

United Way of Mifflin-Juniata

Financial Statements and
Supplementary Information

Years Ended June 30, 2021(Audited) and 2020 (Reviewed)
with Independent Auditor's Report

MaherDuessel

A horizontal bar is positioned below the company name. The left portion of the bar is black, and the right portion is blue, matching the color of the 'D' in the company name.

UNITED WAY OF MIFFLIN-JUNIATA

YEARS ENDED JUNE 30, 2021(AUDITED) AND 2020(REVIEWED)

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the United Way of Mifflin-Juniata (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to 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 the United Way of Mifflin-Juniata as of June 30, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The June 30, 2020 financial statements were reviewed by us, and our report thereon, dated November 19, 2020 stated that we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 17 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.

Maher Duessel

Harrisburg, Pennsylvania
December 23, 2021

UNITED WAY OF MIFFLIN-JUNIATA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>(Audited)</u> 2021	<u>(Reviewed)</u> 2020
Assets		
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Current assets:		
Cash and cash equivalents	\$ 405,068	\$ 361,293
Certificates of deposit	107,105	105,650
Accounts receivable	885	2,646
Promises to give, net	107,021	137,281
Prepaid expenses	311	-
Total current assets	<u>620,390</u>	<u>606,870</u>
Noncurrent assets:		
Certificates of deposit	14,129	13,826
Investments	1,890	1,902
Property and equipment, net	125,234	131,672
Beneficial interest in perpetual trusts	54,594	45,647
Total noncurrent assets	<u>195,847</u>	<u>193,047</u>
Total Assets	<u><u>\$ 816,237</u></u>	<u><u>\$ 799,917</u></u>
Liabilities and Net Assets		
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Liabilities:		
Accounts payable	\$ 7,769	\$ 11,522
Accrued wages	6,725	8,008
Accrued compensated absences	2,483	5,420
PPP loan payable	-	27,500
Total Liabilities	<u>16,977</u>	<u>52,450</u>
Net Assets:		
Without donor restriction:		
Undesignated	266,088	213,979
Board-designated	192,992	186,823
Total net assets without donor restriction	<u>459,080</u>	<u>400,802</u>
Net assets with donor restriction	<u>340,180</u>	<u>346,665</u>
Total Net Assets	<u>799,260</u>	<u>747,467</u>
Total Liabilities and Net Assets	<u><u>\$ 816,237</u></u>	<u><u>\$ 799,917</u></u>

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

UNITED WAY OF MIFFLIN-JUNIATA

STATEMENT OF ACTIVITIES (AUDITED)

YEAR ENDED JUNE 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenues:			
Campaign contributions	\$ 99,934	\$ 285,586	\$ 385,520
Grants	47,097	-	47,097
Interest and dividends	1,909	-	1,909
Loss on investment	(12)	-	(12)
Change in valuation of beneficial interest in perpetual trust	-	8,947	8,947
Other:			
Services and programs	3,115	-	3,115
Other income	566	-	566
SB6 Program income	24,790	-	24,790
Net assets released from restriction	301,018	(301,018)	-
Total support and revenues	478,417	(6,485)	471,932
Expenses:			
Program services:			
Fund distribution	215,544	-	215,544
Various projects	44,791	-	44,791
Community impact	13,884	-	13,884
Day of Caring	11,192	-	11,192
Success by Six	50,217	-	50,217
Total program services	335,628	-	335,628
Supporting services:			
Management and general	45,115	-	45,115
Fundraising	30,301	-	30,301
Unallocated payments to local, national, or affiliated organizations	9,095	-	9,095
Total supporting services	84,511	-	84,511
Total expenses	420,139	-	420,139
Change in Net Assets	58,278	(6,485)	51,793
Net Assets:			
Beginning of year	400,802	346,665	747,467
End of year	\$ 459,080	\$ 340,180	\$ 799,260

