

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.,  
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND  
STATE EMPLOYEES FEDERATED APPEAL**

**Combined Financial Statements as of  
June 30, 2008  
Together with  
Independent Auditors' Report**

## INDEPENDENT AUDITORS' REPORT

January 5, 2009

To the Board of Directors of  
United Way of the Greater Capital Region, Inc., Capital Region Combined  
Federal Campaign  
and State Employees Federated Appeal:

We have audited the accompanying combined statement of financial position of United Way of the Greater Capital Region, Inc., Capital Region Combined Federal Campaign and State Employees Federated Appeal (collectively referred to as "Organization") as of June 30, 2008, and the related combined statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of United Way of the Greater Capital Region, Inc., Capital Region Combined Federal Campaign and State Employees Federated Appeal. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined 2008 financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Greater Capital Region, Inc., Capital Region Federal Campaign and State Employees Federated Appeal as of June 30, 2008, and the changes in their net assets and their 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 schedules on page 16 and 17 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

6 Wembley Court  
Albany, NY 12205  
p (518) 464-4080  
f (518) 464-4087

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**UNITED WAY OF THE GREATER CAPITAL REGION, INC.,  
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND  
STATE EMPLOYEES FEDERATED APPEAL**

**COMBINED STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2008**

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**ASSETS**

Cash and cash equivalents	\$ 2,756,048
Investments	2,729,908
Pledges receivable, net of allowance for uncollectible pledges	3,473,414
Contributions receivable	427,823
Other receivables	31,415
Prepaid expenses	26,490
Property and equipment, net	532,632
Beneficial interest in perpetual trust	466,864
	<hr/>
	\$ 10,444,594

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

Long-term debt	\$ 228,599
Accounts payable and accrued expenses	114,837
Due to affiliated agencies	2,471,286
Due to designated agencies	3,336,160
Accrued pension cost	280,182
Total liabilities	<hr/> 6,431,064

**NET ASSETS:**

Unrestricted:	
Undesignated	3,347,462
Board designated	133,949
Total unrestricted	<hr/> 3,481,411
Temporarily restricted	15,255
Permanently restricted	516,864
Total net assets	<hr/> 4,013,530
	<hr/>
	\$ 10,444,594

*The accompanying notes are an integral part of these statements.*

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.,  
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND  
STATE EMPLOYEES FEDERATED APPEAL**

**COMBINED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
<b>SUPPORT, REVENUE AND GAINS:</b>				
Support:				
Contributions received - United Way Campaign	\$ 8,575,610	\$ -	\$ -	\$ 8,575,610
Contributions received - Other	529,116	-	-	529,116
Less: Donor designations	(4,006,555)	-	-	(4,006,555)
Allowance for uncollectible pledges	(411,399)	-	-	(411,399)
	<u>4,686,772</u>	<u>-</u>	<u>-</u>	<u>4,686,772</u>
Events	52,579	-	-	52,579
Contributed goods and services	35,907	-	-	35,907
Grants	6,852	559,084	-	565,936
Legacies and bequests	20,938	-	-	20,938
Net assets released from restrictions	588,144	(588,144)	-	-
	<u>5,391,192</u>	<u>(29,060)</u>	<u>-</u>	<u>5,362,132</u>
Revenue and gains:				
Interest and dividends	140,714	-	-	140,714
(Loss) on sale of investments	(26,233)	-	-	(26,233)
Unrealized (loss) on investments	(266,885)	-	-	(266,885)
Unrealized (loss), permanently restricted	-	-	(51,185)	(51,185)
Rental revenue	47,082	-	-	47,082
	<u>(105,322)</u>	<u>-</u>	<u>(51,185)</u>	<u>(156,507)</u>
	<u>5,285,870</u>	<u>(29,060)</u>	<u>(51,185)</u>	<u>5,205,625</u>
<b>EXPENSES:</b>				
Program services:				
Community building programs	4,920,304	-	-	4,920,304
SEFA and CFC	343,408	-	-	343,408
Total program services	<u>5,263,712</u>	<u>-</u>	<u>-</u>	<u>5,263,712</u>
Supporting services:				
Management and general	863,819	-	-	863,819
Fund-raising:				
Resource development	547,670	-	-	547,670
Total supporting services	<u>1,411,489</u>	<u>-</u>	<u>-</u>	<u>1,411,489</u>
	<u>6,675,201</u>	<u>-</u>	<u>-</u>	<u>6,675,201</u>
<b>CHANGE IN NET ASSETS</b>	<b>(1,389,331)</b>	<b>(29,060)</b>	<b>(51,185)</b>	<b>(1,469,576)</b>
NET ASSETS - beginning of year	5,159,456	44,315	568,049	5,771,820
<b>OTHER CHANGE IN NET ASSETS:</b>				
Pension related changes other than net periodic costs	(288,714)	-	-	(288,714)
<b>NET ASSETS - end of year</b>	<b><u>\$ 3,481,411</u></b>	<b><u>\$ 15,255</u></b>	<b><u>\$ 516,864</u></b>	<b><u>\$ 4,013,530</u></b>

