UNITED WAY OF MERCER COUNTY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

MARCH 31, 2019

UNITED WAY OF MERCER COUNTY

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Black, Bashor & Porsch, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Mercer County
Hermitage, Pennsylvania

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of United Way of Mercer County, which comprise the statement of financial position as of March 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 Mercer County as of March 31, 2019, 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.

EMPHASIS-OF-MATTER
As discussed in Note "2" to the financial statements, for the year ended March 31, 2019, the United Way of Mercer County adopted new accounting guidance related to presentation and disclosure of its financial statements. Our opinion is not modified with respect to this matter.

As discussed in Note "15" to the financial statements, the net assets as of March 31, 2018 have been restated to correct a prior year misstatement. Our opinion is not modified with respect to this matter.

REPORT ON SUPPLEMENTARY INFORMATION
Our audit were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information include on page 20 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 it 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.

Black, Bashor & Porsch, LLP

Sharon, Pennsylvania
September 23, 2019

UNITED WAY OF MERCER COUNTY

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2019

A S S E T S

CURRENT ASSETS:-	
Cash and Cash Equivalents	$ 88,597
Cash and Cash Equivalents - Funds Held for Others	162,279
Pledge Receivables, Net of Uncollectable Allowance of $ 11,200	213,491
Grant Receivable	87,684
Other Receivables	1,106
Prepaid Expenses	9,539
TOTAL CURRENT ASSETS:-	$ 562,696
PROPERTY AND EQUIPMENT:-	
Land and Buildings	$ 87,500
Building Improvements	329,398
Furniture and Equipment	40,887
	$ 457,785
Less: Accumulated Depreciation	(325,660)
NET PROPERTY AND EQUIPMENT:-	$ 132,125
OTHER ASSETS:-	
Beneficial Interest in Perpetual Trusts	$ 534,782
Beneficial Interest in Community Foundation	264,014
Security Deposit	2,050
TOTAL OTHER ASSETS:-	$ 800,846
TOTAL ASSETS:-	$ 1,495,667

L I A B I L I T I E S A N D N E T A S S E T S

CURRENT LIABILITIES:-	
Accounts Payable	$ 33,847
Accrued Payroll and Taxes	32,907
Deferred Revenue	2,317
Refundable Advance	41,331
Allocations and Designations Payable to Member Agencies	340,000
Other Designations Payable	165
Funds Held For Others	162,204
TOTAL CURRENT LIABILITIES:-	$ 612,771
NET ASSETS:-	
Without Donor Restrictions	$ 270,594
With Donor Restrictions	612,302
TOTAL NET ASSETS:-	$ 882,896
TOTAL LIABILITIES AND NET ASSETS:-	$ 1,495,667

The Accompanying Notes are an Integral Part of These Statements

UNITED WAY OF MERCER COUNTY

STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
PUBLIC SUPPORT AND REVENUES:-			
Public Support -			
Campaign Revenues	$ 430,281	$ 127,158	$ 557,439
Prior Campaign Revenues	12,395	-	12,395
Less: Provision for Uncollectable Pledges	(2,109)	-	(2,109)
NET PUBLIC SUPPORT:-	$ 440,567	$ 127,158	$ 567,725
Revenues -			
Special Events	$ 53,198	$ -	$ 53,198
Rental Income	109,705	-	109,705
Grant Revenue	459,509	-	459,509
Miscellaneous Income	2,366	-	2,366
Change in Value of Beneficial Interest in Perpetual Trusts	-	13,374	13,374
Investment Income, Net of Investment Fees of $ 9,697	20,132	-	20,132
Realized and Unrealized Loss on Investments	(223)	-	(223)
TOTAL REVENUES:-	$ 644,687	$ 13,374	$ 658,061
TOTAL PUBLIC SUPPORT AND REVENUES:-	$ 1,085,254	$ 140,532	$ 1,225,786
NET ASSETS RELEASED FROM RESTRICTIONS:-	64,154	(64,154)	-
	$ 1,149,408	$ 76,378	$ 1,225,786
EXPENSES:-			
Program Services -			
Early Childhood Development	$ 64,154	$ -	$ 64,154
After School Program	435,063	-	435,063
Community Impact	413,928	-	413,928
Supporting Services -			
Management and General	76,325	-	76,325
Fundraising and Annual Campaign	169,181	-	169,181
Rental Activities	53,692	-	53,692
Cost of Sales	21,313	-	21,313
Membership Dues	11,024	-	11,024
TOTAL EXPENSES:-	$ 1,244,680	$ -	$ 1,244,680
CHANGES IN NET ASSETS:-	$ (95,272)	$ 76,378	$ (18,894)
NET ASSETS - BEGINNING OF YEAR AS RESTATED:-	365,866	535,924	901,790
NET ASSETS - END OF YEAR:-	$ 270,594	$ 612,302	$ 882,896

