961
Property and Equipment, At Cost, Net of Accumulated Depreciation	<u>199,850</u>	<u>177,519</u>
TOTAL ASSETS	<u>\$30,099,787</u>	<u>\$28,240,542</u>
LIABILITIES AND NET ASSETS		
Allocations Payable to Member Agencies, Other Grants Payable	\$180,686	\$193,796
Other Liabilities	275,381	249,431
Accrued Pension Cost	<u>536,492</u>	<u>430,588</u>
Total Liabilities	992,559	873,815
Net Assets		
Unrestricted:		
Board Designated	10,275,602	14,004,960
Undesignated	<u>-</u>	<u>76,512</u>
Total Unrestricted	10,275,602	14,081,472
Temporarily Restricted	7,516,408	2,365,519
Permanently Restricted	<u>11,315,218</u>	<u>10,919,736</u>
Total Net Assets	<u>29,107,228</u>	<u>27,366,727</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$30,099,787</u>	<u>\$28,240,542</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

	Unrestricted	Temporarily	Permanently	Total	Total
	<u>Net Assets</u>	<u>Restricted</u>	<u>Restricted</u>	<u>2010</u>	<u>2009</u>
PUBLIC SUPPORT AND REVENUE					
Gross Campaign Results (2009/2010)	\$28,099	-	-	\$28,099	\$26,301
Add: Collection Surplus	52,221	-	-	52,221	-
Less : Collection Losses				-	(6,981)
Less: Donor Designations	<u>(16,006)</u>	<u>-</u>	<u>-</u>	<u>(16,006)</u>	<u>(1,798)</u>
Net Campaign Revenue (2009/2010)	64,314	-	-	64,314	17,522
Gross Campaign Results (2010/2011)	-	\$2,422,820	-	2,422,820	2,643,897
Less: Provision for Net Collection Losses	-	(93,000)	-	(93,000)	(118,000)
Less: Donor Designations	<u>-</u>	<u>(268,010)</u>	<u>-</u>	<u>(268,010)</u>	<u>(289,204)</u>
Net Campaign Revenue (2010/2011)	-	2,061,810	-	2,061,810	2,236,693
Bequests and Other Contributions	33,693	21,707	\$331,080	386,480	220,389
Interest and Dividend Income, Net of Investment Fees of \$ 90,516 and \$75,051 for 2010 and 2009 respectively	242,660	299,500	-	542,160	582,233
Realized Gains (Losses) on Investments	231,510	730,156	-	961,666	(659,401)
Unrealized Gains (Losses) on Investments	449,038	603,728	64,402	1,117,168	4,906,535
Donated Equipment and Merchandise	-	-	-	-	48,267
Grants and Program Income	78,057	10,000	-	88,057	120,870
Service Fees	10,070	-	-	10,070	4,437
Other Income	1,300	25,700	-	27,000	30,355
Net Assets Released from Restrictions	<u>2,832,087</u>	<u>(2,832,087)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$3,942,729</u>	<u>\$920,514</u>	<u>\$395,482</u>	<u>\$5,258,725</u>	<u>\$7,507,900</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

EXPENSES	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total 2010	Total 2009
Gross Funds Awarded/Distributed	\$2,675,691	-	-	\$2,675,691	\$3,001,172
Less: Allocations Funded Through Donor Designations	(188,910)	-	-	(188,910)	(216,881)
Net Allocations and Grants	2,486,781	-	-	2,486,781	2,784,291
Agency and Allocation Services	87,775	-	-	87,775	92,504
2-1-1/First Call For Help	169,938	-	-	169,938	154,753
Day of Caring/Voluntary Action Center	46,344	-	-	46,344	50,357
Community Planning and Programs	94,602	-	-	94,602	90,013
Total Program Services	2,885,440	-	-	2,885,440	3,171,918
Supporting Services					
Management and General	336,675	-	-	336,675	341,165
Fund Raising	243,326	-	-	243,326	224,737
Total Support Services	580,001	-	-	580,001	565,902
Total Functional Expense	3,465,441	-	-	3,465,441	3,737,820
Minimum Pension Liability Adjustment	52,783	-	-	52,783	(100,190)
TOTAL ALLOCATIONS AND OTHER EXPENSE	3,518,224	-	-	3,518,224	3,637,630
Increase in Net Assets	424,505	920,514	395,482	1,740,501	3,870,270
Reclassification to temporarily restricted (Note 6)	(4,230,375)	4,230,375	-	-	-
Net Assets at the Beginning of the Year	14,081,472	2,365,519	10,919,736	27,366,727	23,496,457
Net Assets - End of Year	\$10,275,602	\$7,516,408	\$11,315,218	\$29,107,228	\$27,366,727