*The accompanying notes are an integral part of these statements.*

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.,  
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND  
STATE EMPLOYEES FEDERATED APPEAL**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2008**

	Management and General	SEFA and CFC	Resource Development	Community Building Programs	Totals
Salaries - Executive and professional	\$ 333,393	\$ 125,021	\$ 228,435	\$ 498,719	\$ 1,185,568
Salaries - Clerical and administrative	45,462	17,048	31,150	68,007	161,667
Retirement expenses	42,337	15,875	29,009	63,332	150,553
Payroll taxes	31,702	11,888	21,722	47,423	112,735
Health and disability insurance	34,977	13,116	23,966	52,322	124,381
Temporary employees	11,965	4,487	8,199	17,899	42,550
Independent contractor	-	-	-	26,451	26,451
Total salaries and related expenses	499,836	187,435	342,481	774,153	1,803,905
Community Care Fund allocations	-	-	-	3,092,760	3,092,760
Grants and technical assistance	-	-	-	467,301	467,301
Distributions to Agencies	-	-	-	286,171	286,171
Publicity and promotion	79,318	-	54,348	-	133,666
Program expenses	-	-	-	120,177	120,177
Federated campaign expenses	-	111,881	-	-	111,881
Equipment expenses	27,875	10,453	19,100	41,698	99,126
Subscriptions and dues	85,968	-	1,764	3,852	91,584
Professional services and fees	20,690	7,759	14,177	30,951	73,577
Transition expenses	81,115	-	-	-	81,115
Occupancy	22,682	8,506	15,541	33,930	80,659
Printing and supplies	7,460	2,798	43,379	11,160	64,797
Meetings and development	15,891	5,959	10,888	23,770	56,508
Travel and related costs	9,144	3,429	6,266	13,679	32,518
Loaned executive expense	1,452	543	31,741	2,171	35,907
Telephone and postage	6,734	2,525	4,614	10,074	23,947
Insurance	2,266	850	1,553	3,390	8,059
Interest	2,254	845	1,543	3,371	8,013
Miscellaneous	1,134	425	275	1,696	3,530
Totals	\$ 863,819	\$ 343,408	\$ 547,670	\$ 4,920,304	\$ 6,675,201

The accompanying notes are an integral part of these statements.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.,  
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND  
STATE EMPLOYEES FEDERATED APPEAL**

**COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ (1,469,576)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	56,318
(Gain) loss on sale of investments	26,233
Unrealized (gain) loss on investments	266,885
Unrealized (gain) loss, permanently restricted	51,185
Changes in:	
Pledges receivable	589,290
Other receivables	(2,252)
Prepaid expenses and allocations	(8,356)
Contributions receivable	14,993
Accounts payable and accrued expenses	(37,833)
Due to affiliated agencies	567,265
Due to designated agencies	343,930
Deferred income	(3,231)
Accrued pension cost	(13,422)
	<u>381,429</u>
Net cash flow from operating activities	<u>381,429</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchases of investments	(1,337,643)
Proceeds from sales of investments	1,263,969
Acquisition of equipment and building improvements	(188,839)
	<u>(262,513)</u>
Net cash flow from investing activities	<u>(262,513)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Proceeds from the issuance of long-term debt	250,000
Principal payments on long-term debt	(21,401)
	<u>228,599</u>
Net cash flow from financing activities	<u>228,599</u>
<b>CHANGE IN CASH</b>	<b>347,515</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b><u>2,408,533</u></b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b><u>\$ 2,756,048</u></b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>	
Cash paid during the year for interest	<u>\$ 8,013</u>
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH OPERATING ACTIVITIES:</b>	
Increase in accrued pension cost related to non-cash actuarial changes	<u>\$ (288,714)</u>