The Accompanying Notes are an Integral Part of These Statements

UNITED WAY OF MERCER COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED MARCH 31, 2019

	PROGRAM SERVICES				SUPPORTING SERVICES						
	EARLY CHILDHOOD DEVELOPMENT	AFTER SCHOOL PROGRAM	COMMUNITY IMPACT	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING AND ANNUAL CAMPAIGN	RENTAL ACTIVITIES	COST OF SALES	MEMBERSHIP DUES	TOTAL SUPPORTING SERVICES	TOTAL
EXPENSES:-											
Salaries	$ 52,804	$ 227,819	$ 17,216	$ 297,839	$ 30,333	$ 89,560	$ 3,806	$ -	$ -	$ 123,699	$ 421,538
Payroll Taxes	-	27,282	1,115	28,397	894	6,959	283	-	-	8,136	36,533
Agencies and Other Designations, Net of Reductions of $ 2,903	-	-	337,097	337,097	-	-	-	-	-	-	337,097
Bank Fees	-	-	84	84	40	605	-	-	-	645	729
Computer and Other Services	282	11,454	767	12,503	505	2,423	-	-	-	2,928	15,431
Depreciation	97	-	350	447	11	97	11,657	-	-	11,765	12,212
Dues	-	-	-	-	4,136	-	-	-	-	4,136	4,136
Employee Benefits	-	8,538	1,342	9,880	3,377	19,092	704	-	-	23,173	33,053
Equipment Maintenance and Lease	146	20,041	72	20,259	837	2,585	30,089	-	-	33,511	53,770
Insurance	319	-	1,596	1,915	213	4,256	4,256	-	-	8,725	10,640
Local Travel and Vehicle Lease	115	-	573	688	-	5,043	-	-	-	5,043	5,731
Meetings	221	-	870	1,091	-	5,248	-	-	-	5,248	6,339
Supplies	325	67,917	-	68,242	3,021	1,301	-	-	-	4,322	72,564
Interest	-	-	-	-	1,813	-	-	-	-	1,813	1,813
Pension Plan	-	-	-	-	1,094	6,248	254	-	-	7,596	7,596
Postage	275	-	906	1,181	220	1,346	-	-	-	1,566	2,747
Printing	-	-	1,578	1,578	1,306	2,557	-	-	-	3,863	5,441
Professional Fees	19	64,395	5,737	70,151	17,055	135	58	-	-	17,248	87,399
Promotional Materials	643	-	5,875	6,518	-	4,758	-	-	-	4,758	11,276
Real Estate Taxes	-	428	-	428	514	750	21	-	-	1,285	1,713
Rent	-	5,125	-	5,125	6,150	8,969	256	-	-	15,375	20,500
Special Events	-	-	-	-	1,173	-	-	21,313	-	22,486	22,486
Special Projects	-	-	38,486	38,486	-	-	-	-		-	38,486
Unallocated Payments to State and National Organizations	-	-	-	-	-	-	-		11,024	11,024	11,024
State Certificate	-	-	-	-	250	-	-	-	-	250	250
Telephone	-	731	-	731	877	1,279	-	-	-	2,156	2,887
Utilities	-	1,085	-	1,085	1,302	1,899	2,308	-	-	5,509	6,594
Miscellaneous	8,908	248	264	9,420	1,204	4,071	-	-	-	5,275	14,695
TOTAL EXPENSES:-	$ 64,154	$ 435,063	$ 413,928	$ 913,145	$ 76,325	$ 169,181	$ 53,692	$ 21,313	$ 11,024	$ 331,535	$ 1,244,680

