

BROOME COUNTY COUNCIL OF
CHURCHES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2010

BROOME COUNTY COUNCIL OF CHURCHES, INC.

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Independent Auditor's Report

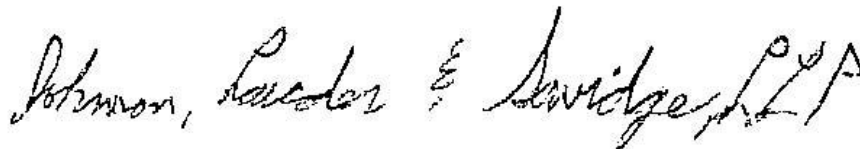
Board of Directors
Broome County Council of Churches, Inc.
Binghamton, New York

We have audited the accompanying statements of financial position of Broome County Council of Churches, Inc. (a non-profit organization) as of December 31, 2010 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Council's December 31, 2009 financial statements. In our report dated July 30, 2010, we expressed a similar qualified opinion on those statements due to a scope limitation on food inventories and in-kind food product contributions.

Except as discussed in the following paragraph, we conducted our audit in accordance with 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.

No accounting controls are exercised over in-kind contributions of food and grocery product collections prior to the entry of the contributions in the accounting records. The entry is based on detailed information of distribution of these products to community organizations and pantries under the Chow Emergency Food Program. In addition, the ending food inventory is an estimate only. Accordingly, it was not practicable for us to extend our audit beyond the contributions and inventory recorded.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the items referred to in the preceding paragraph been susceptible to satisfactory audit tests, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Broome County Council of Churches, Inc. as of December 31, 2010, and the results of its operations and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



June 29, 2011
Binghamton, New York

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2010

(With Comparative Totals for 2009)

	Unrestricted					Total	Total
	General	Property and Board Designated	Total	Temporarily Restricted	Permanently Restricted	2010	2009
Assets:							
Current assets							
Cash	\$ 121,037		\$ 121,037			\$ 121,037	\$ 207,095
Accounts receivable (net) and unconditional promises to give	43,895		43,895			43,895	39,783
Employee receivable, current	7,212		7,212			7,212	1,326
Mortgage receivable, current		\$ 180,719	180,719	\$ 731,866	\$ 483,128	663,847	619,896
Investments						731,866	397,380
Inventory	9,496		9,496			9,496	15,820
Prepaid expenses	(15,000)		(15,000)	15,000			
Due from (to) other funds							
Total current assets	166,640	180,719	347,359	746,866	483,128	1,577,353	1,288,182
Non-current assets							
Mortgage receivable, long term	60,328		60,328			60,328	67,564
Beneficial interest in perpetual trust					302,400	302,400	287,889
Land		47,500	47,500			47,500	47,500
Building and improvements		1,454,261	1,454,261			1,454,261	1,454,261
Furniture, fixtures and equipment		221,718	221,718			221,718	221,718
Vehicles		121,315	121,315			121,315	104,083
Less: accumulated depreciation		(653,923)	(653,923)			(653,923)	(599,552)
Total non-current assets	60,328	1,190,871	1,251,199		302,400	1,553,599	1,583,463
Total assets	\$ 226,968	\$ 1,371,590	\$ 1,598,558	\$ 746,866	\$ 785,528	\$ 3,130,952	\$ 2,871,645

See accompanying notes to financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2010

(With Comparative Totals for 2009)

