

UNITED WAY OF BLAIR COUNTY, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
ALTOONA, PENNSYLVANIA
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

United Way of Blair County, Inc.
208 Hollidaysburg Plaza
Duncansville, PA 16635

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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 AND 2017**

| | <u>2018</u> | <u>2017</u> |
|--|----------------------|----------------------|
| <u>ASSETS</u> | | |
| Cash and Cash Equivalents | \$416,289 | \$427,875 |
| Pledge Receivables (Net) | 246,587 | 262,672 |
| Miscellaneous Receivables | 12,601 | 51,910 |
| Equipment | 98,947 | 98,947 |
| Less: Accumulated Depreciation | (93,524) | (92,524) |
| TOTAL ASSETS | \$680,900 | \$748,880 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| <u>Liabilities</u> | | |
| Accrued Expenses | \$ 14,006 | \$ 9,682 |
| Allocations Payable | 305,000 | 305,000 |
| Deferred Revenue | <u>7,696</u> | <u>5,700</u> |
| Total Liabilities | <u>\$326,702</u> | <u>\$320,382</u> |
| <u>Net Assets</u> | | |
| <u>Unrestricted</u> | | |
| Operating | \$220,535 | \$294,835 |
| Board Designated | <u>133,663</u> | <u>133,663</u> |
| Total Unrestricted | <u>\$354,198</u> | <u>\$428,498</u> |
| <u>Permanently Restricted</u> | \$ 0 | \$ 0 |
| <u>Temporary Restricted</u> | \$ 0 | \$ 0 |
| Total Net Assets | <u>\$354,198</u> | <u>\$428,498</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$680,900 | \$748,880 |

See Accompanying Notes and Independent Auditor's Report

**UNITED WAY OF BLAIR COUNTY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017**

| | <u>2018</u> | <u>2017</u> |
|--|------------------|------------------|
| <u>Public Support and Revenues</u> | | |
| Gross Campaign Results | \$426,480 | \$433,469 |
| Less Donor Designations | (8,083) | (15,525) |
| Less Provisions for Uncollectibles | (16,000) | (16,000) |
| Net Campaign Revenue | \$402,397 | \$401,944 |
| Grant Income | 220,406 | 232,160 |
| Investment Income | 1,612 | 737 |
| Miscellaneous | <u>93,629</u> | <u>92,098</u> |
| Total Revenue | <u>\$718,044</u> | <u>\$726,939</u> |
| <u>Expenses</u> | | |
| <u>Program Services</u> | | |
| Gross Funds Awarded | \$313,084 | \$320,525 |
| Less Donor Designations | (8,084) | (15,525) |
| Net Funds Awarded | \$305,000 | \$305,000 |
| Other Program Services | 367,172 | 334,331 |
| Supporting Services | 112,886 | 106,064 |
| United Way of America Dues | 7,286 | 6,336 |
| United Way of PA Dues | <u>0</u> | <u>2,100</u> |
| Total Expenses | <u>\$792,344</u> | <u>\$753,831</u> |
| (Decrease) in Net Assets | (\$ 74,300) | (\$ 26,892) |
| <u>Net Assets</u> - Beginning of Year | <u>428,498</u> | <u>455,390</u> |
| <u>Net Assets</u> - End of Year | <u>\$354,198</u> | <u>\$428,498</u> |

See Accompanying Notes and Independent Auditor's Report

**UNITED WAY OF BLAIR COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017**

| | <u>2018</u> | <u>2017</u> |
|---|--------------------|--------------------|
| <u>Cash Flows from Operating Activities</u> | | |
| Change in Net Assets | (\$ 74,300) | (\$ 26,892) |
| Adjustments to Reconcile Changes in Net Assets to Net Cash (Used) by Operating Activities: | | |
| Depreciation | 1,000 | 1,000 |
| Decrease (Increase) in Pledge Receivables | 16,085 | (4,453) |
| Decrease in Other Assets | 39,309 | 8,578 |
| Increase (Decrease) in Other Current Liabilities | 6,320 | (1,060) |
| Increase in Allocations Payable | <u>0</u> | <u>5,000</u> |
| Net Cash (Used) by Operating Activities | <u>(\$ 11,586)</u> | <u>(\$ 17,827)</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 | (\$ 11,586) | (\$ 17,827) |
| <u>Cash and Cash Equivalents</u> - Beginning of Year | <u>427,875</u> | <u>445,702</u> |
| <u>Cash and Cash Equivalents</u> - End of Year | <u>\$416,289</u> | <u>\$427,875</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, 2018 AND 2017**