The Accompanying Notes are an Integral Part of These Statements

UNITED WAY OF MERCER COUNTY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:-	
Changes in Net Assets	$ (18,894)
Adjustment to Reconcile Changes in Net Assets to Net Cash (Used) by Operating Activities -	
Depreciation	12,212
Beneficial Interest in Perpetual Trusts	(13,374)
Investment Income Reinvested	(24,231)
Investment Fees	9,697
Realized and Unrealized Gain on Investments	223
Decrease in Allowance for Uncollectable Pledge Receivables	(21,800)
Change in Assets and Liabilities -	
Decrease in Pledge Receivables	23,278
(Increase) in Grant Receivable	(10,733)
(Decrease) in Other Receivables	1,926
(Increase) in Prepaid Expenses	(162)
(Decrease) in Accounts Payable	(1,359)
Increase in Accrued Payroll and Taxes	7,742
Increase in Deferred Revenue	37
Increase in Refundable Advance	16,220
Decrease in Allocations and Designations	(25,626)
NET CASH (USED) BY OPERATING ACTIVITIES:-	$ (44,844)
CASH FLOWS FROM INVESTING ACTIVITIES:-	
Proceeds Received from Beneficial Interest in Community Foundation	$ 10,415
Proceeds Received from Beneficial Interest in Perpetual Trusts	15,600
NET CASH PROVIDED BY INVESTING ACTIVITIES:-	$ 26,015
CASH FLOWS FROM FINANCING ACTIVITIES:-	
Proceeds from Line-of-Credit	$ 80,000
Repayments on Line-of-Credit	(80,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES:-	$ -
NET DECREASE IN CASH AND CASH EQUIVALENTS:-	$ (18,829)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR:-	107,426
CASH AND CASH EQUIVALENTS - END OF YEAR:-	$ 88,597
SUPPLMENTAL DISCLOSURE OF CASH FLOW INFORMATION:-	
Cash Paid During the Year for Interest	$ 1,813

The Accompanying Notes are an Integral Part of These Statements

1. DESCRIPTION OF ORGANIZATION AND PROGRAM SERVICES

The United Way of Mercer County (the Agency) is a Pennsylvania non-profit organization founded for the primary purpose of improving the quality of people's lives in Mercer County, Pennsylvania. It is governed by a volunteer Board of Directors and has a membership with both the United Way Worldwide and the United Way of Pennsylvania.

MISSION

To build strong communities and create better futures by lifting families out of poverty.

COMMUNITY IMPACT

The Agency has adopted the community impact philosophy to invest dollars in agencies and programs that align with critical needs identified through their on-going needs assessments. The Agency supports a network of quality agencies that are eligible to use the United Way of Mercer County Pennsylvania's brand and receive allocations of unrestricted and program restricted giving in the areas of education, self-sufficiency, and health. Allocations to member agencies are determined by volunteers through the Agency's "Agency Allocation Review Process". These volunteers engage in educational activities, agency visits, training, and council meetings throughout the year to better understand the various service systems and programs for which they ultimately make decisions. They have used a program proposal rating system for the evaluation of programs for approximately ten (10) years. This rating system examines seven areas of agency/program performance and serves as the initial basis for decision-making. The volunteers consider such factors as reductions in public funding, changes in the way services are provided, the loss of other services in the community that may inhibit program success, and significant changes in designations that individual agencies received.

As part of its community impact program, the Agency serves as the Mercer County Pennsylvania 211 regional center and leader. 211 is a nationally recognized, easy to remember phone number that connects people seeking assistance with local health and human service resources.