	Unrestricted					Total	Total
	General	Property and Board Designated	Total	Temporarily Restricted	Permanently Restricted	2010	2009
Liabilities and net assets:							
Line of credit	\$ 210,594		\$ 210,594			\$ 210,594	\$ 276,348
Accounts payable	5,435		5,435			5,435	11,600
Accrued expenses	31,312		31,312			31,312	25,806
Accrued compensated absences	28,339		28,339			28,339	31,110
Custodian payables	20,100		20,100			20,100	12,382
Total current liabilities	295,780		295,780			295,780	357,246
Net assets:							
Unrestricted	(68,812)	\$ 1,371,590	1,302,778			1,302,778	1,292,658
Temporarily restricted				\$ 746,866		746,866	450,725
Permanently restricted					\$ 785,528	785,528	771,016
Total net assets	(68,812)	1,371,590	1,302,778	746,866	785,528	2,835,172	2,514,399
Total liabilities and net assets	\$ 226,968	\$ 1,371,590	\$ 1,598,558	\$ 746,866	\$ 785,528	\$ 3,130,952	\$ 2,871,645

See accompanying notes to financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2010
(With Comparative Totals for 2009)

	Unrestricted				Total	Temporarily Restricted	Permanently Restricted	Total 2010	Total 2009
	General	Property and Board Designated							
Revenue and support									
Contributions									
- Churches	\$ 72,568			\$ 72,568			\$ 72,568	\$ 104,150	
- Organizations and denominations	39,050			39,050			39,050	37,581	
- Individuals and businesses	420,920			420,920			420,920	531,252	
- Foundations and institutional	267,831		\$ 15,000	267,831	\$ 15,000		282,831	238,476	
- Matching gifts	5,992			5,992			5,992	4,258	
- In-kind	1,377,665	\$ 17,232		1,394,897	731,866		2,126,763	2,145,806	
- Special events – net	70,781			70,781			70,781	72,995	
Investment income	32,760	43,950		76,710		\$ 14,512	91,222	51,873	
Gain on sale of vehicle	16,342			16,342			16,342	200	
Miscellaneous income								7,786	
Net assets released from restrictions	505,096	(54,371)		450,725	(450,725)				
Satisfaction of program restrictions		6,811		2,815,816	296,141		3,126,469	3,194,377	
Total revenue and support	2,809,005			2,815,816	296,141	14,512	3,126,469	3,194,377	
Expenses									
Project Hope	4,199			4,199			4,199	4,019	
Chow Emergency Food Program	2,134,951			2,134,951			2,134,951	2,307,542	
Jail ministry	112,944			112,944			112,944	106,052	
Hospital ministry	52,027			52,027			52,027	57,993	
Faith in Action volunteers	107,761			107,761			107,761	106,547	
Other program expenses	18,171			18,171			18,171	22,936	
Total program expenses	2,430,053			2,430,053			2,430,053	2,605,089	
General and administrative	320,812			320,812			320,812	367,212	
Fund raising	54,831			54,831			54,831	47,318	
Total expenses	2,805,696			2,805,696			2,805,696	3,019,619	

See accompanying notes to financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2010

(With Comparative Totals for 2009)

	Unrestricted					Total	Total
	General	Property and Board Designated	Total	Temporarily Restricted	Permanently Restricted	2010	2009
Increase in net assets	\$ 3,309	\$ 6,811	\$ 10,120	\$ 296,141	\$ 14,512	\$ 320,773	\$ 174,758
Balance at beginning of year	(72,121)	1,364,779	1,292,658	450,725	771,016	2,514,399	2,339,641
Net assets at end of period	<u>\$ (68,812)</u>	<u>\$ 1,371,590</u>	<u>\$ 1,302,778</u>	<u>\$ 746,866</u>	<u>\$ 785,528</u>	<u>\$ 2,835,172</u>	<u>\$ 2,514,399</u>

See accompanying notes to financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2010

(With Comparative Totals for 2009)