| | ----- 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 2018</u> | <u>Total 2017</u> |
| <u>Expenses</u> | | | | | | | | |
| Salaries | \$12,237 | \$110,940 | \$123,177 | \$34,223 | \$30,129 | \$ 64,352 | \$187,529 | \$184,353 |
| Payroll Taxes | 934 | 8,491 | 9,425 | 2,613 | 2,301 | 4,914 | 14,339 | 14,085 |
| Employee Benefits | <u>1,865</u> | <u>28,409</u> | <u>30,274</u> | <u>4,366</u> | <u>3,744</u> | <u>8,110</u> | <u>38,384</u> | <u>32,769</u> |
| Sub-Total | \$15,036 | \$147,840 | \$162,876 | \$41,202 | \$36,174 | \$ 77,376 | \$240,252 | \$231,207 |
| Supplies | 9,550 | 37,465 | 47,015 | 683 | 1,313 | 1,996 | 49,011 | 34,005 |
| Telephone | 2,129 | 1,875 | 4,004 | 2,135 | 629 | 2,764 | 6,768 | 8,143 |
| Office | 1,534 | 1,442 | 2,976 | 576 | 700 | 1,276 | 4,252 | 1,214 |
| Occupancy | 4,059 | 21,546 | 25,605 | 4,059 | 4,059 | 8,118 | 33,723 | 32,281 |
| Insurance | 633 | 3,164 | 3,797 | 633 | 633 | 1,266 | 5,063 | 5,200 |
| Dues | 492 | 2,551 | 3,043 | 266 | 711 | 977 | 4,020 | 10,255 |
| Repairs | 1,701 | 6,243 | 7,944 | 1,643 | 2,186 | 3,829 | 11,773 | 6,606 |
| Advertising | 10,968 | 1,916 | 12,884 | 638 | 2,648 | 3,286 | 16,170 | 4,588 |
| Travel | 3 | 5,081 | 5,084 | 3,075 | 506 | 3,581 | 8,665 | 8,595 |
| Training | 949 | 1,348 | 2,297 | 1,160 | 925 | 2,085 | 4,382 | 2,076 |
| Consultants | 43,603 | 21,925 | 65,528 | 2,652 | 2,653 | 5,305 | 70,833 | 61,237 |
| Miscellaneous | <u>2,129</u> | <u>21,740</u> | <u>23,869</u> | <u>148</u> | <u>129</u> | <u>277</u> | <u>24,146</u> | <u>33,988</u> |
| Sub-Total | \$92,786 | \$274,136 | \$366,922 | \$58,870 | \$53,266 | \$112,136 | \$479,058 | \$439,395 |
| 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>\$92,911</u> | <u>\$274,261</u> | <u>\$367,172</u> | <u>\$59,495</u> | <u>\$53,391</u> | <u>\$112,886</u> | <u>\$480,058</u> | <u>\$440,395</u> |

See Accompanying Notes and Independent Auditor's Report

UNITED WAY OF BLAIR COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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 2017, 2016, and 2015 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, 2018 AND 2017
(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, 2018 and 2017 was \$32,850 and \$31,500, respectively. The following is a schedule by years of future minimum rental payments.

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2019 | \$26,400 |
| 2020 | 26,400 |
| 2021 | 26,400 |
| 2022 | 26,400 |
| 2023 | 26,400 |

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, 2018 and 2017 were \$10,366 and \$10,414, respectively.