EDUCATION

The Agency coordinates and funds "Success by 6®", a community-wide effort that seeks to prepare children and their families academically and socially for elementary school. The program employs education liaisons that focus on school readiness. Research shows high-quality pre-elementary school programs increase a child's chances of succeeding in school.

The Agency, in collaboration with several local area school districts, has developed an afterschool program to provide educational opportunities focusing on improving classroom performance and academic achievement. The program's target audience is primarily middle school students at risk of school failure who come from economically disadvantaged backgrounds. The program has developed a tailored approach STEAM curriculum aligned with school standards, an evidence-based program component to address behaviors that impede performance, and comprehensive approach to support families through training and connections to resources and services.

INCOME TAX STATUS

The Agency qualifies as a tax-exempt organization under Section 501c(3) of the Internal Revenue Code; therefore, has no provision for federal or state income taxes has been included in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of FASB ASC 720, Accounting for Contributions Received and Contributions Made and FASB ASC 958, Financial Statements of Not-for-Profit Organizations. The Agency is required to report information regarding its financial position and activities according to two (2) classes of net assts: without donor restrictions and with donor restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of the Agency or the passage of time, or both. When a restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as changes in net assets released from restrictions.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP 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.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Agency considers all unrestricted highly liquid investments with an original maturity of three (3) months or less to be cash equivalents.

The Federal Deposit Insurance Corporation (FDIC) insures all deposit accounts, including checking and savings accounts, money market deposit accounts, and certificates of deposit. The standard insurance amount is $ 250,000 per depositor, per insured bank, per ownership category. In the normal course of business, the Agency may have deposits in excess of federal insured coverage. As of March 31, 2019, the Agency had no amounts in excess of FDIC insured limits.

PLEDGE RECEIVABLES AND CAMPAIGN REVENUES
Pledge receivables and campaign revenues are recognized as revenues in the period the contributions are received or promised, whichever is earlier. Pledges and contributions are recorded as unrestricted or restricted support depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Pledge receivables are stated at the amount management expects to collect from outstanding balances. Management provides for estimated probable uncollectable amounts through a charge to campaign support and a credit to a valuation allowance based on its analysis of historical collection rates and the conditions of the general economy as a whole. Balances that are still outstanding after management has used reasonable collection efforts are written-off through as charge to the valuation allowance and a credit to pledge receivables.

GRANT RECEIVABLE AND REVENUE
Grants include all non-campaign amounts that have been committed to the Agency during the year ended March 31, 2019. Multi-year grants representing non-exchange transactions and non-campaign contributions committed during the year to be used for specific purposes at some point in the future are reported as refundable advances in the statement of financial position at March 31, 2019. Federal, state, and local grants are reported as revenues only to the extent that expenses are incurred. They are deemed exchange contracts and thus are not donor restricted.

PROPERTY AND EQUIPMENT
Property and equipment are recorded at cost, if purchased, or fair value at the date of donation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Repairs and replacements of a routine nature are expensed, while those which improve or extend the life of existing assets are capitalized. Adjustments of the cost of assets and the related accumulated depreciation accounts are made for property retirements and disposals, with the resulting gain or loss included in the statement of activities in the year of disposal.

Depreciation expense amounted to $ 12,212 for the year ended March 31, 2019.

BENEFICIAL INTEREST IN PERPETUAL TRUSTS - FUNDS HELD BY OTHERS
The Agency is a beneficiary of two (2) perpetual trusts held by third parties. It has the irrevocable right to receive its portion, designated by the trust agreement, of income from the trust's assets. The Agency has valued its portion of the trusts based on its pro-rata share of the fair value of the assets held in each trust. The use of the investment income received from the trusts has not been restricted by the donors. Unrealized gains and losses are classified as increases in net assets with donor restrictions, based on the terms of the trust agreement.

