

# United Way of Mifflin-Juniata

## Financial Statements and Supplementary Information

Years Ended June 30, 2020 and 2019  
with Independent Accountant's Review Report

**MaherDuessel**  
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

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# UNITED WAY OF MIFFLIN-JUNIATA

YEARS ENDED JUNE 30, 2020 AND 2019

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## Independent Accountant's Review Report

### **Board of Directors United Way of Mifflin- Juniata**

We have reviewed the accompanying financial statements of the United Way of Mifflin-Juniata (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### Report on Supplementary Information

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in the accountant's review of the basic financial statements and whether the accountant is aware of any material modification that should be made to the information.

*Mahe Duessel*

Harrisburg, Pennsylvania  
November 19, 2020

# UNITED WAY OF MIFFLIN-JUNIATA

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	(Reviewed) 2020	(Reviewed) 2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 361,293	\$ 283,444
Certificates of deposit	105,650	106,623
Accounts receivable	2,646	2,013
Promises to give, net	137,281	149,894
Prepaid expenses	-	589
Total current assets	<u>606,870</u>	<u>542,563</u>
Noncurrent assets:		
Certificates of deposit	13,826	13,528
Investments	1,902	2,298
Property and equipment, net	131,672	138,110
Beneficial interest in perpetual trusts	45,647	43,491
Total noncurrent assets	<u>193,047</u>	<u>197,427</u>
<b>Total Assets</b>	<u><u>\$ 799,917</u></u>	<u><u>\$ 739,990</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 11,522	\$ 12,868
Accrued wages	8,008	8,398
Accrued compensated absences	5,420	2,532
PPP loan payable	27,500	-
Total Liabilities	<u>52,450</u>	<u>23,798</u>
Net Assets:		
Without donor restriction:		
Undesignated	213,979	228,063
Board-designated	186,823	179,995
Total net assets without donor restriction	<u>400,802</u>	<u>408,058</u>
Net assets with donor restriction	<u>346,665</u>	<u>308,134</u>
Total Net Assets	<u>747,467</u>	<u>716,192</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 799,917</u></u>	<u><u>\$ 739,990</u></u>

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

# UNITED WAY OF MIFFLIN-JUNIATA

## STATEMENT OF ACTIVITIES (REVIEWED)

YEAR ENDED JUNE 30, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Support and Revenues:</b>			
Campaign contributions	\$ 131,758	\$ 301,018	\$ 432,776
Grants	11,454	-	11,454
Interest and dividends	270	-	270
Gain on investment	1,760	-	1,760
Change in valuation of beneficial interest in perpetual trust	-	2,156	2,156
Other:			
Services and programs	31,276	-	31,276
Other income	2,985	-	2,985
Net assets released from restriction	264,643	(264,643)	-
Total support and revenues	<u>444,146</u>	<u>38,531</u>	<u>482,677</u>
<b>Expenses:</b>			
Program services:			
Fund distribution	232,414	-	232,414
Various projects	50,295	-	50,295
Community impact	27,014	-	27,014
Day of Caring	11,988	-	11,988
Success by Six	69,615	-	69,615
Total program services	<u>391,326</u>	<u>-</u>	<u>391,326</u>
Supporting services:			
Management and general	25,616	-	25,616
Fundraising	27,673	-	27,673
Unallocated payments to local, national, or affiliated organizations	6,787	-	6,787
Total supporting services	<u>60,076</u>	<u>-</u>	<u>60,076</u>
Total expenses	<u>451,402</u>	<u>-</u>	<u>451,402</u>
<b>Change in Net Assets</b>	<b>(7,256)</b>	<b>38,531</b>	<b>31,275</b>
<b>Net Assets:</b>			
Beginning of year	408,058	308,134	716,192
End of year	<u>\$ 400,802</u>	<u>\$ 346,665</u>	<u>\$ 747,467</u>

