

**REPORT
OF
UNITED WAY OF BLAIR COUNTY, INC.
ALTOONA, PENNSYLVANIA
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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INDEPENDENT AUDITOR'S REPORT

United Way of Blair County, Inc.
5414 Sixth Avenue
Altoona, Pennsylvania 16602

We have audited the accompanying financial statements of United Way of Blair County, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Blair County, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 6 and Schedules A through E is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Young, Baker, Brown & Company, P.C.

**UNITED WAY OF BLAIR COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$427,875	\$445,702
Pledge Receivables (Net)	262,672	258,219
Miscellaneous Receivables	51,910	60,488
Equipment	98,947	98,947
Less: Accumulated Depreciation	(92,524)	(91,524)
TOTAL ASSETS	\$748,880	\$771,832
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accrued Expenses	\$ 9,682	\$ 11,067
Allocations Payable	305,000	300,000
Deferred Revenue	<u>5,700</u>	<u>5,375</u>
Total Liabilities	<u>\$320,382</u>	<u>\$316,442</u>
<u>Net Assets</u>		
<u>Unrestricted</u>		
Operating	\$294,835	\$321,727
Board Designated	<u>133,663</u>	<u>133,663</u>
Total Unrestricted	<u>\$428,498</u>	<u>\$455,390</u>
<u>Permanently Restricted</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Temporary Restricted</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Net Assets	<u>\$428,498</u>	<u>\$455,390</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$748,880</u>	<u>\$771,832</u>

See Accompanying Notes and Independent Auditor's Report

**UNITED WAY OF BLAIR COUNTY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<u>Public Support and Revenues</u>		
Gross Campaign Results	\$433,469	\$476,562
Less Donor Designations	(15,525)	(17,342)
Less Provisions for Uncollectibles	(16,000)	(16,000)
Net Campaign Revenue	\$401,944	\$443,220
Grant Income	232,160	217,412
Investment Income	737	344
Miscellaneous	<u>92,098</u>	<u>88,806</u>
Total Revenue	<u>\$726,939</u>	<u>\$749,782</u>
<u>Expenses</u>		
<u>Program Services</u>		
Gross Funds Awarded	\$320,525	\$317,342
Less Donor Designations	(15,525)	(17,342)
Net Funds Awarded	\$305,000	\$300,000
Other Program Services	334,331	326,734
Supporting Services	106,064	109,003
United Way of America Dues	6,336	4,701
United Way of PA Dues	<u>2,100</u>	<u>5,000</u>
Total Expenses	<u>\$753,831</u>	<u>\$745,438</u>
(Decrease) Increase in Net Assets	(\$ 26,892)	\$ 4,344
<u>Net Assets</u> - Beginning of Year	<u>455,390</u>	<u>451,046</u>
<u>Net Assets</u> - End of Year	<u>\$428,498</u>	<u>\$455,390</u>

See Accompanying Notes and Independent Auditor's Report

**UNITED WAY OF BLAIR COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	(\$ 26,892)	\$ 4,344
Adjustments to Reconcile Changes in Net Assets to Net Cash (Used) by Operating Activities:		
Depreciation	1,000	1,000
(Increase) Decrease in Pledge Receivables	(4,453)	(50,853)
(Increase) Decrease in Other Assets	8,578	(28,998)
Increase (Decrease) in Other Current Liabilities	(1,060)	9,114
Increase (Decrease) in Allocations Payable	<u>5,000</u>	<u>3,000</u>
Net Cash (Used) by Operating Activities	<u>(\$ 17,827)</u>	<u>(\$ 62,393)</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of Equipment	\$ 0	\$ 0
Net Cash Provided (Used) by Investing Activities	<u>\$ 0</u>	<u>\$ 0</u>
<u>Cash Flows from Financing Activities</u>		
New Borrowings	\$ 0	\$ 0
Debt Reduction	<u>0</u>	<u>0</u>
Net Cash Provided (Used) by Financing Activities	<u>\$ 0</u>	<u>\$ 0</u>
Net (Decrease) in Cash and Cash Equivalents	(\$ 17,827)	(\$ 62,393)
<u>Cash and Cash Equivalents</u> - Beginning of Year	<u>445,702</u>	<u>508,095</u>
<u>Cash and Cash Equivalents</u> - End of Year	<u>\$427,875</u>	<u>\$445,702</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash Paid During the Years for:		
Interest	<u>\$ 0</u>	<u>\$ 0</u>
Income Taxes	<u>\$ 0</u>	<u>\$ 0</u>