BENEFICIAL INTEREST IN COMMUNITY FOUNDATION OF WESTERN PA AND EASTERN OHIO (FOUNDATION) - FUNDS HELD BY OTHERS

Beneficial interest in the Foundation consists of unrestricted and restricted assets transferred by the Agency to the Foundation for the creation of various endowment funds which benefit the Agency but are managed by the Foundation. The Agency is to be the sole beneficiary of any distributions from these endowment funds. Funds held by the Foundation are pooled with other organizations' funds and invested in a diversified portfolio of marketable equity and fixed income securities. These amounts are reported at fair value as determined by the Foundation.

Gains and losses on funds held by others, including the unrealized gains and losses, are reported as increases or decreases in net assets without donor restriction investment income unless the investment is limited by donor-imposed restrictions or law.

ALLOCATIONS AND DESIGNATIONS PAYABLE TO MEMBER AGENCIES

The Agency records allocations and designations payable to member agencies upon approval by the Board of Directors. The Board of Directors approve allocations and designations to member agencies in March of each year and, as a result, the Agency records the entire amount as a liability and expense. Allocations and designations payable to member agencies represent amounts that are due to these agencies during the course of the ensuing fiscal year.

OTHER DESIGNATIONS PAYABLE

Other designations payable represent amounts payable to other United Ways and agencies as stipulated by individual donors. The amounts are recorded as a pledge receivable and liability in the statement of financial position.

REFUNDABLE ADVANCE

The Agency records grant awards received as refundable advances until related services are performed, at which time they are recognized as revenue.

ADVERTISING COSTS

The Agency expenses advertising production and communication costs as they are incurred. Total promotional materials and media advertising expense was $ 10,865 for the year ended March 31, 2019.

DONATED SERVICES

A number of volunteers, including members of the Board of Directors and its committees as well as various volunteer assistants, contribute significant amounts of time to further the Agency's programs. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected in the accompanying financial statements.

FUNCTIONAL EXPENSE ALLOCATION

The costs of providing the various programs and other activities of the Agency are presented on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited. Salaries and benefit expenses have been allocated based on time studies. Rent and facility costs, including utilities, are allocated based on estimated square footage. All other expense allocations to program and support services are based on management's estimates.

UNITED WAY WORLDWIDE COST DEDUCTION STANDARDS

The expense associated with processing donor designated pledges are recovered by an assessment for both fundraising and management and general fees based on actual historical costs in accordance with the United Way Worldwide Membership Standard as outlined in their publication titled "United Way Worldwide Cost Deduction Requirements for Membership Standard M."

The Agency charged a 12 percent cost recovery fee for donor designated fund distributions for the year ended March 31, 2019. The 12 percent cost recovery fee consisted of 3 percent management and general and 9 percent fundraising for the year ended March 31, 2019.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The ASU makes significant changes in seven areas: 1) Net asset classes; 2) Liquidity and availability of resources; 3) Classification and disclosure of underwater endowment funds; 4) Expense reporting; 5) Statement of cash flows; 6) Investment return; and 7) Release of restrictions on capital assets.

The requirements in ASU No. 2016-14 are effective for annual financial statements issued for years beginning after December 15, 2017. The Agency adopted the standard effective April 1, 2018.

3. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Agency regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Agency has various sources of liquidity at its disposal, including cash and cash equivalents and investments. The Agency also has a line-of-credit to meet short-term liquidity needs.

For purposes of analyzing resources available to meet general expenses over a 12-month period, the Agency considers all expenses related to its ongoing activities of education and community impact services, as well as the conduct of services undertaken to support these activities to be general expenses.

In addition to financial assets available to meet general expense over the next 12 months, the Agency anticipates collecting sufficient revenue to cover general expenses not covered by donor-restricted resources.