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

# UNITED WAY OF MIFFLIN-JUNIATA

## STATEMENT OF ACTIVITIES (REVIEWED)

YEAR ENDED JUNE 30, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Support and Revenues:</b>			
Campaign contributions	\$ 165,590	\$ 264,643	\$ 430,233
Grants	13,810	-	13,810
Interest and dividends	955	-	955
Loss on investment	(3,102)	-	(3,102)
Change in valuation of beneficial interest in perpetual trust	-	148	148
Other:			
Services and programs	28,488	-	28,488
Other income	3,842	-	3,842
Net assets released from restriction	274,471	(274,471)	-
Total support and revenues	484,054	(9,680)	474,374
<b>Expenses:</b>			
Program services:			
Fund distribution	243,562	-	243,562
Various projects	50,384	-	50,384
Community impact	14,483	-	14,483
Day of Caring	15,763	-	15,763
Success by Six	68,206	-	68,206
Total program services	392,398	-	392,398
Supporting services:			
Management and general	36,991	-	36,991
Fundraising	31,023	-	31,023
Unallocated payments to local, national, or affiliated organizations	8,296	-	8,296
Total supporting services	76,310	-	76,310
Total expenses	468,708	-	468,708
<b>Change in Net Assets</b>	15,346	(9,680)	5,666
<b>Net Assets:</b>			
Beginning of year	392,712	317,814	710,526
End of year	\$ 408,058	\$ 308,134	\$ 716,192

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

**UNITED WAY OF MIFFLIN-JUNIATA**  
**STATEMENT OF FUNCTIONAL EXPENSES (REVIEWED)**  
**YEAR ENDED JUNE 30, 2020**

	Program Services					Support Services					
	Fund Distribution	Various Projects	Community Impact	Day of Caring	Success by Six	Subtotal	Management and General	Fund-raising	United Way Dues	Subtotal	Total
Wages	7,002	28,270	15,326	4,495	49,580	\$ 104,673	14,536	15,701	-	\$ 30,237	\$ 134,910
Payroll taxes	696	2,814	1,525	447	1,862	7,344	1,445	1,562	-	3,007	10,351
Employee benefits	40	165	90	26	1,377	1,698	86	92	-	178	1,876
Total personnel costs	7,738	31,249	16,941	4,968	52,819	113,715	16,067	17,355	-	33,422	147,137
Agency allocations	220,074	-	-	-	-	220,074	-	-	-	-	220,074
Audit/bookkeeping/consultants	1,412	5,701	3,091	907	4,016	15,127	2,931	3,166	-	6,097	21,224
Campaign supplies	45	179	98	29	119	470	92	100	-	192	662
Staff travel	82	329	179	52	519	1,161	168	183	-	351	1,512
Dues and subscriptions	199	805	436	128	533	2,101	414	447	6,787	7,648	9,749
Depreciation	433	1,749	948	278	1,158	4,566	901	971	-	1,872	6,438
Insurance	393	1,591	861	252	1,051	4,148	814	882	-	1,696	5,844
Technology expense	324	1,306	709	208	865	3,412	673	726	-	1,399	4,811
Offices supplies and expense	156	629	341	4,165	4,108	9,399	324	350	-	674	10,073
Office equipment	638	2,578	1,397	410	1,707	6,730	1,325	1,431	-	2,756	9,486
Postage	75	303	164	48	222	812	156	168	-	324	1,136
Advertising and promotions	99	402	218	64	266	1,049	206	223	-	429	1,478
Repairs and maintenance - building	179	720	391	115	478	1,883	371	401	-	772	2,655
Utilities	374	1,509	818	240	1,239	4,180	776	838	-	1,614	5,794
Special Events	-	467	-	-	-	467	-	-	-	-	467
Miscellaneous	193	778	422	124	515	2,032	398	432	-	830	2,862
Total expenses	\$ 232,414	\$ 50,295	\$ 27,014	\$ 11,988	\$ 69,615	\$ 391,326	\$ 25,616	\$ 27,673	\$ 6,787	\$ 60,076	\$ 451,402