Note 3: Restriction on Assets

Unrestricted assets of the Agency have been board designated for future years in the amount of \$133,663.

Note 4: Credit Risk

The Agency has \$300,623 with M & T Bank of which \$250,000 is insured by FDIC and \$50,623 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, 2018, zero has been drawn down on the line of credit.

UNITED WAY OF BLAIR COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017
(CONTINUED)

Note 6: Subsequent Events

In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through November 21, 2018, 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, 2018 AND 2017**

| | <u>2018</u> | <u>2017</u> |
|---|------------------|------------------|
| <u>Regular Allocations</u> | | |
| Laurel Highland Council - BSA | \$ 1,500 | \$ 0 |
| Central Pennsylvania Community Foundation | 2,000 | 2,000 |
| Blair Clearfield Association for the Blind | 8,000 | 8,000 |
| Blair County Community Action Agency | 27,500 | 40,000 |
| Big Brothers/Big Sisters of Blair County | 7,500 | 15,000 |
| Blair Senior Services | 9,000 | 9,000 |
| Northern Blair County Recreation | 0 | 1,000 |
| CONTACT Altoona | 18,000 | 9,100 |
| Family Service Incorporated | 85,000 | 81,000 |
| Girl Scouts Western Pennsylvania | 0 | 500 |
| Home Nursing Agency | 5,000 | 4,000 |
| Mid Penn Legal Services | 8,000 | 8,000 |
| YMCA - Garver Memorial | 5,000 | 5,000 |
| Blair County Respiratory Disease Society | 0 | 8,000 |
| Gloria Gates Memorial Foundation | 30,000 | 30,000 |
| Young Life of Central PA | 10,000 | 7,000 |
| Blair County Chamber Foundation | 4,000 | 2,900 |
| Through, Inc. | 0 | 5,000 |
| American Red Cross | 18,000 | 18,000 |
| Joshua House | 2,700 | 10,000 |
| Catholic Charities | 15,000 | 15,000 |
| St. Vincent dePaul Society/Monastery Community Gardens | 0 | 0 |
| We CARE Foundation and Therapy Services/Tyrone Hospital | 0 | 0 |
| Claysburg Area Public Library | 2,000 | 2,000 |
| UPMC Altoona Partnership for a Healthy Community | 25,000 | 18,000 |
| Altoona Area School District Foundation | 0 | 6,500 |
| Child Advocates of Blair | 500 | 0 |
| Altoona Renaissance Team | 2,500 | 0 |
| Refuge Youth Network | 5,000 | 0 |
| Empowering Lives Foundation | 5,000 | 0 |
| Morrisons Cove Memorial Park | 800 | 0 |
| Lung Disease Foundation | <u>8,000</u> | <u>0</u> |
| | <u>\$305,000</u> | <u>\$305,000</u> |

See Independent Auditor's Report

**UNITED WAY OF BLAIR COUNTY, INC.
SCHEDULE B
PLEDGE RECEIVABLES
JUNE 30, 2018**

2018 Campaign

| | |
|------------------------------------|-------------------|
| Pledge Receivables | \$217,697 |
| Less: Allowance for Uncollectibles | (<u>16,000</u>) |
| | <u>\$201,697</u> |

2017 Campaign

| | |
|------------------------------------|-------------------|
| Pledge Receivables | \$ 60,890 |
| Less: Allowance for Uncollectibles | (<u>16,000</u>) |
| | <u>\$ 44,890</u> |

| | |
|--------------------------------|-------------------------|
| Total Pledge Receivables (Net) | <u><u>\$246,587</u></u> |
|--------------------------------|-------------------------|

See Independent Auditor's Report

UNITED WAY OF BLAIR COUNTY, INC.
SCHEDULE C
NEEDS ASSESSMENT GRANT
YEAR ENDED JUNE 30, 2018

Income

| | |
|--------------|----------|
| Grant Income | \$45,472 |
|--------------|----------|