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

	<u>Allocations</u>	<u>Agency & Allocation Services</u>	<u>2-1-1/ First Call For Help</u>	<u>Day of Caring/ VAC</u>	<u>Community Planning & Programs</u>	<u>Total Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total 2010</u>	<u>2009</u>
Allocations and Grants	\$2,675,691	-	-	-	-	\$2,675,691	-	-	\$2,675,691	\$3,001,172
Less: Donor Designations	(188,910)	-	-	-	-	(188,910)	-	-	(188,910)	(216,881)
Sub-Total	2,486,781	-	-	-	-	2,486,781	-	-	2,486,781	2,784,291
Staff Salaries	-	\$53,060	\$93,434	\$18,143	\$54,159	218,796	\$202,334	\$116,151	537,281	507,751
Personnel Benefits & Taxes (Note 4)	-	16,619	29,264	5,683	16,963	68,529	63,373	36,379	168,281	177,957
Sub-Total	-	69,679	122,698	23,826	71,122	287,325	265,707	152,530	705,562	685,708
Professional Services	-	1,723	7,034	589	3,803	13,149	6,570	3,771	23,490	31,526
Supplies and Program Costs	-	2,130	5,129	17,586	2,740	27,585	8,197	5,020	40,802	48,086
Telephone	-	1,001	4,187	342	1,021	6,551	4,919	2,190	13,660	7,287
Postage	-	391	1,498	134	472	2,495	1,501	2,416	6,412	7,321
Occupancy Costs	-	2,705	4,763	1,003	2,761	11,232	10,314	5,920	27,466	25,034
Printing, Publication, Publicity	-	1,458	11,115	437	1,454	14,464	5,475	51,316	71,255	53,622
Travel	-	709	101	10	2,167	2,987	1,342	1,241	5,570	6,204
Dues and Subscriptions	-	634	673	41	47	1,395	1,905	99	3,399	5,610
Equipment Maintenance, Rental	-	644	1,135	220	658	2,657	2,772	1,411	6,840	7,166
Business Insurance	-	601	1,059	206	614	2,480	4,515	1,315	8,310	8,197
Depreciation	-	2,096	3,690	717	2,139	8,642	7,992	4,587	21,221	24,696
Dues to Affiliates	-	3,518	6,196	1,203	3,591	14,508	13,417	7,703	35,628	37,407
Other Expenses	-	486	660	30	2,013	3,189	2,049	3,807	9,045	5,665
Sub-Total	-	18,096	47,240	22,518	23,480	111,334	70,968	90,796	273,098	267,821
Total Functional Expense	<u>\$2,486,781</u>	<u>\$87,775</u>	<u>\$169,938</u>	<u>\$46,344</u>	<u>\$94,602</u>	<u>\$2,885,440</u>	<u>\$336,675</u>	<u>\$243,326</u>	<u>\$3,465,441</u>	<u>\$3,737,820</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF CASH FLOW
FOR THE YEAR THEN ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities:		
Increase in Net Assets	<u>\$1,740,501</u>	<u>\$3,870,270</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	21,221	24,696
Unrealized (Gain) Loss on Investments	(1,117,168)	(4,906,535)
Realized (Gain) Loss on Investments	(961,666)	659,401
Minimum Pension Liability Adjustment	105,904	(107,379)
Donated Securities	-	(1,200,745)
Donated Equipment and Merchandise, Net of Grants	-	(2,556)
Increase (Decrease) in Allowance for Uncollectible Pledges	(89,260)	5,159
(Increase) Decrease in Operating Assets		
Pledges, Grants and Bequests Receivable	299,633	1,395,732
Investment Income Receivable	(1,125)	31,641
Other Receivables and Prepayments	93,359	(1,707)
Increase (Decrease) in Operating Liabilities		
Allocations Payable	(13,110)	(17,759)
Other Liabilities	25,950	(32,303)
Net Adjustments	<u>(1,636,262)</u>	<u>(4,152,355)</u>
Net Cash Provided by (Used in) Operating Activities	<u>104,239</u>	<u>(282,085)</u>
Cash Flows From Investing Activities:		
Purchase of Investments	(11,457,497)	(12,896,764)
Proceeds from the Sale of Investments	10,878,777	13,428,716
Payments for Property and Equipment	(43,552)	-
Net Cash Provided by (Used in) Investing Activities	<u>(622,272)</u>	<u>531,952</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(518,033)</u>	<u>249,867</u>
Beginning Cash and Cash Equivalents	<u>2,857,322</u>	<u>2,607,455</u>
Ending Cash and Cash Equivalents	<u>\$2,339,289</u>	<u>\$2,857,322</u>
Supplemental Disclosure of Non-cash Investing Activities:		
Securities donations	-	\$1,200,745
Computer equipment donations, net of grants	-	2,556