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



**UNITED WAY OF MIFFLIN-JUNIATA**  
**STATEMENT OF FUNCTIONAL EXPENSES (REVIEWED)**  
**YEAR ENDED JUNE 30, 2019**

	Program Services					Support Services					Total
	Fund Distribution	Various Projects	Community Impact	Day of Caring	Success by Six	Subtotal	Management and General	Fund-raising	United Way Dues	Subtotal	
Wages	3,440	23,970	7,941	5,278	46,875	\$ 87,504	20,287	17,010	\$ -	\$ 37,297	\$ 124,801
Payroll taxes	368	2,565	850	565	2,063	6,411	2,170	1,820	-	3,990	10,401
Employee benefits	22	155	51	34	1,321	1,583	132	110	-	242	1,825
Total personnel costs	3,830	26,690	8,842	5,877	50,259	95,498	22,589	18,940	-	41,529	137,027
Agency allocations	237,287	-	-	-	-	237,287	-	-	-	-	237,287
Audit/bookkeeping/consultants	637	4,440	1,471	978	3,870	11,396	3,758	3,151	-	6,909	18,305
Campaign supplies	50	351	116	77	282	876	297	249	-	546	1,422
Staff travel	79	549	182	121	823	1,754	464	390	-	854	2,608
Dues and subscriptions	102	710	235	156	571	1,774	600	504	8,296	9,400	11,174
Depreciation	228	1,588	526	350	1,277	3,969	1,342	1,127	-	2,469	6,438
Insurance	177	1,230	407	271	989	3,074	1,039	873	-	1,912	4,986
Technology expense	150	1,048	347	231	843	2,619	888	744	-	1,632	4,251
Offices supplies and expense	127	881	292	6,330	3,727	11,357	746	625	-	1,371	12,728
Office equipment	254	1,768	586	389	1,421	4,418	1,496	1,254	-	2,750	7,168
Postage	91	636	211	140	808	1,886	538	452	-	990	2,876
Advertising and promotions	84	584	194	129	470	1,461	493	415	-	908	2,369
Repairs and maintenance - building	156	1,085	360	239	873	2,713	918	770	-	1,688	4,401
Utilities	208	1,448	480	319	1,424	3,879	1,225	1,027	-	2,252	6,131
Special Events	-	6,669	-	-	-	6,669	-	-	-	-	6,669
Miscellaneous	102	707	234	156	569	1,768	598	502	-	1,100	2,868
Total expenses	\$ 243,562	\$ 50,384	\$ 14,483	\$ 15,763	\$ 68,206	\$ 392,398	\$ 36,991	\$ 31,023	\$ 8,296	\$ 76,310	\$ 468,708

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

# UNITED WAY OF MIFFLIN-JUNIATA

## STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2020 AND 2019

	<u>(Reviewed)</u> 2020	<u>(Reviewed)</u> 2019
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 31,275	\$ 5,666
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation expense	6,438	6,438
Beneficial interest in perpetual trusts	(2,156)	(148)
Loss on investments	396	3,250
Interest accrued on certificates of deposit	(2,087)	(1,038)
Increase (decrease) in assets:		
Accounts receivable	(633)	(1,574)
Promises to give	12,613	(4,502)
Prepaid expenses	589	623
Increase (decrease) in liabilities:		
Accounts payable	(1,346)	3,344
Accrued wages	(390)	(1,362)
Accrued compensated absences	2,888	(1,957)
Net cash and cash equivalents provided by operating activities	47,587	8,740
<b>Cash Flows From Investing Activities:</b>		
Purchase of certificates of deposit	-	(4,910)
Matured certificates of deposit	2,762	4,910
Net cash and cash equivalents provided by investing activities	2,762	-
<b>Cash Flows From Financing Activities:</b>		
PPP loan proceeds	27,500	-
Net cash and cash equivalents provided by financing activities	27,500	-
<b>Net Increase in Cash and Cash Equivalents</b>	<b>77,849</b>	<b>8,740</b>
<b>Cash and Cash Equivalents:</b>		
Beginning of year	283,444	274,704
End of year	\$ 361,293	\$ 283,444

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

# UNITED WAY OF MIFFLIN-JUNIATA

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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### 1. Summary of Significant Accounting Policies

This summary of significant accounting policies of the United Way of Mifflin-Juniata (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

#### Nature of Activity

The Organization is a federated fundraising agency which supports worthy charities that can substantiate their charitable services to the general public in Mifflin and Juniata Counties, Pennsylvania. The Organization solicits contributions from businesses and individuals.

#### Basis of Accounting

The accounting records of the Organization are maintained on the accrual basis of accounting; therefore, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

#### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers monies held at financial institutions to be cash equivalents. All deposits are insured by the Federal Deposit Insurance Corporation.