The following table reflects the Agency's financial assets as of March 31, 2019, reduced by amounts that are not available to meet general expenses within one (1) year of the statement of financial position date:

FINANCIAL ASSETS:-	
Cash and Cash Equivalents	$ 88,597
Cash and Cash Equivalents - Funds Held for Others	162,279
Pledge Receivables	213,491
Grant Receivable	87,684
Other Receivables	1,106
Beneficial Interest in Perpetual Trust	534,782
Beneficial Interest in Community Foundation	264,014
TOTAL FINANCIAL ASSETS:-	$ 1,351,953
LESS NET ASSETS WITH DONOR RESTRICTIONS:-	
Future Education Programs	(86,013)
Beneficial Interest in Perpetual Trust	(491,356)
Beneficial Interest in Community Foundation	(5,000)
LESS UNAVAILABLE FUNDS:-	
Refundable Advance	(41,331)
Funds Held of Others	(162,204)
TOTAL FINANCIAL ASSETS AVAILABLE WITHIN ONE YEAR:-	$ 566,049

The Agency attempts to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due.

4. PLEDGE RECEIVABLES

Pledge receivables are due from annual campaigns and, accordingly, are all anticipated to be collected within the next year. Pledge receivables, net consist of the following at March 31, 2019:

2018 Campaign	$ 216,743
2017 Campaign	7,948
TOTAL CAMPAIGN PLEDGES:-	$ 224,691
Less: Allowance for Uncollectable Pledges	(11,200)
PLEDGE RECEIVABLES, NET:-	$ 213,491

5. FAIR VALUE MEASUREMENTS

The Organization adopted the provisions of FASB ASC Topic 820 - Fair Value Measurements. Under FASB ASC Topic 820, fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

FASB ASC Topic 820 establishes a hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of the Agency. Unobservable inputs reflect the Agency's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The fair value hierarchy is categorized into three (3) levels based on the inputs, as follows:

LEVEL 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

LEVEL 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

LEVEL 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Agency's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following table presents the fair value measurement of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the FASB ASC Topic 820 fair value hierarchy in which the fair value measurements fall at March 31, 2019:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Beneficial Interest:-				
Aurora Kittredge Perpetual Trust	$ -	$ -	$ 275,322	$ 275,322
Joseph Kittredge Perpetual Trust	-	-	259,460	259,460
Community Foundation	-	-	264,014	264,014
	$ -	$ -	$ 798,796	$ 798,796

Methods and assumptions used by the Agency in estimating fair values are as follows:

Beneficial Interest in the Foundation – Investments held at the Foundation, as noted in the summary of significant accounting policies (Note 2), are pooled with other organizations' funds and invested in a diversified portfolio of marketable securities and fixed income securities. A substantial portion of the underlying assets at the Foundation is measured at fair value using Level 1 and 2 inputs. The Agency's ownership in such investments is represented by an undivided interest in investment portfolios managed by the Foundation, not in the underlying assets themselves. The Agency has a unitized ownership interest in these pools and does not have direct ownership of the underlying investments. The fair value of the pooled investments held by the Foundation is based on the number of units held at year end. The undivided interest in these portfolios are not themselves publicly traded.

Beneficial Interest in Perpetual Trusts – The underlying trust investments include: money markets, equity securities, and mutual funds. A substantial portion of the underlying assets held by the perpetual trusts are measured at fair value using Level 1 inputs. The Agency's ownership in such investments is represented by a pro-rata share of the fair value of the assets held in each trust.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Agency believes its valuation methods are 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 difference fair value measurement at the reporting date.

The table below sets forth a summary of changes in the fair value of the Agency's Level 3 assets for the year ended March 31, 2019:

BALANCE AT MARCH 31, 2018:-	$ 803,586
Unrealized Gain (Loss)	5,581
Realized Gain (Loss)	11,721
Purchases	22,146
Sales	(44,238)
BALANCE AT MARCH 31, 2019:-	$ 798,796

6. LINE-OF-CREDIT

The Agency has a $ 100,000 line-of-credit bearing interest at prime (6.5 percent at March 31, 2019). There was no outstanding balance as of March 31, 2019. The line-of-credit is collateralized by real property of the Agency.