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
Support and Revenues:			
Campaign contributions	\$ 131,758	\$ 301,018	\$ 432,776
Grants	11,454	-	11,454
Interest and dividends	270	-	270
Gain on Investments	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	444,146	38,531	482,677
Expenses:			
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	391,326	-	391,326
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	60,076	-	60,076
Total expenses	451,402	-	451,402
Change in Net Assets	(7,256)	38,531	31,275
Net Assets:			
Beginning of year	408,058	308,134	716,192
End of year	\$ 400,802	\$ 346,665	\$ 747,467

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

UNITED WAY OF MIFFLIN-JUNIATA
STATEMENT OF FUNCTIONAL EXPENSES (AUDITED)
YEAR ENDED JUNE 30, 2021

	Program Services					Subtotal	Support Services				Subtotal	Total
	Fund Distribution	Various Projects	Community Impact	Day of Caring	Success by Six		Management and General	Fund-raising	United Way Dues			
Wages	\$ 2,889	\$ 25,401	\$ 7,875	\$ 4,787	\$ 29,742	\$ 70,694	\$ 25,590	\$ 17,186	\$ -	\$ 42,776	\$ 113,470	
Payroll taxes	298	2,622	812	494	1,104	5,330	2,639	1,773	-	4,412	9,742	
Employee benefits	19	171	53	32	843	1,118	172	115	-	287	1,405	
Total personnel costs	3,206	28,194	8,740	5,313	31,689	77,142	28,401	19,074	-	47,475	124,617	
Agency allocations	210,452	-	-	-	-	210,452	-	-	-	-	210,452	
Audit/bookkeeping/consultants	672	5,909	1,832	1,113	2,489	12,015	5,953	3,998	-	9,951	21,966	
Campaign supplies	40	349	108	66	147	710	351	236	-	587	1,297	
Staff travel	12	109	34	20	308	483	108	74	-	182	665	
Dues and subscriptions	131	1,153	357	217	486	2,344	1,162	780	9,095	11,037	13,381	
Depreciation	197	1,732	537	326	729	3,521	1,745	1,172	-	2,917	6,438	
Insurance	168	1,479	458	278	622	3,005	1,486	999	-	2,485	5,490	
Technology expense	53	469	146	89	198	955	473	318	-	791	1,746	
Offices supplies and expense	31	275	85	2,805	268	3,464	278	187	-	465	3,929	
Office equipment	211	1,860	576	350	783	3,780	1,872	1,257	-	3,129	6,909	
Postage	48	423	131	80	2,993	3,675	426	286	-	712	4,387	
Advertising and promotions	22	194	60	37	1,402	1,715	196	131	-	327	2,042	
Repairs and maintenance - building	83	729	226	137	307	1,482	734	493	-	1,227	2,709	
Utilities	169	1,482	459	279	624	3,013	1,493	1,002	-	2,495	5,508	
Early Learning Center Program	-	-	-	-	6,964	6,964	-	-	-	-	6,964	
Miscellaneous	49	434	135	82	208	908	437	294	-	731	1,639	
Total expenses	<u>\$ 215,544</u>	<u>\$ 44,791</u>	<u>\$ 13,884</u>	<u>\$ 11,192</u>	<u>\$ 50,217</u>	<u>\$ 335,628</u>	<u>\$ 45,115</u>	<u>\$ 30,301</u>	<u>\$ 9,095</u>	<u>\$ 84,511</u>	<u>\$ 420,139</u>	

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					Total
	Fund Distribution	Various Projects	Community Impact	Day of Caring	Success by Six	Subtotal	Management and General	Fund-raising	United Way Dues	Subtotal	
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	3,057
Total expenses	<u>\$ 232,414</u>	<u>\$ 50,295</u>	<u>\$ 27,014</u>	<u>\$ 11,988</u>	<u>\$ 69,615</u>	<u>\$ 391,326</u>	<u>\$ 25,616</u>	<u>\$ 27,673</u>	<u>\$ 6,787</u>	<u>\$ 60,076</u>	<u>\$ 451,402</u>