#### Certificates of Deposit

Certificates of deposit are valued at cost plus accrued interest, which approximates fair value. The certificates of deposit are classified as current or noncurrent assets on the statements of financial position in accordance with their respective maturity dates.

#### Accounts and Grants Receivable

Accounts and grants receivable are stated at outstanding balances. Management believes that all accounts and grants receivable as of June 30, 2020 and 2019 are fully collectible.

# UNITED WAY OF MIFFLIN-JUNIATA

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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### Promises to Give

Unconditional promises to give (i.e., pledges receivable) are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promise becomes unconditional.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their net realizable value.

### Property and Equipment

Property and equipment are recorded at cost or at the estimated fair value at date of gift, if donated. Depreciation of property and equipment is recorded using the straight-line method over the estimated useful lives of the assets as follows: buildings and building improvements, forty years and equipment, five to ten years.

Acquisitions of property and equipment in excess of \$1,000 are capitalized. All fixed assets of the Organization are depreciated except for land and construction in progress.

Maintenance, repairs, and minor renewals that do not significantly improve or extend the lives of the respective assets are charged to operations when incurred.

### Valuation of Investments and Beneficial Interest in Perpetual Trusts

Investments are reported based on fair value. Contributed investments are valued at fair value on the date contributed. The use of observable inputs is maximized and the use of unobservable inputs is minimized by using observable inputs when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

# UNITED WAY OF MIFFLIN-JUNIATA

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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Valuation techniques and inputs used to develop fair value measurements are based on a fair value hierarchy. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 — Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available, but traded less frequently, and investments that are fair valued using other securities, the parameters of which can be directly observed. The Organization has no Level 2 investments.

Level 3 — Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. When observable prices are not available for these securities, the Organization uses one or more valuation techniques (e.g., the market approach, the income approach, or the cost approach) for which sufficient and reliable data is available. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market, and/or other risk factors. The Organization has a beneficial interest in certain perpetual trusts that is classified as Level 3.

Under the terms of the trust agreements, the Organization has the irrevocable right to receive a portion of the income earned on trust assets in perpetuity, but never receives the assets held in the trusts. The Organization's estimate of the fair value of the trusts as of June 30, 2020 and 2019 is based on fair value of the underlying investments held by the trustee.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level

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# UNITED WAY OF MIFFLIN-JUNIATA

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the Organization. The Organization considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization’s perceived risk of that instrument.

The methods described previously may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its reliance on these valuation methods is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

### Financial Statement Presentation

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. As such, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Without Donor Restrictions – Accounts for net assets which are not subject to restrictions imposed by contributors or donors. Net assets without donor restrictions are classified as undesignated, board designated, or invested in land, building, and equipment.

With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When donor restrictions are met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

### Grants and Contributions

Grant revenue is recognized based on the terms of the grant agreement.

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# UNITED WAY OF MIFFLIN-JUNIATA

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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Contributions received are recorded as net assets with or without donor restrictions, depending on the existence or nature of any donor restrictions. Conditional contributions received are recorded as refundable advances until the conditions are substantially met. When the conditions are substantially met, the contribution becomes unconditional.

### Donated Services

Donated services are recognized as a contribution if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. As a nonprofit organization, the Organization derives support from a pool of individuals who volunteer their time and services to the efforts of the Organization. These donated services have not been recorded in the financial statements, since the recognition criteria described above were not met.

### Functional Allocation of Expenses

The Organization charges expenses that are directly identifiable to program, administrative, and fundraising. Expenses related to more than one function are allocated to programs and supporting services based on management's estimate of the level of effort devoted to each function. Administrative expenses include those expenses that are not directly identifiable with any functional classification but provide overall support and direction for the Organization.

### Income Taxes

The Organization is exempt from the payment of federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no tax liability is incurred unless the Organization earns income considered to be unrelated business income. In addition, the Organization annually files a Form 990.

### Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# UNITED WAY OF MIFFLIN-JUNIATA

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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### Liquidity and Availability

The primary source of liquid resources for the Organization is campaign contributions and grants. The Organization manages its liquid resources by focusing on budgeting efforts to ensure the Organization has adequate contributions and grants to cover the programs that are being conducted.

The following reflects the Organization's financial assets (cash, certificates of deposit, accounts and pledges receivable, and investments) at June 30, 2020 and 2019 expected to be available within one year to meet the cash needs for general expenditures.