	Project Hope	Emergency Food Program	Jail Ministry	Hospital Ministry	Faith in Action Volunteers	Other Program Expenses	General and Administrative Expenses	Fund Raising	Total Expenses
									2010
Salary expense	\$ 1,863	\$ 192,258	\$ 90,753	\$ 43,234	\$ 52,793		\$ 162,091	\$ 39,573	\$ 582,565
Payroll taxes	152	11,515	5,684	2,675	2,985		15,692	2,597	41,300
Fringe benefits	73	7,646	5,443	1,598	2,840		16,971	6,332	40,903
Contracted services - other		13,336	281	224	8,579		3,911		26,331
Seminars and education		1,178			720		1,033		2,931
Food expense (includes in-kind)		1,822,395							1,822,395
Direct aid (includes Broome Bounty)	2,111		680	30	154	\$ 18,171		2,688	21,146
Postage and shipping		3,849	584	354	1,293		2,689		11,457
Telephone and internet		2,246	897		1,096		5,714		9,953
Supplies		4,728	1,975	174	13,056		1,516	1,515	22,964
General insurance		2,104	96		135		7,707		10,042
Repair and maintenance		8,009	1,202	793	2,438		23,515		35,957
Utilities		8,161	261		622		17,775		26,819
Printing		6,238	1,116	413	3,514		1,499	1,500	14,280
Vehicle expenses		20,865			4,286		8,856		34,007
Direct fund raising costs		2,608	621	497	497		8,192	626	626
Professional fees (includes in-kind)		1,211	388		1,486		3,811		12,415
Travel and meals		23,379	2,175	1,632	9,787		17,398		6,896
Depreciation		419	788	403	871		4,743		54,371
Publicity and volunteer recognition		2,806			609		9,963		6,033
Dues, fees and subscriptions									14,569
Miscellaneous									4,412
Uncollectible accounts									(471)
Interest expense									7,736
Total expenses	\$ 4,199	\$ 2,134,951	\$ 112,944	\$ 52,027	\$ 107,761	\$ 18,171	\$ 320,812	\$ 54,831	\$ 2,805,696
									\$ 3,019,619

See accompanying notes to financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

(With Comparative Totals for 2009)

	2010	2009
	-----	-----
Cash flows provided by (used in) operating activities:		
Change in net assets	\$ 320,773	\$ 174,758
Adjustments to reconcile change in net assets to cash flows from operations:		
Depreciation	54,371	52,520
In-kind vehicle donations	(17,231)	-
(Increase) decrease in assets:		
Accounts receivable and promises to give	(4,112)	34,724
Inventory	(334,486)	(171,022)
Prepaid expense	6,324	(329)
Increase (decrease) in liabilities:		
Accounts payable	(6,165)	(159)
Accrued expenses and custodian payables	10,453	11,885
Net (gains) losses on investments	(45,792)	(97,940)
Interest in perpetual trust	(14,512)	74,874
	-----	-----
Net cash provided by (used in) operating activities	(30,377)	79,311
	-----	-----
Cash flows provided by (used in) investing activities:		
Purchase of property and equipment	-	(27,075)
Proceeds from sale of property and equipment	-	200
Proceeds from sale of investments	289,103	442,836
Purchase of investments	(287,262)	(453,944)
	-----	-----
Net cash provided by (used in) investing activities	1,841	(37,983)
	-----	-----
Cash flows provided by (used in) financing activities:		
Borrowings on line of credit	167,602	142,200
Payments on line of credit	(233,356)	(78,412)
Receipts on mortgage receivable	6,906	6,567
Repayments (advances) on employee loans – net	1,326	3,262
	-----	-----
Net cash provided by (used in) financing activities	(57,522)	73,617
	-----	-----
Net increase (decrease) in cash and cash equivalents	(86,058)	114,945
Cash at the beginning of year	207,095	92,150
	-----	-----
Cash at the end of year	<u>\$ 121,037</u>	<u>\$ 207,095</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	<u>\$ 7,736</u>	<u>\$ 6,852</u>

See accompanying notes to financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Broome County Council of Churches, Inc. (the Council) have been prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation – Financial statement presentation follows Generally Accepted Accounting Principles which requires the Organization to report 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.

Contributions - The Council also follows Generally Accepted Accounting Principles regarding accounting for contributions received and contributions made. In accordance with GAAP, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Council deems food supplies on hand at year-end are temporarily restricted for the CHOW Program to be released (used) in the following year.