*The accompanying notes are an integral part of these statements.*

# UNITED WAY OF THE GREATER CAPITAL REGION, INC., CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND STATE EMPLOYEES FEDERATED APPEAL

## NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2008

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### 1. ORGANIZATION AND HISTORY

United Way of the Greater Capital Region, Inc. (UWGCR), a New York not-for-profit corporation, was created when United Way of Northeastern New York, Inc. agreed to merge with United Way of Schenectady County, Inc. in order to provide better services to the individuals and corporations in the Capital Region. In accordance with the agreement, effective July 1, 2007, United Way of Northeastern New York, Inc. transferred all its assets, liabilities, net assets and the administrative agreements for Capital Region Combined Federal Campaign and State Employees Federated Appeal to United Way of Schenectady County, Inc. Effective July 1, 2007, United Way of Schenectady County, Inc. changed its name to United Way of the Greater Capital Region, Inc. The accompanying combined statement of financial position as of June 30, 2008 represents all assets, liabilities, and net assets of the newly formed organization as of July 1, 2007, and the results of operations during the current fiscal year.

Our mission is to be a leader in bringing people and resources together to achieve measurable and sustainable improvements in the quality of life in our community.

Our Community Building focus brings together community based agencies, county and state agencies, corporations, and volunteers to work together on our various programs:

Success by Six – Encourages early childhood development

Hands on Capitaland – Organizations working together on property improvements within our community

Family Support Network – A collaboration of more than 50 nonprofit and public agencies which encourages parents to collaborate with professionals and community members on goal setting and finding solutions to family issues in neighborhoods

Safe Places Interactive Network (SPIN) – Provides distance learning to improve educational performance of youth

2-1-1 - A cooperative of non-profits that work together in the operation of call center to aid individual in finding essential services

UWGCR programs address issues that are critical to the quality of life in the Capital Region, and most importantly, they focus on results. The programs selected for our Community Care funding fall into six broad categories that are determined by an intensive study of the human service needs of the Capital Region. These funding areas are:

Basic Needs: Poverty, Hunger and Nutrition, Homelessness, and Disasters

Community Development: Adult Education, Crime, Un/Underemployment, Discrimination, Disputes and Conflicts

Youth: Substance Abuse, Teen pregnancy, Delinquency, Education, Personal Development, and Social Recreation

Elder Care: Dependent Care, Social/Recreational Needs

## 1. ORGANIZATION AND HISTORY (Continued)

Health: Substance Abuse, AIDS, Disabilities, Illness/Disease/Injury

Family Care: Abuse and Neglect, Domestic Violence, Child Care, Family Dysfunction

State Employees Federated Appeal (SEFA) and Capital Region Combined Federal Campaign (CFC): Workplace fund-raising campaigns - UWGCR is responsible for developing, implementing, and evaluating fund-raising programs with respective volunteer committees for the 12 county area.

United Way of the Greater Capital Region, Inc. is a member of the United Way of America. To maintain membership within this Organization, United Way of the Greater Capital Region, Inc. must make a membership investment to United Way of America based on a percentage of annual contributions received. This membership fee paid to United Way of America was \$60,466 for the year ended June 30, 2008.