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

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. The United Fund subsequently merged with the Broome County Social Planning Council in January of 1973 forming the current Organization. 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: 2-1-1 (Information & Referral), 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 and, accordingly, reflect all significant receivables, payables, and other assets and liabilities.
- B. **Basis of Presentation** - 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.

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.

Income and gains on investments are reported as increases in permanently restricted net assets, if the terms of the gift that gave rise to the investment require such amounts be added to permanent endowment principal. Income and gains are reported as increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income and/or the income is related to a donor-restricted endowment fund, and as increases in unrestricted net assets in all other cases.

- C. **Net Asset Classification** - In August 2008, The Financial Accounting Standards Board issued Staff Position No. 117-1: *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* (“FAS 117-1”) now located in Accounting Standards Codification (ASC) Topic 958-205, Financial Statement Presentation. ASC Topic 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”). ASC Topic 958-205 also improves disclosures about an organization’s endowment funds (both donor-restricted and board-designated endowment funds) whether or not the organization is subject to UPMIFA. See Note 6 regarding the Organization’s adoption of ASC Topic 958-205

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

NOTE 2 – SIGNIFICANT ACCOUNT POLICIES (continued)

Net Asset Classification--Continued:

Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions:

Unrestricted net assets - Net assets for which no donor has imposed any restrictions that the assets be used for a specific purpose or held for a certain period of time. Contributions received with time and/or purpose restrictions which are fully expended in the same period are classified as unrestricted.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the use of all or part of the income earned on any related investment for general or specific purposes.

- D. 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.
- E. 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, 2007 through 2010.

- F. 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 and applied to gross campaign. Pledges receivable that are not collected are subject to Board approval for write-off. At December 31, 2010 and 2009 respectively, management has deemed allowances of \$ 182,780 and \$272,040 to be adequate.
- G. 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, 2010 and 2009

NOTE 2 – SIGNIFICANT ACCOUNT POLICIES (continued)

H. 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 1,600 and 1,900 volunteers served during 2010 and 2009, respectively, as fund raisers, committee members, and/or participants in the annual Day of Caring.

I. 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, 2010 and 2009, this liability amounted to \$24,186 and \$19,249, respectively, and has been included in other liabilities in the accompanying financial statements.

J. 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.

K. 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>2010</u>	<u>2009</u>
Land	\$ 12,881	\$ 12,881
Building and Improvements	507,468	507,468
Equipment, Furniture and Fixtures	183,175	170,142
Intangible Assets	<u>57,976</u>	<u>43,043</u>
Total Cost	\$ 761,500	\$ 733,534
Less: Accumulated Depreciation	<u>(561,650)</u>	<u>(556,015)</u>
Net	<u>\$ 199,850</u>	<u>\$ 177,519</u>

L. Comparative Data – The data for the year ended December 31, 2009 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.

M. Advertising - The Organization expenses advertising charges as incurred. Advertising and promotion expenses for the years ended December 31, 2010 and 2009 were \$60,737 and \$60,864, respectively.

N. Subsequent Events - The Organization has evaluated events and transactions that have occurred between January 1, 2011 and July 14, 2011, 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.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

NOTE 2 – SIGNIFICANT ACCOUNT POLICIES (continued)

- O. 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.

- P. 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.

NOTE 3 – FAIR VALUE MEASUREMENTS

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.

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.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

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.