Tax Status - The Council is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and accordingly no provision for such taxes is included in the financial statements. The Council has considered the new accounting guidance for recognition of an uncertainty in income taxes. As a result, there has been no change in recognition of tax assets or liabilities as of the date of these financial statements. Tax years for the Organization prior to 2007 are closed to examination.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Council considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Depreciation - The Council records depreciation on its fixed assets on a straight-line basis over periods of 3 - 40 years. Acquisitions by the Council are recorded at cost if purchased, or fair value if contributed, in the appropriate class of net assets involved. Expenditures for maintenance, repairs, minor renewals and betterments which do not improve or extend the useful life of the respective asset are expensed. All other expenditures for renewals and betterments are capitalized.

Inventory - The Council elected to make an approximation of physical food and grocery inventory in order to devote staff time to program services.

Restricted Resources - The Council generally shows restricted contributions whose restrictions are met in the same reporting period as unrestricted contributions. CHOW Program inventory and Round-Up credits (if any) are shown as temporarily restricted net assets at year end, along with any future time restricted funds identified.

In-Kind Revenues and Expenses - The Council recognizes donated goods at fair market value. The majority of this in-kind (non-cash) revenue consists of food merchandise donated on behalf of the Chow Emergency Food Program. The Council accounts for the food expense based on products distributed throughout the year to needy applicants using estimated values. Food that was actually acquired by cash purchase is then subtracted from the computed expense to derive in-kind food revenue which is deemed to make up the difference.

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising - The policy of the Council is to expense advertising costs as incurred.

Fair Value Measurements

The Council follows Generally Accepted Accounting Principles (GAAP) regarding fair value measurements. GAAP defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Council accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurements.

NOTE 2: COUNCIL PURPOSE

The Council is an Ecumenical Christian Ministries Organization sponsored by Protestant, Anglican, Roman Catholic and Orthodox Churches in Broome County, New York, which also works closely on an interfaith basis with other religions. The services provided are considered to be those which are vital to local congregations that would be difficult for member churches to offer alone. A brief description of these services is as follows:

Jail Ministry - Guidance and counseling to the incarcerated and their families. Provides access to services and support to individuals discharged from Broome County jail.

Hospital Ministry - Visits with patients and their families who are without a church "home", and also crisis coverage for local clergy in area hospitals.

Faith in Action Volunteers - Recruits and trains volunteers to assist the elderly, homebound and people with other challenges. Coordinates worship services in area long-term care facilities with limited visitation of long-term care residents. Conducts a wheelchair ramp program in the community with an emphasis on training youth to build the ramps.

Chow Emergency Food Program - Clients (who are referred by clergy or agencies) are directed to food pantries where provisions for 3 nutritious meals for 5 days are available. Support includes annual Hunger Walk in the community to raise funds, as well as a "Round-Up" program in co-operation with a local supermarket chain to encourage patrons to donate all or part of their change at the cash register. There is also a "Broome Bounty" food recovery program that began in the mid-90's. Perishable and surplus food is "recovered" from area retailers, wholesalers, and institutions. It is then distributed to over 55 agencies including area soup kitchens, missions, shelters, children's programs, food distribution sites, and pantries. Based on an estimated 2010 and 2009 value of \$1.60 and \$1.58 per meal, respectively, the program has provided 1,138,997 and 1,268,949 meals in 2010 and 2009, respectively. A Chow Farm program is also underway to grow fresh fruits and vegetables for the hungry of Broome County and to teach others how they can grow their own food.

Other Activities - These include adult education, religious teacher training, continuing education for clergy, community affairs involvement including the "Encounter" radio and TV program, interaction activities with other Christians, cooperative purchasing resources, miscellaneous volunteer activities, and interfaith activities.

The Chaplain's Corp. supports clergy, congregations and community by offering both physical and emotional support in times of crises.