United Way of the Greater Capital Region, Inc., is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. UWGCR has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

### *Capital Region Combined Federal Campaign (CFC)*

Capital Region Combined Federal Campaign (CFC) originated in the early 1960's to bring the diversity of fund-raising efforts under one umbrella. Federal employees created "the campaign, once a year" to include only charities that have been approved by either the U.S. Office of Personnel Management (OPM) or the Local Federal Coordinating Committee (LFCC). The member agencies participating in CFC include United Way of the Greater Capital Region, Inc., Community Health Charities/New York State Committee, the National Agencies, the International Service Agencies, and approximately 580 other affiliated and unaffiliated agencies.

While OPM has been charged with the oversight of CFC, the actual decisions regarding the conduct of the campaign are made by LFCC within the provision and policies established by OPM. LFCC is composed of directors from the largest federal agencies in the Capital Region and representatives of labor unions with federal employees as members.

Every year, LFCC selects one of the voluntary organizations involved in CFC to manage the campaign and serve as fiscal agent. This year, LFCC has once again selected United Way of the Greater Capital Region, Inc. to serve in this capacity.

### *State Employees Federated Appeal (SEFA)*

State Employees Federated Appeal (SEFA) is an annual fund-raising campaign that occurs during the fall season. The program was established to accommodate the wishes of New York State employees who wanted a single fund-raising campaign that would reduce multiple charitable solicitations. Participating federations in the campaign include United Way of the Greater Capital Region, Inc., Community Health Charities of New York, International Service Agencies, and Environmental Federation of New York to name a few. In addition to the aforementioned federations, over 400 independent agencies also participate in the campaign.

New York State regulations assign the responsibility of campaign oversight to the Capital Region SEFA Committee whose members include state employees and representatives of charitable agencies. Campaign administrative and fiscal management services are performed by personnel of United Way of the Greater Capital Region, Inc.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Principles of Combination**

The amounts in the combined financial statements include the accounts of the United Way of the Greater Capital Region, Inc. (UWGCR), State Employees Federated Appeal (SEFA), and Capital Region Combined Federal Campaign (CFC). All intercompany balances and transactions have been eliminated in the combination. The financial statements have been combined because of common control and interrelated operating activities.

These organizations are hereafter referred to as "Organization".

### **Accounting Method**

The financial statements are prepared on the accrual basis of accounting in accordance with U.S generally accepted accounting principles. The significant accounting policies followed by United Way of the Greater Capital Region, Inc., Capital Region Combined Federal Campaign and State Employees Federal Appeal are described below to enhance the usefulness of the financial statements.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all certificates of deposit and highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains cash balances at several banks. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Subsequent to June 30, 2008, the FDIC insurance limit was increased to \$250,000. At times, the Organization may maintain balances in excess of federally insured limits. Management believes that this is an ordinary business risk.

During 2008 United Way moved a substantial portion of its cash to a bank that participates in the certificate of deposit account registry service (CDARS). CDARS allows organizations to completely insure deposits up to \$50 million.

### **Investments**

All investments in publicly traded debt securities, equity securities, and mutual funds are stated at fair value. Fair value is determined using quoted market prices. All realized gains and unrealized gains and losses are reported directly in the accompanying statement of activities.

Investments securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is reasonable possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Pledges Receivable**

The Organization provides an allowance for uncollectible pledges based upon collection history and a review of open accounts by management. The allowance for uncollectible pledges was \$411,399 at June 30, 2008.

Although management has reviewed the collection history while projecting the allowance, it is reasonably possible that actual uncollectible pledges may differ from the estimated allowance.

### **Contribution Receivable**

The Organization has recorded a contribution receivable of \$427,823 from an estate in which they have been named beneficiary. The full amount is expected to be collected prior to December 31, 2008.

### **Property and Equipment**

Property and equipment are stated at cost, except for donated assets, which are recorded at their fair market value at the date of the gift. United Way and Affiliates do not imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are restricted as to their use by the donor. Accordingly, those donations are recorded as support, increasing unrestricted net assets.

Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When property and equipment are disposed of, the appropriate accounts are relieved of costs, and accumulated depreciation and any resultant gain or loss is reported as a change in net assets.

Depreciation is computed on a straight-line basis using the estimated useful lives (2 to 40 years) of the various assets.