See Accompanying Notes and Independent Auditor's Report

**UNITED WAY OF BLAIR COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	----- Program Services -----			----- Support Services -----				
	<u>Allocation Services</u>	<u>All Other Programs</u>	<u>Total</u>	<u>Organizational Administration</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total 2017</u>	<u>Total 2016</u>
<u>Expenses</u>								
Salaries	\$12,284	\$108,266	\$120,550	\$33,378	\$30,425	\$ 63,803	\$184,353	\$188,361
Payroll Taxes	938	8,275	9,213	2,548	2,324	4,872	14,085	14,341
Employee Benefits	<u>1,734</u>	<u>24,815</u>	<u>26,549</u>	<u>3,401</u>	<u>2,819</u>	<u>6,220</u>	<u>32,769</u>	<u>31,033</u>
Sub-Total	\$14,956	\$141,356	\$156,312	\$39,327	\$35,568	\$ 74,895	\$231,207	\$233,735
Supplies	743	30,925	31,668	747	1,590	2,337	34,005	38,582
Telephone	713	4,163	4,876	2,554	713	3,267	8,143	7,300
Office	146	480	626	237	351	588	1,214	1,775
Occupancy	3,847	20,738	24,585	3,848	3,848	7,696	32,281	32,301
Insurance	650	3,250	3,900	650	650	1,300	5,200	4,721
Dues	6,841	2,646	9,487	463	305	768	10,255	3,161
Repairs	812	4,170	4,982	812	812	1,624	6,606	11,329
Advertising	1,037	537	1,574	537	2,477	3,014	4,588	6,854
Travel	62	5,117	5,179	2,755	661	3,416	8,595	7,891
Training	181	1,508	1,689	206	181	387	2,076	1,476
Consultants	37,694	18,798	56,492	2,372	2,373	4,745	61,237	53,975
Miscellaneous	<u>20,575</u>	<u>12,136</u>	<u>32,711</u>	<u>561</u>	<u>716</u>	<u>1,277</u>	<u>33,988</u>	<u>31,637</u>
Sub-Total	\$88,257	\$245,824	\$334,081	\$55,069	\$50,245	\$105,314	\$439,395	\$434,737
Depreciation	<u>125</u>	<u>125</u>	<u>250</u>	<u>625</u>	<u>125</u>	<u>750</u>	<u>1,000</u>	<u>1,000</u>
Total Operating Expenses	<u>\$88,382</u>	<u>\$245,949</u>	<u>\$334,331</u>	<u>\$55,694</u>	<u>\$50,370</u>	<u>\$106,064</u>	<u>\$440,395</u>	<u>\$435,737</u>

See Accompanying Notes and Independent Auditor's Report

**UNITED WAY OF BLAIR COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

Note 1: Summary of Significant Accounting Policies

Nature of Activities

The United Way of Blair County, Inc. collects pledges from the Blair County area and distributes these funds through community impact grants to Human Service Agencies. The Corporation was founded in 1934 and is governed by a volunteer Board of Directors.

Mission Statement

To improve lives by uniting people to care for one another.

Fund Accounting

An accrual basis of accounting is used in accounting for the monies of the various funds. Pledges are recorded when made and a pledge receivable is established for the portion of any pledge not received at the time of the pledge. A reserve is established for possible uncollectible pledges. This reserve is based on a percentage of the total pledges receivable for the applicable campaign based on past history, and a review of the receivables at year end. Annual campaigns have pledge receipts that begin in the year prior to the calendar year of distributions and continues into the year of distributions and thereafter. The pledges and receipts of each campaign are segregated. Community impact grants for a campaign are made on a fiscal year.