**Fair Value Measurements
at Reporting Date Using:**

	<u>Cost</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>
December 31, 2010				
Cash Equivalents	\$ 728,214	\$ 728,214	-	\$ 728,214
Beneficial Interest in Trusts	\$ 871,705	\$ 910,363	-	\$ 910,363
Debt securities- Available for Sale				
U.S. Government Securities	\$ 1,248,561	\$ 1,347,233	\$ 1,347,233	-
U.S. Government Backed Securities	521,577	555,643	-	\$ 555,643
Domestic and Foreign Corporate Bonds	2,573,296	2,675,976	-	2,675,976
Taxable Bond Funds	3,862,729	4,017,095	-	4,017,095
Total Debt Securities Available for Sale	<u>\$ 8,206,163</u>	<u>\$ 8,595,947</u>	<u>\$ 1,347,233</u>	<u>\$ 7,248,714</u>
Equity Securities- Available for Sale				
Domestic Equities	\$ 9,326,969	\$ 11,252,628	\$ 11,252,628	-
Foreign Equities	91,394	148,349	148,349	-
Domestic Mutual Equity Funds	2,047,948	2,332,266	2,332,266	-
Foreign Mutual Equity Funds	2,224,724	2,528,994	2,528,994	-
Total Equity Securities- Available for Sale	<u>\$ 13,691,035</u>	<u>\$ 16,262,237</u>	<u>\$ 16,262,237</u>	<u>-</u>
Total Investments	<u>\$ 21,897,198</u>	<u>\$ 24,858,184</u>	<u>\$ 17,609,470</u>	<u>\$ 7,248,714</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
Debt securities- Available for Sale				
U.S. Government Securities	\$ 979,032	\$ 1,042,994	\$ 1,042,994	-
U.S. Government Backed Securities	1,607,345	1,692,961	-	\$ 1,692,961
Domestic and Foreign Corporate Bonds	2,421,965	2,509,772	-	2,509,772
Taxable Bond Funds	2,218,451	2,364,135	-	2,364,135
Total Debt Securities Available for Sale	<u>\$ 7,226,793</u>	<u>\$ 7,609,862</u>	<u>\$ 1,042,994</u>	<u>\$ 6,566,868</u>
Equity Securities- Available for Sale				
Domestic Equities	\$ 8,350,813	\$ 9,867,154	\$ 9,867,154	-
Foreign Equities	491,917	480,358	480,358	-
Domestic Mutual Equity Funds	2,624,182	2,635,072	2,635,072	-
Foreign Mutual Equity Funds	1,663,107	1,672,586	1,672,586	-
Total Equity Securities- Available for Sale	<u>\$ 13,130,019</u>	<u>\$ 14,655,170</u>	<u>\$ 14,655,170</u>	<u>-</u>
Total Investments	<u>\$ 20,356,812</u>	<u>\$ 22,265,032</u>	<u>\$ 15,698,164</u>	<u>\$ 6,566,868</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

NOTE 4 - RETIREMENT PLANS

The Organization sponsors a noncontributory defined benefit Pension Plan covering substantially all of its employees. The Plan provides normal, 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.

The Plan was amended effective July 1, 2010 to reduce the formula for future benefit accruals for each year of service from 1.50% of final average 3-year compensation in excess of Covered Compensation, to 1.0% of final average 5-year compensation. The early retirement factors were also adjusted.

Pension Plan Obligations and Funded Status As of December 31:	<u>2010</u>	<u>2009</u>
Projected benefit obligation	<u>\$1,414,951</u>	<u>\$1,238,155</u>
Fair value of plan assets	<u>\$ 878,459</u>	<u>\$ 807,567</u>
Funded status	<u>\$(536,492)</u>	<u>\$(430,588)</u>
Accumulated benefit obligation	1,413,239	1,200,530
Employer contributions	34,504	99,409
Benefits paid and expense charges	47,305	43,112
Net periodic benefit cost	87,625	92,220
<u>Amounts recognized in the statement of financial position</u>		
Accrued pension cost	<u>\$ 536,942</u>	<u>\$ 430,588</u>
<u>Net Periodic Benefit Cost/(Credit)</u>		
Service Cost	\$ 27,495	\$ 22,920
Interest Cost	74,290	66,860
Expected Return on Assets	(71,149)	(54,092)
Unrecognized (Gain)/Loss	60,794	56,532
Unrecognized Past Service Liability	(3,805)	-
Net Periodic Benefit Cost/(Credit)	<u>\$ 87,625</u>	<u>\$ 92,220</u>
<u>Amounts recognized in the statement of activities consist of:</u>		
Net (gain) or loss	\$572,595	\$470,934
Past service credit	(48,878)	-
<u>Less:</u> Amounts previously recognized in unrestricted net assets not recognized as periodic pension costs	<u>(470,934)</u>	<u>(571,124)</u>
Total charge to net assets	<u>\$52,783</u>	<u>(\$100,190)</u>