### **Due to Affiliated Agencies/Pledge Income**

Contributions which are designated to a specific third-party beneficiary are recorded as a liability at the fair market value at the time the contribution is received, net of campaign costs and allowance for uncollectible pledges. All pledges received by CFC and SEFA are considered donor-designated. These pledges are passed directly to the designated recipients and are excluded from the Organizations' revenue and expenses, except for a small portion that is allocated to revenue to cover direct campaign costs.

### **Recognition of Donor Restrictions**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is received. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

### **Financial Statement Presentation**

The Organization 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Categories of Net Assets:**

#### Unrestricted - Undesignated

This category of net assets is not restricted by donors or other outside agencies. The Board of Directors can authorize use of these assets, as it desires, to carry on the purposes of the Organization according to its bylaws.

#### Unrestricted - Designated by the Board

This category of net assets is not restricted to any specific expenditure, however, the Board of Directors has designated that these monies be used to supplement program expenses for the 2008-2009 year.

#### Temporarily Restricted Net Assets

This category of net assets represents donor-imposed restrictions that permit the donee organization to use up or expend the donated assets as specified. This temporary restriction is satisfied by the passage of time or actions by the organization.

#### Permanently Restricted Net Assets

This category of net assets represents donor-imposed restrictions that stipulate that resources be maintained permanently, but permits United Way to use up or expend part or all of the income derived from the donated assets.

Permanently restricted net assets consist of a beneficial interest in a perpetual trust (see Note 5) as well as bequests that require investments in perpetuity.

### **Donated and Contributed Services**

A number of "loaned executives" have donated 1,913 hours to the Organization's fund-raising campaigns during the year ended June 30, 2008. The services donated require specialized skills and are reflected in the statement of activities at their fair value. For the year ended June 30, 2008, the amount recognized was \$35,907.

### **Statement of Functional Expenses**

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Advertising**

The Organization expenses advertising costs as incurred. Advertising expense was \$132,350 for the year ended June 30, 2008.

### 3. INVESTMENTS

A summary of investments as of June 30, 2008 is as follows:

	<u>Cost</u>	<u>Market Value</u>
Equities	\$ 2,254,962	\$ 2,197,625
Corporate bonds	544,411	532,283
Total	<u>\$ 2,799,373</u>	<u>\$ 2,729,908</u>

Investments are managed in accordance with an investment policy that was approved by the Board of Directors and is periodically reviewed.

For the year ended June 30, 2008, the investments earned interest and dividends of \$140,714 and incurred investment management fees of \$15,999.

### 4. PROPERTY AND EQUIPMENT

The major classes of property and equipment consist of the following as of June 30, 2008:

Land	\$ 102,300
Building and building improvements	796,526
Office equipment	195,893
Total	<u>1,094,719</u>
Less: Accumulated depreciation	<u>(562,087)</u>
Property and equipment - Net	<u>\$ 532,632</u>

Depreciation expense for the year ended June 30, 2008 was \$56,318.

### 5. BENEFICIAL INTEREST IN PERPETUAL TRUST

UWGCR is the beneficiary of the Percy Waller Perpetual Charitable Trust (Trust). The Trust provides for annual distributions of eleven percent of the income earned on the Trust's assets. The donor has placed no restrictions as to the use of the distributions. The Trust is administered by an independent third-party trustee.

The value of the beneficial interest in perpetual trust is recorded at eleven percent of the fair market value of the Trust's assets. UWGCR recognized losses in the value of this Trust in the amount of \$51,185 during the year ended June 30, 2008.

### 6. LINE OF CREDIT

UWGCR has an unsecured \$100,000 line-of-credit with First Niagara Bank. Borrowings against the line are due on demand and interest is payable monthly at the Bank's prime rate (5.00% at June 30, 2008). At June 30, 2008, there was no outstanding balance on the line of credit.