HOPE Program (Helping Our People in Emergencies) - The HOPE Program assists individuals and families in true emergencies. Situations assisted by HOPE include utilities assistance, life saving prescription medications and other emergency situations that arise.

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 3: INVESTMENTS - SECURITIES AND ANNUITIES

The Council values investments at fair value in these financial statements in accordance with generally accepted accounting principles. Fair value of an asset is the amount for which that asset could be bought or sold in a current transaction between willing parties. The following is a summary of unrealized gains or losses as of December 31, 2010 and 2009, respectively.

	<u>2010</u>		
	Cost	Fair Market Value	Unrealized Gain
	-----	-----	-----
Cash and Equivalents	\$ 28,003	\$ 28,003	
Fixed Income Bonds	49,384	52,735	\$ 3,351
Common Stocks	289,876	336,004	46,128
Government Securities	243,415	247,105	3,690
	-----	-----	-----
	<u>\$ 610,678</u>	<u>\$ 663,847</u>	<u>\$ 53,169</u>

	<u>2009</u>		
	Cost	Fair Market Value	Unrealized Gain (Loss)
	-----	-----	-----
Cash and Equivalents	\$ 11,962	\$ 11,962	
Fixed Income Bonds	98,856	103,262	\$ 4,406
Common Stocks	247,207	261,660	14,453
Government Securities	247,925	243,012	(4,913)
	-----	-----	-----
	<u>\$ 605,950</u>	<u>\$ 619,896</u>	<u>\$ 13,946</u>

In accordance with Generally Accepted Accounting Principles, the Council has categorized its financial instruments, based on priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1 – These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Council has the ability to access.

Level 2 – These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full-term of the investments.

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 3: INVESTMENTS - SECURITIES AND ANNUITIES (Continued)

Level 3 – These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market and perpetual trusts held by others that are not under the control or possession of the Council.

Financial assets recorded on the statement of financial position are categorized based on the inputs to the valuation technique as follows for the years ended December 31, 2010 and 2009:

Asset category	Level 1	Level 2	Level 3	Total December 31, 2010
Investments:				
Cash and equivalents	\$ 28,003			\$ 28,003
Fixed income bonds		\$ 52,735		52,735
Common stocks	336,004			336,004
Government securities		247,105		247,105
	364,007	299,840	-	663,847
Perpetual trusts held by others	-	-	302,400	302,400
	<u>\$ 364,007</u>	<u>\$ 299,840</u>	<u>\$ 302,400</u>	<u>\$ 966,247</u>

Fair Value Measurements Using
Significant Unobservable Inputs (Level 3)

	Balance as of Jan. 1, 2010	Unrealized Gain included in Change in Net Assets	Purchases, Sales, Issuances, and Settlement	Balance at Dec. 31, 2010
Perpetual trusts held by others	<u>\$ 287,889</u>	<u>\$ 14,511</u>	<u>\$ -</u>	<u>\$ 302,400</u>

Asset category	Level 1	Level 2	Level 3	Total December 31, 2009
Investments:				
Cash and equivalents	\$ 11,962			\$ 11,962
Fixed income bonds		\$ 103,262		103,262
Common stocks	261,660			261,660
Government securities		243,012		243,102
	273,622	346,274	-	619,896
Perpetual trusts held by others	-	-	287,889	287,889
	<u>\$ 273,622</u>	<u>\$ 346,274</u>	<u>\$ 287,889</u>	<u>\$ 907,785</u>

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 3: INVESTMENTS - SECURITIES AND ANNUITIES (Continued)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Balance as of Jan. 1, 2009	Unrealized Loss included in Change in Net Assets	Purchases, Sales, Issuances, and Settlement	Balance at Dec. 31, 2009
Perpetual trusts held by others	<u>\$ 362,762</u>	<u>\$ (77,873)</u>	<u>\$ -</u>	<u>\$ 287,889</u>

NOTE 4: RETIREMENT PLAN

The Council has established a Simplified Employee Pension - Individual Retirement Plan for employees who meet the eligibility rules specified. The Council contribution is 3 percent of gross wages for all employees who have completed one year of service, regardless of whether or not the employee elects to defer an amount themselves. The Council contributed a total of \$23,871 and \$13,798 for 2010 and 2009, respectively.