Disbursements

| | |
|---------------|---------------|
| Miscellaneous | \$ 4,522 |
| Consultants | <u>40,950</u> |

| | |
|---------------------|----------|
| Total Disbursements | \$45,472 |
|---------------------|----------|

| | |
|------------------|------|
| Deferred Revenue | \$ 0 |
|------------------|------|

See Independent Auditor's Report

UNITED WAY OF BLAIR COUNTY, INC.
SCHEDULE D
FAMILY RESOURCE GRANT
YEAR ENDED JUNE 30, 2018

| | | |
|-----------------------------|---------------|-------------|
| <u>Income</u> | | |
| Grant Income | \$174,666 | |
| Other Income | <u>32,869</u> | |
| Total Income | \$207,535 | <hr/> |
| <u>Disbursements</u> | | |
| Salaries | \$ 94,839 | |
| Payroll Taxes | 7,309 | |
| Employee Benefits | 26,212 | |
| Supplies | 36,192 | |
| Professional Fees | 2,500 | |
| Postage | 303 | |
| Occupancy | 17,487 | |
| Insurance | 2,532 | |
| Repairs | 4,542 | |
| Travel | 4,379 | |
| Training | 438 | |
| Consultants | 6,459 | |
| Miscellaneous | <u>4,343</u> | |
| Total Disbursements | \$207,535 | <hr/> |
| Net Income | \$ 0 | <hr/> <hr/> |

See Independent Auditor's Report

UNITED WAY OF BLAIR COUNTY, INC.
SCHEDULE E
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

| <u>Expenses</u> | <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> |
|--------------------------|------------------------------|-------------------------------|---------------------------------------|-------------------------------|-------------------|-----------------|--------------|
| Salaries | \$ 0 | \$12,237 | \$ 94,839 | \$16,101 | \$34,223 | \$30,129 | \$187,529 |
| Payroll Taxes | 0 | 934 | 7,309 | 1,182 | 2,613 | 2,301 | 14,339 |
| Employee Benefits | 0 | 1,865 | 26,212 | 2,197 | 4,366 | 3,744 | 38,384 |
| Sub-Total | \$ 0 | \$15,036 | \$128,360 | \$19,480 | \$41,202 | \$36,174 | \$240,252 |
| Supplies | \$ 0 | \$ 1,002 | \$ 36,192 | \$ 9,821 | \$ 683 | \$ 1,313 | \$ 49,011 |
| Telephone | 0 | 629 | 1,206 | 2,169 | 2,135 | 629 | 6,768 |
| Postage | 0 | 124 | 303 | 2,549 | 576 | 700 | 4,252 |
| Occupancy | 0 | 4,059 | 17,487 | 4,059 | 4,059 | 4,059 | 33,723 |
| Insurance | 0 | 633 | 2,532 | 632 | 633 | 633 | 5,063 |
| Repairs | 0 | 1,701 | 4,542 | 1,701 | 1,643 | 2,186 | 11,773 |
| Advertising | 0 | 233 | 658 | 11,993 | 638 | 2,648 | 16,170 |
| Travel | 0 | 3 | 4,379 | 702 | 3,075 | 506 | 8,665 |
| Dues | 0 | 236 | 2,315 | 492 | 266 | 711 | 4,020 |
| Training | 0 | 910 | 438 | 949 | 1,160 | 925 | 4,382 |
| Depreciation | 0 | 125 | 0 | 125 | 625 | 125 | 1,000 |
| Consultants | 40,950 | 2,654 | 8,959 | 12,965 | 2,652 | 2,653 | 70,833 |
| Miscellaneous | 4,522 | 129 | 164 | 19,054 | 148 | 129 | 24,146 |
| Sub-Total | \$45,472 | \$12,438 | \$ 79,175 | \$67,211 | \$18,293 | \$17,217 | \$239,806 |
| Total Operating Expenses | \$45,472 | \$27,474 | \$207,535 | \$86,691 | \$59,495 | \$53,391 | \$480,058 |

See Independent Auditor's Report