## 7. LONG-TERM DEBT

The Organization has an unsecured note payable with Pioneer Savings Bank. The note carries interest at 6.50%, and is payable in monthly installments of \$4,903. The balance due is \$228,599 as of June 30, 2008. Interest expense for the year ended June 30, 2008 was \$8,013. Final payment on the loan is due December 2012. Future maturities of long-term debt are as follows:

Years Ending June 30,

2009	\$ 45,221
2010	48,250
2011	51,481
2012	54,929
2013	28,718
Total	<u>\$ 228,599</u>

## 8. TEMPORARILY RESTRICTED AND BOARD DESIGNATED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30, 2008:

Disaster relief	\$ 9,373
MetLife grant	3,474
C.A.S.H. grant	1,308
County Housing Alliance	1,100
Total	<u>\$ 15,255</u>

Unrestricted – Board designated net assets are available for the following purposes at June 30, 2008:

Technical assistance	\$ 32,750
Impact Councils	30,000
EITC grant	25,500
Literacy Task Force	20,000
Born Learning	12,993
Success by Six	6,700
Time Dollar	6,006
Total	<u>\$ 133,949</u>

## 9. EMPLOYER RETIREMENT PLANS

UWGCR has a qualified deferred salary plan in accordance with IRC Section 403(b). The plan covers all of the Organization's full-time employees who were part of the United Way of Schenectady County plan who have completed one year of service. Employer contributions to the plan are determined annually by the Board of Directors. During the year ended June 30, 2008, the employer contribution was approximately \$34,000.

## 9. EMPLOYER RETIREMENT PLAN (Continued)

UWGCR also has a noncontributory, combination pension and welfare plan available to all employees 21 years of age or older, who have completed one year of service. This plan is a defined benefit plan, which provides benefits that are generally based on years of service and final average salary.

The defined benefit plan has adopted the recognition provisions of FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, which requires that the funded status of defined benefit pension and other postretirement plans be fully recognized in the statement of financial position.

Information relative to the defined benefit plan for the year ending June 30, 2008 is as follows:

### Change in benefit obligations:

Benefit obligation at beginning of year	\$ 1,863,224
Service cost	107,244
Interest cost	118,727
Change due to assumption change(s)	30,801
Actuarial (gains) losses	41,935
Expense charges	(9,881)
Annuities purchased or benefits paid	(313,159)
Benefit obligation at end of year	<u>\$ 1,838,891</u>

### Change in plan assets:

Fair value of plan assets at beginning of year	\$ 1,858,334
Actual return (loss) on plan assets	(106,585)
Employer contributions	130,000
Annuities purchased or benefits paid	(313,159)
Expense charges	(9,881)
Fair value of plan assets at end of year	<u>\$ 1,558,709</u>

### Funded status:

(Under) funded status of the plan	<u>\$ (280,182)</u>
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The following shows the development of net periodic benefit cost as of June 30, 2008:

Service cost	\$ 107,244
Interest cost	118,727
Expected (return) on plan assets	(143,879)
Amount of recognized actuarial losses	34,486
Net periodic benefit cost	<u>\$ 116,578</u>

## 9. EMPLOYER RETIREMENT PLAN (Continued)

### Financial Statement Recognition

As of June 30, 2008, the following amounts were recognized in the statement of financial position:

As a non-current liability	\$ (280,182)
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As of June 30, 2008, the following amounts were recognized in the statement of activities and changes in net assets:

Net periodic cost	\$ 116,578
Change in additional minimum liability	\$ 288,714

### Unamortized Items

The expected effect of unamortized items on unrestricted net assets in the next fiscal year is as follows:

Unrecognized Net Obligation or (Net Asset)	\$ -
Unrecognized Actuarial (Gain) or Loss	3,862
Unrecognized Prior Service Cost	-
Total unamortized items	<u>\$ 3,862</u>

The following table summarizes the assumptions used by the consulting actuaries and the related benefit cost information:

Weighted - average assumptions used to determine benefit obligations as of June 30, 2008:

Discount rate	6.00%
Rate of compensation increase	5.50%

Weighted - average assumptions used to determine net periodic benefit as of June 30, 2008:

Discount rate	6.25%
Expected long-term return on plan assets	7.50%
Rate of compensation increase	5.50%

A best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on historical 30 year period rolling averages to determine the expected long-term return on plan assets of 7.50%. An average inflation rate of 3.75% was selected and added to the real rate of return range to arrive at a best estimate range of 7.07 - 8.68%. A rate toward the low end of the best estimate range of 7.50% was selected for conservatism based on upcoming retirement benefit payments expected of the next 10 years.