NOTE 5: RELATED PARTY TRANSACTIONS

A non-interest bearing promissory note for \$7,500 was approved for the executive director on May 22, 2007. The balance outstanding was \$0 and \$1,288 at December 31, 2010 and 2009, respectively.

A non-interest bearing promissory note for \$1,536 due to an overpayment of wages was approved for the facilities manager on August 22, 2008. The balance outstanding was \$0 and \$38 at December 31, 2010 and 2009, respectively.

During 2010, there was a board member who was an employee of a local banking institution who had routine business transactions with the council including loan, checking, and savings activity.

NOTE 6: NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restrictions accomplished	\$ 450,725
Timing restrictions fulfilled	-
	<u>\$ 450,725</u>

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 7: TEMPORARILY RESTRICTED NET ASSETS

The following summarizes the composition of these net assets at December 31, 2010:

Purpose restriction	- Chow Program	\$ 731,866
Purpose restriction	- Faith In Action Program	5,000
Purpose restriction	- Wheelchair Ramp Program	10,000

		<u>\$ 746,866</u>

NOTE 8: PERMANENTLY RESTRICTED NET ASSETS

This class of net assets is primarily comprised of funds raised from the endowment campaign that started in 1986. It represents the principal portion that cannot be spent, along with valuation adjustments of the Perpetual Trust. Spendable earnings are identified in the unrestricted net asset class, or in the temporarily restricted category if the donor specified a restricted purpose. A summary of the composition is as follows at December 31, 2010:

General Endowments	\$ 483,128
Perpetual Trust	302,400

	<u>\$ 785,528</u>

NOTE 9: CONCENTRATION OF CREDIT RISK

The Council's financial instruments that are exposed to concentrations of credit risk are primarily with cash and cash equivalents. The Council places its cash and temporary cash investments with high credit quality institutions. At December 31, 2010, the aggregate total that exceeded the Federal Deposit Insurance Corporation's insured amounts was \$0.

NOTE 10: INVESTMENT INCOME

Investment income consists of the following:

<u>Unrestricted General</u>	
Interest and dividends	\$ 30,918
Net realized and unrealized gains in fair market value	45,792

Sub-total	76,710
<u>Permanently Restricted</u>	
Unrealized gain in perpetual trust	14,512

Total	<u>\$ 91,222</u>

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 11: UNCONDITIONAL PROMISES TO GIVE

The following is a summary of anticipated timing of collections on unconditional promises to give included on the statement of financial position. The reserve for uncollectibles has been applied to arrive at the net balance.

	Unrestricted -----
2011	\$ 43,895
Reserve for Uncollectible	-
Net balance	<u>\$ 43,895</u>

NOTE 12: PROPERTY AND EQUIPMENT

A summary of the property and equipment and accumulated depreciation as of December 31, 2010 and 2009 are as follows:

	<u>2010</u>		
	Original Cost -----	Accumulated Depreciation -----	Book Value -----
Land	\$ 47,500	\$ -	\$ 47,500
Building and improvements	1,454,261	364,242	1,090,019
Equipment	221,718	200,789	20,929
Vehicles	121,315	88,892	32,423
	<u>\$1,844,794</u>	<u>\$ 653,923</u>	<u>\$1,190,871</u>
	<u>2009</u>		
	Original Cost -----	Accumulated Depreciation -----	Book Value -----
Land	\$ 47,500	\$ -	\$ 47,500
Building and improvements	1,454,261	325,073	1,129,188
Equipment	221,718	193,118	28,600
Vehicles	104,083	81,361	22,722
	<u>\$ 1,827,562</u>	<u>\$ 599,552</u>	<u>\$1,228,010</u>

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 13: GEOGRAPHIC CONCENTRATION

The Council is located in Broome County, New York, and is primarily dependent on the charitable giving of the local community. This region has been subject to economic challenges for local businesses, whose ability to maintain employment levels are linked to the competition for raising charitable funds. Organizations concentrated in such a geographic area face greater challenges than those having more diversity in support.