	2020	2019
Financial assets, at year-end	\$ 668,245	\$ 601,880
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(346,665)	(308,134)
Board-designated	<u>(186,823)</u>	<u>(179,995)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 134,757</u>	<u>\$ 113,751</u>

### Adoption of Accounting Standards

The requirements of the following FASB Accounting Standards Updates (ASU) were adopted during the year ended June 30, 2020:

ASU 2014-09, *“Revenue from Contracts with Customers (Topic 606).”* The amendments provide guidance for revenue recognition related to contracts involving the transfer of promised goods or services to customers and the related disclosures. The presentation and disclosures of revenue have been enhanced in accordance with the standard. No restatement was required as a result of the adoption of this standard.

ASU 2018-08, *“Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958).”* The amendments provide guidance for characterizing grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and distinguishing between conditional and unconditional contributions. This ASU has been applied on a modified prospective basis.



# UNITED WAY OF MIFFLIN-JUNIATA

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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### Pending Standard Updates

ASU 2016-02, "*Leases (Topic 842)*," is effective for the Organization's financial statements for the year ending June 30, 2023. This amendment will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU 2018-13, "*Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)*," is effective for the financial statements for the year ending June 30, 2021. The amendments remove and modify certain fair value hierarchy leveling disclosures.

Management has not yet determined the impact of these amendments on the Organization's financial statements.

### Subsequent Events

Subsequent events have been evaluated through the Independent Accountant's Review Report date, which is the date the financial statements were available to be issued.

## **2. Promises to Give**

The Annual Campaign is designed to solicit pledges to provide financial assistance for organizations and programs it funds. The Annual Campaign pledges are recorded as temporarily restricted contributions, due to donor-imposed and time restrictions. The contributions are recorded as revenue at the time the pledges are made. When the donor-imposed and time restrictions are met, the amounts are recorded on the statements of activities as "net assets released from restrictions."

# UNITED WAY OF MIFFLIN-JUNIATA

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

Promises to give at June 30, 2020 and 2019 are expected to be collected within one year and are as follows:

	<u>2020</u>	<u>2019</u>
2018 Annual Campaign promises to give	\$ -	\$ 2,492
2019 Annual Campaign promises to give	8,162	164,392
2020 Annual Campaign promises to give	128,328	-
2021 Annual Campaign promises to give	18,681	-
	<u>155,171</u>	<u>166,884</u>
Less allowance for uncollectible	<u>(17,890)</u>	<u>(16,990)</u>
Promises to give, net	<u>\$ 137,281</u>	<u>\$ 149,894</u>

### 3. Property and Equipment

Property and equipment consists of the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 500	\$ 500
Buildings and building improvements	159,742	159,742
Equipment	<u>25,045</u>	<u>25,045</u>
Total property and equipment	185,287	185,287
Less accumulated depreciation	<u>(53,615)</u>	<u>(47,177)</u>
Property and equipment, net	<u>\$ 131,672</u>	<u>\$ 138,110</u>

Depreciation expense amounted to \$6,438 and \$6,438 for the years ended June 30, 2020 and 2019, respectively.

### 4. Loan Payable

In April 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program (PPP), a program implemented by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (Kish Bank), for an aggregate principal amount of \$27,500. The PPP loan bears interest at a fixed rate of 1% per annum. This amount is expected to be forgiven but is reported as a loan

# UNITED WAY OF MIFFLIN-JUNIATA

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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fixed rate of 1% per annum. This amount is expected to be forgiven but is reported as a loan payable on the statement of financial position until the time of forgiveness. If the loan is not forgiven, payments of principal and interest are due beginning in February 2021 through April 2022.

### **5. Investments**

The Organization's Level 1 investments at June 30, 2020 and 2019 amount to \$1,902 and \$2,298, respectively, and consist of various shares of stock donated from previous campaigns.