7. ENDOWMENT FUNDS

The Agency's endowment funds consist of three (3) funds. The endowment funds include both donor restricted (perpetual trusts) and a fund designated by the Agency's Board of Directors to function as an endowment (board designated endowment fund). Net assets associated with endowment funds are classified based on the existence or absence of donor-imposed restriction as required by generally accepted accounting principles.

The following is a composition of net assets by type of endowment fund at March 31, 2019:

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Donor Restricted Endowment Funds	$ -	$ 539,782	$ 539,782
Board Desginated Endowment Funds	25,457	-	25,457
TOTAL ENDOWMENT FUNDS:-	$ 25,457	$ 539,782	$ 565,239

Changes in endowment net assets for the year ended March 31, 2019, were as follows:

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
BALANCE AT MARCH 31, 2018:-	$ 27,002	$ 529,144	$ 556,146
Income and Other Receipts	790	10,594	11,384
Expense and Other Disbursements	(1,721)	(22,618)	(24,339)
Realized Gains (Losses)	45	9,289	9,334
Unrealized Gains (Losses)	(659)	13,373	12,714
BALANCE AT MARCH 31, 2019:-	$ 25,457	$ 539,782	$ 565,239

The Agency conducts activities within the Commonwealth of Pennsylvania, which has yet to adopt provisions of Uniform Prudent Management of Institutional Funds Act (UPMIFA) or the Uniform Management of Institutional Funds Act of 1972 (UMIFA). Therefore, the Agency follows Pennsylvania Act 141, which addresses how not-for-profit organizations can invest and spend the income from restricted endowment funds. Under the provision, an Agency must make a choice between two basic strategies:

a. Principal and Income Act - Under this act, the Agency may only spend the restricted endowment funds' income, primarily interest and dividends, not capital gains or principal.

b. Total Return Policy - Under this policy, the Agency may elect a "total return policy" for the determination of income from a restricted endowment. The Agency Board of Directors may elect to spend between 2 percent and 7 percent of the fair market value of the investment in the restricted endowment. The Agency calculated the value of the assets by calculating their average fair value over a three year period. If the assets have been held less than three years, the average is calculated over the period assets have been held.

The Agency has not yet adopted Pennsylvania Act 141 and has not chosen a spending policy.

Due to the fact that the Board of Directors has not adopted either of the above strategies, the Agency automatically falls under the Principal and Income Act.

8. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions include funds designated by the Agency's Board of Directors. Net assets without donor restrictions, including board designated funds, consist of the following at March 31, 2019:

Unrestricted - Undesignated	$ 245,137
Unrestricted - Board Designated	25,457
TOTAL ASSETS WITHOUT DONOR RESTRICTIONS:-	$ 270,594

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor-imposed restrictions include donor-restricted endowment funds requiring that the original gift be invested in perpetuity. Net assets with donor restrictions consist of the following at March 31, 2019:

Beneficial Interest in Perpetual Trusts	$ 491,356
Beneficial Interest in Foundation	5,000
Success by 6®	115,946
TOTAL NET ASSETS WITH DONOR RESTRICTIONS:-	$ 612,302

Net assets were released from restriction by incurring expenses satisfying the restriction purpose or by the occurrence of other events specified by the donors.

10. RENTAL INCOME

The Agency rents office space to the Commonwealth of Pennsylvania, Department of Corrections. Total rental income was $ 97,120 for the year ended March 31, 2019. The lease expired November 30, 2018. The Agency is currently renting the facility on a month-to-month basis with rent payments amounting to $ 8,501 per month.

The Agency has also entered into a lease agreement for the rental of the Carriage house which is a residence building located on the Agency's property. The lease required monthly payments of $ 578 through October 15, 2018. The Agency is currently renting the facility on a month-to-month basis. Total rental income was $ 8,085 for the year ended March 31, 2019.

The Agency also entered into a six month lease agreement, which began in May 2016 and continues month-to-month thereafter, for the rental of a commercial building know as the Gatehouse located on the Agency's property. The lease requires monthly payments of $ 375. Total lease income was $ 4,500 for the year ended March 31, 2019.