### Determination of Investment Policy

The narrative description of the Plan's investment policy is determined by the plan sponsor. The plan's assets are invested with an insurance company contract. The contract is able to invest in various equity securities as well as other fixed principal funds.

## 9. EMPLOYER RETIREMENT PLAN (Continued)

### Plan Assets

The pension plans weighted-average asset allocations as of June 30, 2008, by asset category are as follows:

Equity securities	\$ 748,929	48.05%
Fixed income	770,140	49.41%
Other	39,640	2.54%
Total	<u>\$ 1,558,709</u>	<u>100.00%</u>

### Contributions

UWGCR contributed \$130,000 to the defined benefit plan for the year ended June 30, 2008. The Organization expects to contribute approximately \$150,000 to this plan in 2009. Total employee benefit plan expense for the year ended June 30, 2008 was \$150,553.

### Estimated Future Benefit Payments

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

2009	\$ 4,000
2010	-
2011	62,000
2012	230,000
2013	476,000
2014-2018	1,628,000
Total	<u>\$ 2,400,000</u>

Effective January 1, 2009, all United Way employees will participate in both retirement plans.

## 10. RECONCILIATION OF PLEDGE INCOME

Fund-raising campaign results for fall 2007 were as follows:

Total campaign pledges	\$ 8,928,294
Less:	
Amounts collected prior to June 30, 2008	(5,043,481)
Allowance for doubtful accounts	(411,399)
Pledges receivable	<u>\$ 3,473,414</u>

## 11. SUBSEQUENT EVENT

Subsequent to year-end there has been substantial volatility in the United States financial markets. Major investment indices have experienced significant declines. The S&P 500 index, a stock market index comprised of 500 of the largest United States corporations, has declined from 1,280 at June 30, 2008, to 927 at January 5, 2009, an approximate 28% decline. In addition, many fixed income securities have also experienced significant valuation pressure as a result of turmoil in the credit markets. As a result, it is likely that the value of the Organization's investments have declined since year-end.

This volatility has also had a substantial effect on the calculation of the funded status of the Organization's defined benefit pension plan. Prior to June 30, 2008, the Organization reduced its equity holdings for pension assets from 70% in equities to approximately 50%. While this change will help the Plan to reduce risk, it is likely that the liability related to this Plan has increased since June 30, 2008.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.,  
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND  
STATE EMPLOYEES FEDERATED APPEAL**

**COMBINING SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2008**

	<u>United Way of the Greater Capital Region, Inc.</u>	<u>Capital Region Combined Federal Campaign</u>	<u>State Employees Federated Appeal</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,769,436	\$ 137,650	\$ 848,962	\$ -	\$ 2,756,048
Investments	2,729,908	-	-	-	2,729,908
Pledges receivable, net of allowance for uncollectible pledges	2,351,330	195,634	1,311,470	(385,020)	3,473,414
Contributions receivable	427,823	-	-	-	427,823
Other receivables	384,087	-	-	(352,672)	31,415
Prepaid expenses	26,490	-	-	-	26,490
Property and equipment, net	532,632	-	-	-	532,632
Beneficial interest in perpetual trust	466,864	-	-	-	466,864
	<u>\$ 8,688,570</u>	<u>\$ 333,284</u>	<u>\$ 2,160,432</u>	<u>\$ (737,692)</u>	<u>\$ 10,444,594</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES:</b>					
Note payable	\$ 228,599	\$ -	\$ -	\$ -	\$ 228,599
Accounts payable and accrued expenses	114,837	-	-	-	114,837
Due to affiliated agencies	2,471,286	111,531	626,161	(737,692)	2,471,286
Due to designated agencies	1,589,131	221,753	1,525,276	-	3,336,160
Accrued pension cost	280,182	-	-	-	280,182
Total liabilities	<u>4,684,035</u>	<u>333,284</u>	<u>2,151,437</u>	<u>(737,692)</u>	<u>6,431,064</u>
<b>NET ASSETS:</b>					
Unrestricted:					
Undesignated	3,338,467	-	8,995	-	3,347,462
Board designated	133,949	-	-	-	133,949
Total unrestricted	<u>3,472,416</u>	<u>-</u>	<u>8,995</u>	<u>-</u>	<u>3,481,411</u>
Temporarily restricted	15,255	-	-	-	15,255
Permanently restricted	516,864	-	-	-	516,864
Total net assets	<u>4,004,535</u>	<u>-</u>	<u>8,995</u>	<u>-</u>	<u>4,013,530</u>
	<u>\$ 8,688,570</u>	<u>\$ 333,284</u>	<u>\$ 2,160,432</u>	<u>\$ (737,692)</u>	<u>\$ 10,444,594</u>