NOTE 14: LINE OF CREDIT

The Council established a line of credit with M&T Bank for up to \$450,000 of borrowing. The line is collateralized by the Council's investment account which had a fair market value of \$663,847 as of December 31, 2010. The actual debt outstanding on that date was \$210,594. The note is due on demand and carries a variable interest rate which was 4.152% at the end of 2010.

NOTE 15: MORTGAGE RECEIVABLE

The Council relocated all its operations to a new site in 2001 in conjunction with a capital campaign to do so. The old site was sold for \$110,000 in October 2003. A mortgage receivable was established for \$110,000 receivable in monthly installments of \$853 for 180 months with interest at a rate of 4.7%. The balance receivable at December 31, 2010 is \$67,540.

Future principal payments due are as follows:

	Amount

2011	\$ 7,212
2012	7,559
2013	7,922
2014	8,303
2015	8,702
Thereafter	27,842

	<u>\$ 67,540</u>

NOTE 16: OPERATING LEASE

The Council entered into a three year operating lease for a new copier in May of 2008, at a cost of \$204 per month. The lease was revised in May of 2009 for the addition of a fax board at the same terms as the original lease with a cost of \$235 per month. A total of \$2,823 has been expensed in 2010 for lease payments.

Future minimum payments are as follows:

2011	\$ 1,177
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BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 17: BENEFICIAL INTEREST IN PERPETUAL TRUST

The Council began receiving investment income distributions in 2002 based on a 10% interest in a charitable remainder unitrust established under the will of a donor. A total of \$12,096 was received relative to investment assets at December 31, 2010 of \$589,553 (10% of total). An unrealized gain in the permanently restricted net asset group has been recorded at \$14,512 based on an estimate of the present value of anticipated future cash flows. Investment receipts are unrestricted. Funds invested in such a trust are held in perpetuity at a third party trustee and are not accessible. The estimated present value of future cash flows has been based on a 4% distribution assumption. Accordingly, the investment income received for 2010 of \$12,096 divided by 4%, yields the recorded value of \$302,400 at December 31, 2010.

NOTE 18: TRUST FUNDS

Under the terms of the “Gary A. Houghtalen Trust”, the Council is to receive \$1,000 per year during the term of the Trust to be used for the CHOW program. Payments began in 2003.

NOTE 19: SPECIAL EVENTS AND ACTIVITIES

A summary of the various events and activities reported “net” in the statement of activities is as follows:

2010 -----	Revenues -----	Expenses -----	Net Raised -----
Hunger Walk	\$ 48,767	\$ (4,589)	\$ 44,178
Lives of Commitment Breakfast	15,846	(4,537)	11,309
Golf Tournament	17,179	(6,249)	10,930
Dining for Dollars	8,310	(3,946)	4,364
Totals	<u>\$ 90,102</u>	<u>\$ (19,321)</u>	<u>\$ 70,781</u>
2009 -----			
Hunger Walk	\$ 47,883	\$ (4,252)	\$ 43,631
Lives of Commitment Breakfast	19,049	(5,645)	13,404
Golf Tournament	15,401	(4,876)	10,525
Dining for Dollars	9,873	(4,438)	5,435
Totals	<u>\$ 92,206</u>	<u>\$ (19,211)</u>	<u>\$ 72,995</u>

NOTE 20: EVENTS OCCURRING AFTER REPORTING DATE

The Council has evaluated events and transactions that occurred between December 31, 2010 and the report date, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. The Council did not identify any material transactions or events during that period that would require adjustment to, or disclosure in, these financial statements.