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

UNITED WAY OF MIFFLIN-JUNIATA

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	(Audited) 2021	(Reviewed) 2020
Cash Flows From Operating Activities:		
Change in net assets	\$ 51,793	\$ 31,275
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation expense	6,438	6,438
Forgiveness of PPP loan	(27,500)	-
Beneficial interest in perpetual trusts	(8,947)	(2,156)
Gain (Loss) on investments	(12)	396
Interest accrued on certificates of deposit	(1,734)	(2,087)
Increase (decrease) in assets:		
Accounts receivable	1,761	(633)
Promises to give	30,260	12,613
Prepaid expenses	(311)	589
Increase (decrease) in liabilities:		
Accounts payable	(3,753)	(1,346)
Accrued wages	(1,283)	(390)
Accrued compensated absences	(2,937)	2,888
Net cash and cash equivalents provided by operating activities	43,775	47,587
Cash Flows From Investing Activities:		
Matured certificates of deposit	-	2,762
Net cash and cash equivalents provided by investing activities	-	2,762
Cash Flows From Financing Activities:		
PPP loan proceeds	-	27,500
Net cash and cash equivalents provided by financing activities	-	27,500
Net Increase in Cash and Cash Equivalents	43,775	77,849
Cash and Cash Equivalents:		
Beginning of year	361,293	283,444
End of year	\$ 405,068	\$ 361,293

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

UNITED WAY OF MIFFLIN-JUNIATA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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, 2021 and 2020 are fully collectible.

UNITED WAY OF MIFFLIN-JUNIATA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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, 2021 AND 2020

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, 2021 and 2020 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

UNITED WAY OF MIFFLIN-JUNIATA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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

Contributions received are recorded as net assets with or without donor restrictions, depending on the existence or nature of any donor restrictions. Conditional contributions

UNITED WAY OF MIFFLIN-JUNIATA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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, 2021 AND 2020

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, 2021 and 2020 expected to be available within one year to meet the cash needs for general expenditures.

	<u>2021</u>	<u>2020</u>
Financial assets, at year-end	\$ 691,003	\$ 668,245
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(340,180)	(346,665)
Board-designated	<u>(192,992)</u>	<u>(186,823)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 157,831</u>	<u>\$ 134,757</u>

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.

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

Subsequent Events

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

UNITED WAY OF MIFFLIN-JUNIATA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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.”

Promises to give at June 30, 2021 and 2020 are expected to be collected within one year and are as follows:

	<u>2021</u>	<u>2020</u>
2019 Annual Campaign promises to give	\$ -	\$ 8,162
2020 Annual Campaign promises to give	12,108	128,328
2021 Annual Campaign promises to give	<u>112,803</u>	<u>18,681</u>
	124,911	155,171
Less allowance for uncollectible	<u>(17,890)</u>	<u>(17,890)</u>
Promises to give, net	<u>\$ 107,021</u>	<u>\$ 137,281</u>

3. Property and Equipment

Property and equipment consists of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</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>(60,053)</u>	<u>(53,615)</u>
Property and equipment, net	<u>\$ 125,234</u>	<u>\$ 131,672</u>

Depreciation expense amounted to \$6,438 and \$6,438 for the years ended June 30, 2021 and 2020, respectively.

UNITED WAY OF MIFFLIN-JUNIATA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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 was forgiven on November 3rd, 2020 and has been fully recognized as revenue.

5. Investments

The Organization's Level 1 investments at June 30, 2021 and 2020 amount to \$1,890 and \$1,902, respectively, and consist of various shares of stock donated from previous campaigns.