The accompanying notes are an integral part of these schedules.

UNITED WAY OF THE GREATER CAPITAL REGION, INC.,  
 CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND  
 STATE EMPLOYEES FEDERATED APPEAL

COMBINING SCHEDULE OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2008

	United Way of the Greater Capital Region, Inc.			Capital Region Combined Federal Campaign		State Employees Federated Appeal		Totals
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Unrestricted	Unrestricted	Eliminations	
<b>SUPPORT, REVENUE AND GAINS:</b>								
Support:								
Contributions received - United Way Campaign	\$ 5,690,938	-	-	\$ 414,336	\$ 2,823,020	\$ (352,684)		\$ 8,575,610
Contributions received - Other	529,116	-	-	-	-	-		529,116
Less: Donor designations	(1,444,100)	-	-	(333,909)	(2,228,546)	-		(4,006,555)
Allowance for uncollectible pledges	(350,000)	-	-	(11,399)	(50,000)	-		(411,399)
Subtotal	4,425,954	-	-	69,028	544,474	(352,684)		4,686,772
Events	52,579	-	-	-	-	-		52,579
Contributed goods and services	5,162	-	-	-	30,745	-		35,907
Grants	6,852	559,084	-	-	-	-		565,936
Legacies and bequests	20,938	-	-	-	-	-		20,938
Net assets released from restrictions	588,144	(588,144)	-	-	-	-		-
Total support	5,099,629	(29,060)	-	69,028	575,219	(352,684)		5,362,132
Revenue and gains:								
Interest and dividends	116,468	-	-	3,185	21,061	-		140,714
Realized (losses) on sale of investments	(26,233)	-	-	-	-	-		(26,233)
Unrealized (losses) on investments	(266,885)	-	-	-	-	-		(266,885)
Unrealized (losses) permanently restricted	-	-	(51,185)	-	-	-		(51,185)
Rental revenue	47,082	-	-	-	-	-		47,082
Total revenue and gains	(29,568)	-	(51,185)	3,185	21,061	-		(56,308)
Total support, revenue, and gains	4,970,061	(29,060)	(51,185)	72,213	596,280	(352,684)		5,205,625
<b>EXPENSES:</b>								
Program services:								
Community building programs	4,634,133	-	-	-	286,171	-		4,920,304
SEFA and CFC	343,408	-	-	-	-	-		343,408
Total program services	4,977,541	-	-	-	286,171	-		5,263,712
Supporting services								
Management and general	863,819	-	-	4,085	3,500	(7,585)		863,819
Fund-raising:								
Resource development	517,425	-	-	68,128	307,216	(345,099)		547,670
Total supporting services	1,381,244	-	-	72,213	310,716	(352,684)		1,411,489
Total expenses	6,358,785	-	-	72,213	596,887	(352,684)		6,675,201
CHANGE IN NET ASSETS	(1,388,724)	(29,060)	(51,185)	-	(607)	-		(1,469,576)
NET ASSETS - beginning of year	5,149,854	44,315	568,049	-	9,602	-		5,771,820
OTHER CHANGE IN NET ASSETS:								
Pension related changes other than net periodic cost	(288,714)	-	-	-	-	-		(288,714)
NET ASSETS - end of year	\$ 3,472,416	\$ 15,255	\$ 516,864	\$ -	\$ 8,995	\$ -		\$ 4,013,530

The accompanying notes are an integral part of these schedules.