11. OPERATING LEASES

The Agency has entered into an operating lease for a vehicle with monthly payments of $ 250 from June 2016 through May 2019. The Agency is in the process of negotiating a new lease. The Agency is also a lessee under three leases for office equipment. The leases call for a payment totalling $ 219 per month and quarterly payments of $ 336 at various dates through April 2023. Total lease expense under these operating leases was $ 3,979 for the year ended March 31, 2019. The Agency has entered into a building lease for their administrative offices with monthly payments of $ 1,708 per month until April 2021. The building lease can be renewed for five additional years. Total lease expense under the building lease was $ 20,500 for the year ended March 31, 2019.

Following is a summary of future minimum rental payments under operating leases that have initial or remaining non-cancellable terms in excess of one year as of March 31, 2019:

Year Ending March 31,	
2020	$ 21,848
2021	21,848
2022	700
2023	700
	$ 45,096

12. DEFINED CONTRIBUTION PLAN

The Agency has a defined contribution pension plan covering all eligible employees. Contributions to the plan are based on 8 percent of employee wages. Total pension plan contributions were $ 6,195 for the year ended March 31, 2019.

13. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of unsecured campaign contributions promised and cash and cash equivalents. The Agency's ability to collect these promised campaign contributions is directly affected by economic conditions in the community from which it draws support. The Agency invests in various securities. Investment securities are exposed to various risks such as market risk, interest rate, and credit risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect various investment account balances and the amount reported in the statement of financial position.

14. SUBSEQUENT EVENTS

Management evaluated all activity of the Agency through September 23, 2019, the date which the financial statements were available to be issued, and except for the following, concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

Subsequent to March 31, 2019, the Agency borrowed $ 100,000 from its line-of-credit for operating purposes.

Also, subsequent to March 31, 2019, the Agency received notification from the Commonwealth of Pennsylvania, Department of Corrections that its lease of office space will terminate permanently on December 31, 2019. (see Note "10")

15. CORRECTION OF PRIOR YEAR'S FINANCIAL STATEMENTS

During the audit and preparation of the March 31, 2019 financial statements, certain errors to the previously issued March 31, 2018 audited financial statements were discovered. The errors related primarily to the accounting for contribution revenue. The following is a summary of the effect of the error on net assets and change in net assets for the year ended March 31, 2018:

	NET ASSETS	CHANGE IN NET ASSETS
Balance as Previously Reported - March 31, 2018	$ 873,943	$ 59,792
Contribution Revenue Not Recorded in Accordance with the Recognition Criteria of U.S. GAAP	27,847	27,847
Balance as Restated - March 31, 2018	$ 901,790	$ 87,639

UNITED WAY OF MERCER COUNTY

SCHEDULE OF ALLOCATIONS

MARCH 31, 2019

MEMBER AGENCIES:-		
Salvation Army, Shenango Valley Corporation	$	48,000
Prince of Peace Center		40,000
Shenango Valley Urban League		40,000
Keystone Blind Association		25,000
Community Counseling Center		21,650
Buhl Community Recreation Center		21,200
American Red Cross		20,000
Children's Aid Society		20,000
Shenango Valley YMCA		20,000
Salvation Army, Greenville Corporation		18,000
Mental Health Association of Mercer County		14,000
Good Shepherd Center		9,500
Mercer County Family Center		9,000
Shenanago Valley Community Library		8,000
Children's Center of Mercer County		6,000
Junior Achievement of Western Pennsylvania		5,000
Girl Scouts Western Pennsylvania		3,000
Salvation Army, Mercer Service Unit		3,000
Lakeview Area Library		2,800
Mercer County Juvenile Advisory Council		2,000
Salvation Army, Stoneboro, on behalf of Lakeview Helping Hands		2,000
Lakeview Area Meals-on-Wheels		1,850
TOTAL ALLOCATIONS:-	$	340,000