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

Weighted Average Assumptions used to determine net periodic benefit cost

Discount Rate	6.00%/5.50%	5.87%
Long-term Rate of Return on Plan Assets	9.00%	9.00%
Salary Increase Rate	2.50%	3.50%

Weighted Average Assumptions used to determine pension benefit obligations

Discount Rate	5.50%	6.00%
Salary Increase Rate	2.50%	2.50%

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

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, 2010</u>	<u>Plan assets at</u> <u>December 31, 2009</u>
Mutual Funds- Equity Securities	49%	63%
Mutual Funds- Fixed Income Securities	51%	37%
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, 2010 and 2009

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, 2010</u>			
Mutual Funds-Equity	\$135,766	\$ 135,766	-
Common/Collective Trusts-Equity	284,274	-	\$ 284,274
Common/Collective Trusts-Fixed Income	441,167	-	441,167
Total	<u>\$861,207</u>	<u>\$135,766</u>	<u>\$725,441</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>

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, 2011, the Organization expects to contribute \$100,844 to the Plan.

Estimated Future Benefit Payments

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

2011	\$ 52,571
2012	52,218
2013	51,829
2014	51,404
2015	56,567
Years 2016-2020	\$365,246

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

NOTE 4 – RETIREMENT PLANS (continued)

Tax Deferred Annuity Plan

The Organization has adopted a tax-deferred annuity plan qualified under Section 4039b) 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.

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 shares received in 2009. In addition, in 2009 the Organization received computer equipment as part of the Gifts-in-Kind and Teaming for Technology programs.

NOTE 6 - TEMPORARILY RESTRICTED AND BOARD DESIGNATED NET ASSETS

Adoption of Uniform Prudent Management of Institutional Funds Act (UPMIFA) – The State of New York adopted UPMIFA effective September 17, 2010. As a result of that enactment, the Organization has adopted FAS 117-1, now located in Accounting Standards Codification (ASC) Topic 958-205, Financial Statement Presentation, for the year ending December 31, 2010. The Board of Directors, on the advice of legal counsel, has determined that the majority of the Organization's permanently restricted net assets meet the definition of endowment funds under UPMIFA. The Organization is governed subject to the Governing Documents of the Organization and most contributions received are subject to the terms of the Governing Documents.

During the year ended December 31, 2010, the Organization has reviewed all endowment funds and has transferred to temporarily restricted net assets those amounts that are subject to UPMIFA that were previously classified as unrestricted. The total amount transferred amounted to \$ 4,230,375.

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 designated a portion of the unrestricted net asset balance of the trust and endowment funds to support a pledge to the annual campaign. This designation was made to reflect the spending policy of the Trust and Endowment Funds which allows contributions to the annual campaign from the trust and endowment funds of 5% of the fair 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 available net assets needed to meet the succeeding year pledge from the trust and endowment funds. The amount reserved based upon this formula amounted to \$10,230,202 and \$14,004,960 at December 31, 2010 and 2009, 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 2010 and 2009.

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 and the portion of perpetual endowment funds subject to a time restriction under UPMIFA.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

NOTE 6 - TEMPORARILY RESTRICTED AND BOARD DESIGNATED NET ASSETS (continued)

The following is a table of the composition of temporarily restricted assets as of the end of the year.

	<u>2010</u>	<u>2009</u>
Deferred Campaign Revenue	\$2,061,810	\$ 2,236,693
Donor Restricted Endowment Funds	5,328,034	-
Deferred Grant Income	49,195	52,079
Deferred Sponsorship Income	27,369	26,747
Interest in Beneficial Trusts	50,000	50,000
Totals	<u>\$7,516,408</u>	<u>\$ 2,365,519</u>

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>2010</u>	<u>2009</u>
Donor Restricted Endowments	\$ 10,454,855	\$10,123,775
Donor Restricted Interest in Beneficial Trusts	860,363	795,961
	<u>\$ 11,315,218</u>	<u>\$ 10,919,736</u>

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>2010</u>	<u>2009</u>
Perpetual trusts	\$ 860,363	\$ 795,961
Charitable remainder trusts	50,000	50,000
	<u>\$ 910,363</u>	<u>\$ 845,961</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

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.

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the State of New York as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted funds absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in 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.