UNITED WAY OF MIFFLIN-JUNIATA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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, 2019	\$	43,491
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>45,647</u>
Change in valuation of beneficial interest in perpetual trust		
Interest and dividends		733
Gains on investments		11,458
Fees		(872)
Accrued income		(2,341)
Distribution		(31)
Balance, June 30, 2021	\$	<u>54,594</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>2021</u>	<u>2020</u>
Emergency reserve fund	\$ 108,282	\$ 106,693
Endowment fund	<u>84,710</u>	<u>80,130</u>
	<u>\$ 192,992</u>	<u>\$ 186,823</u>

UNITED WAY OF MIFFLIN-JUNIATA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Net assets restricted by donors for time and purpose:		
Annual Campaign pledges	<u>\$ 285,586</u>	<u>\$ 301,018</u>
Net assets restricted by donors in perpetuity:		
Beneficial interest in perpetual trusts	<u>\$ 54,594</u>	<u>\$ 45,647</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, 2021 AND 2020

	2021	2020
Agency allocations:		
American Red Cross	\$ 11,665	\$ 16,000
Boy Scouts of Juniata Valley	13,000	13,000
Community Partnership RC&D	12,000	-
Compass Community Connections (formerly Mifflin-Juniata Special Needs Center)	40,000	45,000
Crossroads Pregnancy Center	6,000	6,500
Delauter Youth Center	-	5,000
Fayette Area Lions Den	5,000	5,000
Juniata County Library	15,000	16,700
Juniata YMCA	5,000	-
Lumina Center	28,000	28,500
Mid Penn Legal Services	7,300	7,300
Mifflin County Library	21,000	21,000
Nuvisions	6,000	6,000
The Abuse Network	24,004	23,800
Total regular allocations	193,969	193,800
Special allocations:		
American Cancer Society	268	-
Brookline Healthcare and Rehab	500	-
Brown Township	123	-
Belleville Community Rec. Board	-	43
Big Brothers/Big Sisters	-	269
Central Pennsylvania Food Bank	762	299
Centre County United Way	-	196
Contact Helpline	123	-
Delauter Youth Center	1,372	-
Deluxe Business System	254	-
Derry Township	135	-
Easter Seals Central PA	-	26
Energy Bank- Mifflin County	266	17,940
Friendship Fire Company No. 1	100	-
Girl Scouts in the Heart of Pennsylvania	-	83
Greater Susquehanna Valley United Way	-	104
Heller's Gas Inc.	500	-
Hilltop Oil Company, Inc.	306	-
Huntingdon County United Way	638	872
Huntingdon House	-	30
Jaqueline Fisher	610	-
Jeff Bell	500	-
K & C Fuel Oil, Inc.	262	-
Karen Moyer	375	-
Lewistown Dental Center	5	-
Lewistown Home Health and Hospice	5	5
Lewtel, Inc	500	-
Marstellar Oil Company	145	-
Martin Oil Co.	217	-
McClure Veterans Memorial Pool	79	44
Mifflin County Salvation Army	-	1,622
Moshannon Valley YMCA	173	-
Mother Hubbard's Cupboard	350	-
Moyer Gas Service, Inc.	405	-
Nittany Oil Company & Subsid.	262	-
Nittany Oil Company & Subsid.	325	-
Oakland Fuel Oil	165	-

(Continued)

UNITED WAY OF MIFFLIN-JUNIATA

SCHEDULES OF AGENCY ALLOCATIONS

YEARS ENDED JUNE 30, 2021 AND 2020

(Continued)

Oakland Fuel Oil	225	-
Parkside Harmony	400	-
Penelec - A First Energy Company	488	-
Penelec - A First Energy Company	500	-
Port Alleghany Area United Fund	-	429
PPL Electric Utilities Corp.	131	-
Project Share of Carlisle PA	173	-
Reedsville Athletic Association	-	166
Richard Lynn	500	-
ROFF	250	396
Ronald McDonald House - Danville	102	102
Roy E. Berrier & Sons Inc.	1,106	-
Shelter Services Inc	284	260
Special Olympics	-	104
Snedeker Energy, LLC	1,065	-
UGI Central Penn Gas, Inc.	500	-
UGI Utilities	500	-
United Way of Blair County	189	204
United Way of Bradford County	346	166
Total special allocations	16,484	23,360
Total agency allocations	<u>\$ 210,453</u>	<u>\$ 217,160</u>

(Concluded)