Income Tax Status

The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

The Organization has analyzed its tax positions taken for filings with the Internal Revenue. It believes that its tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations, or cash flows. The Organization's federal income tax returns for 2016, 2015, and 2014 are subject to examination by federal taxing authorities, generally for three years after they are filed.

Depreciation

Depreciation of equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

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.

Cash and Cash Equivalents

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

Allocation of Costs

The Agency allocates its expenses based on time studies done by the employees.

UNITED WAY OF BLAIR COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

Costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between program services, membership and development, fundraising, and management and general based on evaluations of the related activities. Management and general expenses include expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value.

Lease

The Agency has an operating lease for rental of office space. Rental expense for June 30, 2017 and 2016 was \$31,500 and \$31,500, respectively. The following is a schedule by years of future minimum rental payments.

<u>Year</u>	<u>Amount</u>
2018	\$31,500
2019	31,500
2020	31,500
2021	31,500
2022	31,500

Note 2: Pension Plan

The Agency has a defined contribution pension plan covering all full-time employees that have reached twenty-one years of age and one year of service. The plan is a noncontributory plan. Pension expense for the years ending June 30, 2017 and 2016 were \$10,414 and \$10,241, respectively.

Note 3: Restriction on Assets

Unrestricted assets of the Agency have been board designated for future years in the amount of \$133,304.

Note 4: Credit Risk

The Agency has \$350,982 with M & T Bank of which \$250,000 is insured by FDIC and \$100,982 has been collateralized with investments of the Bank.

Note 5: Line of Credit

The Agency has a \$50,000 line of credit with M & T Bank. As of June 30, 2017, zero has been drawn down on the line of credit.

UNITED WAY OF BLAIR COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(CONTINUED)

Note 6: Subsequent Events

In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through October 3, 2017, the date the financial statements were available to be issued.

**UNITED WAY OF BLAIR COUNTY, INC.
SCHEDULE A
GRANT DISTRIBUTIONS/ALLOCATIONS TO AGENCIES
YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<u>Regular Allocations</u>		
Laurel Highland Council - BSA	\$ 0	\$ 3,200
Central Pennsylvania Community Foundation	2,000	2,500
Blair Clearfield Association for the Blind	8,000	8,000
Blair County Community Action Agency	40,000	41,700
Big Brothers/Big Sisters of Blair County	15,000	16,000
Blair Senior Services	9,000	9,600
Northern Blair County Recreation	1,000	0
CONTACT Altoona	9,100	9,300
Family Service Incorporated	81,000	78,000
Girl Scouts Western Pennsylvania	500	2,000
Home Nursing Agency	4,000	4,000
Mid Penn Legal Services	8,000	8,000
YMCA - Garver Memorial	5,000	5,000
Blair County Respiratory Disease Society	8,000	9,000
Gloria Gates Memorial Foundation	30,000	25,000
Young Life of Central PA	7,000	0
Blair County Chamber Foundation	2,900	0
Through, Inc.	5,000	0
American Red Cross	18,000	17,000
Joshua House	10,000	3,000
Catholic Charities	15,000	15,000
St. Vincent dePaul Society/Monastery Community Gardens	0	15,000
We CARE Foundation and Therapy Services/Tyrone Hospital	0	7,000
Claysburg Area Public Library	2,000	2,200
UPMC Altoona Partnership for a Healthy Community	18,000	13,000
Altoona Area School District Foundation	<u>6,500</u>	<u>6,500</u>
	<u>\$305,000</u>	<u>\$300,000</u>

See Independent Auditor's Report on Supplementary Information

**UNITED WAY OF BLAIR COUNTY, INC.
SCHEDULE B
PLEDGE RECEIVABLES
JUNE 30, 2017**

2017 Campaign

Pledge Receivables	\$236,459
Less: Allowance for Uncollectibles	(<u>16,000</u>)
	<u>\$220,459</u>