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

<u>Net Asset Composition</u>		<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2010					
Donor Restricted Endowment		-	\$ 5,328,034	\$ 10,454,855	\$ 15,782,889
Board -Designated Endowment		\$ 9,901,943	-	-	9,901,943
	Total	<u>\$ 9,901,943</u>	<u>\$ 5,328,034</u>	<u>\$ 10,454,855</u>	<u>\$ 25,684,832</u>
December 31, 2009					
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>-</u>	<u>\$ 10,123,775</u>	<u>\$ 23,875,035</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

NOTE 9 – ENDOWMENTS (continued)

<u>Changes in Endowment Net Assets for the Year Ended :</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2010				
Endowment net assets, beginning of the year	\$ 13,751,260	-	\$ 10,123,775	\$ 23,875,035
Net assets reclassification based upon change in law	(4,230,375)	4,230,375	-	-
Contributions	32,379	-	331,080	363,459
Appropriation of endowment funds for expenditure	(533,606)	(535,725)	-	(1,069,331)
<u>Investment Return:</u>				
Investment Income	207,677	299,500	-	507,177
Realized and Unrealized Appreciation (Depreciation)	674,608	1,333,884	-	2,008,492
Total	<u>\$ 9,901,943</u>	<u>\$ 5,328,034</u>	<u>\$ 10,454,855</u>	<u>\$ 25,684,832</u>

<u>Changes in Endowment Net Assets for the Year Ended :</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2009				
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>-</u>	<u>\$ 10,123,775</u>	<u>\$ 23,875,035</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

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 \$1,000,000 and \$ 940,000 for 2010 and 2009, respectively. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of four 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 are 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 2010 and 2009. Amounts raised as part of this campaign are included in Gross Campaign results reported. The following is a summary of the campaign results.

	<u>2010</u>	<u>2009</u>
Gross Campaign- Broome County State Employees	\$223,806	\$229,657
Less: Amounts Designated to Other Agencies	<u>(154,104)</u>	<u>(154,657)</u>
Net Campaign Revenue	<u>\$ 69,702</u>	<u>\$ 75,000</u>

UNITED WAY OF BROOME COUNTY, INC.
ALLOCATIONS AND GRANTS
YEAR ENDED DECEMBER 31, 2010

Local Member Agencies:

ACCORD	\$	8,988
Action for Older Persons		86,824
American Civic Association		30,647
American Red Cross, Southern Tier Chapter		292,090
Baden-Powell Council, Boy Scouts of America		135,982
Boys and Girls Club of Binghamton		230,850
Boys and Girls Club of Western Broome		229,434
Broome County Urban League		80,922
Catholic Social Services-Broome County		248,387
Broome County Catholic Youth Organization		34,178
Crime Victims Assistance Center		14,937
Deposit Foundation and Rural Housing Services		13,099
Family and Children's Society		207,791
Girl Scouts of NYPENN Pathways		116,621
Handicapped Children's Association		48,161
Jewish Community Center		67,151
Johnson City Senior Citizens Center		23,809
Legal Aid Society, Mid-New York Binghamton Chapter		21,054
Literacy Volunteers of Broome/Tioga		11,797
Mental Health Association		106,529
National MS Society, Upstate New York Chapter		13,552
Planned Parenthood of South Central NY		27,917
Retired and Senior Volunteer Program		40,020
Salvation Army		96,402
SOS Shelter		56,178
Wilson Children's Center		12,503
Young Men's Christian Association		186,280
Young Women's Christian Association		138,952
Total Local Member Agencies		2,581,055

Other Allocations and Grants:

Venture Grant and Miscellaneous Grants		94,636
Less: Allocations Funded By Donor Designations		(188,910)

TOTALS	\$	2,486,781
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See independent auditor's report

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF SERVICES RENDERED
YEAR ENDED DECEMBER 31, 2010**

Allocations and Agency Relations

Program Expenditures **\$ 87,775**

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.

2-1-1/First Call For Help

Program Expenditures **\$ 169,938**

The 2-1-1 information and referral program formerly 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.

Day of Caring/Voluntary Action Center

Program Expenditures **\$46,344**

Day of Caring is a community-wide volunteer event which serves numerous nonprofit agencies and charitable organizations throughout Broome County and surrounding areas. The **Voluntary Action Center** of Broome County (VAC) works to promote active volunteerism in the local community.

Community Planning and Programs

Program Expenditures **\$ 94,602**

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.

See independent auditor's report.

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. (a nonprofit organization) as of December 31, 2010, 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 2009 financial statements and in our report dated June 10, 2010, we expressed an unqualified opinion on those financial 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, 2010 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 19-20 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
July 14, 2011