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The Organization's beneficial interest in perpetual trust is classified under the fair value hierarchy as Level 3 investments. The principal valuation technique is the underlying market value of the investments. The unobservable inputs are the Organizations percentage share or 50%. The following table summarizes the changes in fair values:

Balance, June 30, 2018	\$	46,341
Change in valuation of beneficial interest in perpetual trust		
Interest and dividends		781
Losses on investments		(671)
Fees		(806)
Accrued income		38
Distribution		(2,192)
Balance, June 30, 2019	\$	<u>43,491</u>
Change in valuation of beneficial interest in perpetual trust		
Interest and dividends		802
Gains on investments		4,364
Fees		(748)
Accrued income		35
Distribution		(2,297)
Balance, June 30, 2020	\$	<u><u>45,647</u></u>

### 6. Board-Designated and Net Assets with Donor Restriction

Management has designated a portion of the Organization's net assets without donor restriction. The following are components of board-designated funds:

	<u>2020</u>	<u>2019</u>
Emergency reserve fund	\$ 106,693	\$ 104,809
Endowment fund	80,130	75,186
	<u>\$ 186,823</u>	<u>\$ 179,995</u>

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## NOTES TO FINANCIAL STATEMENTS

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The emergency reserve fund and endowment fund are board-designated to provide emergency agency payments.

Net assets with donor restrictions consist of the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Net assets restricted by donors for time and purpose:		
Annual Campaign pledges	<u>\$ 301,018</u>	<u>\$ 264,643</u>
Net assets restricted by donors in perpetuity:		
Beneficial interest in perpetual trusts	<u>\$ 45,647</u>	<u>\$ 43,491</u>

### 7. Concentrations of Credit Risk

The Organization receives contributions from businesses and individuals located in Mifflin and Juniata Counties. The ability of those businesses and individuals to meet their pledge obligations is dependent upon the economy of the two counties.

### 8. Risks and Uncertainties

The coronavirus pandemic remains a rapidly evolving situation. The extent of the impact of the coronavirus on our business and financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which we operate, the related impact on the federal budget, and the state of Pennsylvania's budget, all of which are highly uncertain.

## **SUPPLEMENTARY INFORMATION**

# UNITED WAY OF MIFFLIN-JUNIATA

## SCHEDULES OF AGENCY ALLOCATIONS

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Agency allocations:		
American Red Cross	\$ 16,000	\$ 21,660
Big Brothers/Big Sisters	-	25,000
Boy Scouts of Juniata Valley	13,000	13,000
Compass Community Connections (formerly Mifflin-Juniata Special Needs Center)	45,000	45,000
Crossroads Pregnancy Center	6,500	7,000
Delauter Youth Center	5,000	3,000
Fayette Area Lions Den	5,000	179
Juniata County Library	16,700	16,000
Lumina Center	28,500	28,500
Mid Penn Legal Services	7,300	7,300
Mifflin County Library	21,000	19,000
Nuvisions	6,000	5,700
The Abuse Network	23,800	23,300
Total regular allocations	193,800	214,639
Special allocations:		
American Cancer Society	-	44
Belleville Community Rec. Board	43	61
Big Brothers/Big Sisters	269	-
Catholic Charities of the Diocese of Harrisburg	-	44
Central Pennsylvania Food Bank	299	363
Centre County United Way	196	-
Clinton County United Way	-	102
Easter Seals Central PA	26	-
Energy Bank- Mifflin County	17,940	15,745
Evolution Arts Center	-	78
Girl Scouts in the Heart of Pennsylvania	83	-
Greater Susquehanna Valley United Way	104	48
Habitat for Humanity of Juniata County	-	91
Huntingdon County United Way	872	740
Huntingdon House	30	-
Join Hands Ministry's	-	88
Juniata Valley - YMCA	-	52
Junior Achievement of Central PA, Inc.	-	87
Lewistown Home Health and Hospice	5	5
McClure Veterans Memorial Pool	44	-
Meals on Wheels	-	26
Mifflin County Salvation Army	1,622	2,013
Moshannon Valley YMCA	-	176
Perry County Literacy Council.	-	155
Perry Human Services	-	133
Planned Parenthood Keystone	-	22
Port Alleghany Area United Fund	429	453
Reedsville Athletic Association	166	-
ROFF	396	469
Ronald McDonald House - Danville	102	-
Shelter Services Inc	260	776
Special Olympics	104	110
United Way of Blair County	204	204
United Way of Bradford County	166	-
United Way of Greater Houston	-	563
United Way of the Capital Region	2,914	-
Total special allocations	26,274	22,648
Total agency allocations	\$ 220,074	\$ 237,287