2016 Campaign

Pledge Receivables	\$ 58,213
Less: Allowance for Uncollectibles	(<u>16,000</u>)
	<u>\$ 42,213</u>
 Total Pledge Receivables (Net)	 <u>\$262,672</u>

See Independent Auditor's Report on Supplementary Information

**UNITED WAY OF BLAIR COUNTY, INC.
SCHEDULE C
NEEDS ASSESSMENT GRANT
YEAR ENDED JUNE 30, 2017**

Income

Grant Income	\$61,874
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Disbursements

Miscellaneous	\$26,552
Consultants	<u>35,322</u>

Total Disbursements	\$61,874
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Deferred Revenue	\$ 0
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See Independent Auditor's Report on Supplementary Information

**UNITED WAY OF BLAIR COUNTY, INC.
SCHEDULE D
FAMILY RESOURCE GRANT
YEAR ENDED JUNE 30, 2017**

<u>Income</u>	
Grant Income	\$170,286
Other Income	<u>31,111</u>
Total Income	\$201,397
<u>Disbursements</u>	
Salaries	\$ 95,982
Payroll Taxes	7,337
Employee Benefits	23,081
Supplies	29,931
Professional Fees	2,500
Postage	387
Occupancy	16,890
Insurance	2,600
Repairs	3,358
Travel	4,627
Training	1,327
Consultants	6,836
Miscellaneous	<u>6,541</u>
Total Disbursements	\$201,397
Net Income	<u><u>\$ 0</u></u>

See Independent Auditor's Report on Supplementary Information

UNITED WAY OF BLAIR COUNTY, INC.
SCHEDULE E
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	<u>Needs Assessments</u>	<u>Community Building</u>	<u>Family Resource Center</u>	<u>Community Outreach</u>	<u>Management</u>	<u>Campaign</u>	<u>Total</u>
<u>Expenses</u>							
Salaries	\$ 0	\$12,284	\$ 95,982	\$12,284	\$33,378	\$30,425	\$184,353
Payroll Taxes	0	938	7,337	938	2,548	2,324	14,085
Employee Benefits	<u>0</u>	<u>1,734</u>	<u>23,081</u>	<u>1,734</u>	<u>3,401</u>	<u>2,819</u>	<u>32,769</u>
Sub-Total	<u>\$ 0</u>	<u>\$14,956</u>	<u>\$126,400</u>	<u>\$14,956</u>	<u>\$39,327</u>	<u>\$35,568</u>	<u>\$231,207</u>
Supplies	\$ 0	\$ 743	\$ 29,931	\$ 994	\$ 747	\$ 1,590	\$ 34,005
Telephone	0	713	3,450	713	2,554	713	8,143
Postage	0	146	387	93	237	351	1,214
Occupancy	0	3,847	16,890	3,848	3,848	3,848	32,281
Insurance	0	650	2,600	650	650	650	5,200
Repairs	0	812	3,358	812	812	812	6,606
Advertising	0	1,037	0	537	537	2,477	4,588
Travel	0	62	4,627	490	2,755	661	8,595
Dues	6,536	305	2,331	315	463	305	10,255
Training	0	181	1,327	181	206	181	2,076
Depreciation	0	125	0	125	625	125	1,000
Consultants	35,322	2,372	6,836	11,962	2,372	2,373	61,237
Miscellaneous	<u>20,016</u>	<u>559</u>	<u>3,260</u>	<u>8,876</u>	<u>561</u>	<u>716</u>	<u>33,988</u>
Sub-Total	<u>\$61,874</u>	<u>\$11,552</u>	<u>\$ 74,997</u>	<u>\$29,596</u>	<u>\$16,367</u>	<u>\$14,802</u>	<u>\$209,188</u>
Total Operating Expenses	<u>\$61,874</u>	<u>\$26,508</u>	<u>\$201,397</u>	<u>\$44,552</u>	<u>\$55,694</u>	<u>\$50,370</u>	<u>\$440,395</u>

See Independent Auditor's Report on Supplementary Information