

POCONO MOUNTAINS UNITED WAY

FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
JUNE 30, 2020 AND 2019

POCONO MOUNTAINS UNITED WAY

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FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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# WESELOH CARNEY & COMPANY LLC

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Pocono Mountains United Way  
Stroudsburg, Pennsylvania

We have audited the accompanying financial statements of Pocono Mountains United Way (a Pennsylvania Non-Profit Corporation), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, cash flows and functional expenses, for the 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 Pocono Mountains United Way as of June 30, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter- Covid-19**

As further discussed in Note 11, the Organization is subject to the current economic and health conditions in the United States, including Covid-19 which was designated as a global pandemic by the World Health Organization on March 11, 2020. Management is currently assessing the impact of these conditions; however, the ultimate outcome is not known as of the date these financial statements were available to be issued. Our opinion is not modified with respect to this matter.

*Weseloh Carney & Company LLC*  
WESELOH CARNEY & COMPANY LLC

March 11, 2021  
East Stroudsburg, PA

POCONO MOUNTAINS UNITED WAY

STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019

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	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
Assets		
Cash and Cash Equivalents	\$ 856,179	\$ 227,979
Certificates of Deposit	335,231	330,469
Receivables:		
Pledges (less allowance of \$58,053 in 2020 and \$65,162 in 2019)	304,326	202,468
Grants Receivable	581,719	315,609
Promises to Give	15,000	15,000
Other Receivables	-	31,337
Prepaid Expenses	-	8,860
Long- Term Investments	638,867	623,154
Land, Building, and Equipment, Net	<u>616,833</u>	<u>673,021</u>
TOTAL ASSETS	<u>\$ 3,348,155</u>	<u>\$ 2,427,897</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Liabilities		
Due to Member Agencies	\$ 345,276	\$ 330,662
Accounts Payable and Accrued Expenses	80,592	54,952
Designated Funds Payable	32,405	22,002
Donor Choice Designated to Agencies and Other United Ways	49,146	29,454
Long -Term Debt	<u>110,600</u>	<u>178,380</u>
Total Liabilities	<u>618,019</u>	<u>615,450</u>
Net Assets:		
Net Assets Without Donor Restrictions:		
Undesignated	<u>709,228</u>	<u>127,814</u>
Designated By Board:		
Land, Building and Equipment	616,833	673,021
Working Capital	<u>185,135</u>	<u>185,135</u>
Total Board Designated Net Assets	<u>801,968</u>	<u>858,156</u>
Total Net Assets Without Restrictions	1,511,196	985,970
Net Assets With Donor Restrictions	1,218,940	826,477
Total Net Assets	<u>2,730,136</u>	<u>1,812,447</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,348,155</u>	<u>\$ 2,427,897</u>

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

POCONO MOUNTAINS UNITED WAY

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020

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	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support:			
Current Campaigns	\$ 681,894	\$ -	\$ 681,894
Contributions & Grants	719,756	786,718	1,506,474
Other income	160,286		160,286
Fundraising	138,377	-	138,377
Satisfaction of program restrictions	394,255	(394,255)	-
Less Provision for Uncollectible Pledges	(29,571)	-	(29,571)
Campaign Revenue	<u>2,064,997</u>	<u>392,463</u>	<u>2,457,460</u>
 Investment Income	 <u>27,530</u>	 <u>-</u>	 <u>27,530</u>
 Total Revenue and Support	 <u>2,092,527</u>	 <u>392,463</u>	 <u>2,484,990</u>
 Expenses by Function:			
Program Service	1,372,202	-	1,372,202
Management and General	83,510	-	83,510
Fundraising	<u>111,589</u>	<u>-</u>	<u>111,589</u>
 Total Expenses	 <u>1,567,301</u>	 <u>-</u>	 <u>1,567,301</u>
 Change in Net Assets	 525,226	 392,463	 917,689
 Net Assets, Beginning of year	 <u>985,970</u>	 <u>826,477</u>	 <u>1,812,447</u>
 Net Assets, End of year	 <u>\$ 1,511,196</u>	 <u>\$ 1,218,940</u>	 <u>\$ 2,730,136</u>

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

POCONO MOUNTAINS UNITED WAY

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2019

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	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support:			
Current Campaigns	\$ 635,959	\$ -	\$ 635,959
Contributions & Grants	144,202	\$ 396,455	540,657
Fundraising	62,525	-	62,525
Satisfaction of program restrictions	103,438	(103,438)	-
Less Provision for Uncollectible Pledges	<u>(40,899)</u>	<u>-</u>	<u>(40,899)</u>
 Campaign Revenue	 905,225	 293,017	 1,198,242
 Investment Income	 <u>37,595</u>	 <u>-</u>	 <u>37,595</u>
 Total Revenue and Support	 <u>942,820</u>	 <u>293,017</u>	 <u>1,235,837</u>
 Expenses by Function:			
Program Service	935,250	-	935,250
Management and General	143,908	-	143,908
Fundraising	<u>120,450</u>	<u>-</u>	<u>120,450</u>
 Total Expenses	 <u>1,199,608</u>	 <u>-</u>	 <u>1,199,608</u>
 Change in Net Assets	 (256,788)	 293,017	 36,229
 Net Assets, Beginning of year	 390,105	 533,460	 923,565
 Net Assets Acquired in Merger	 <u>852,653</u>	 <u>-</u>	 <u>852,653</u>
 Net Assets, End of year	 <u>\$ 985,970</u>	 <u>\$ 826,477</u>	 <u>\$ 1,812,447</u>

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

POCONO MOUNTAINS UNITED WAY

STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

INCREASE (DECREASE) IN CASH	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Increase in net assets	\$ 917,689	\$ 36,229
Adjustments to reconcile Increase in net assets to net cash used in operating activities:		
Depreciation	7,647	15,018
Gain on Sale of Land and Building	(158,003)	-
Investment Income	(27,530)	(37,595)
Decrease (Increase) in Operating Assets:		
Net Pledges Receivables	(101,858)	19,077
Grants Receivable	(266,110)	(223,994)
Promises to Give	-	(15,000)
Other Receivables	31,337	(31,337)
Prepaid Expenses	8,860	3,703
Increase (Decrease) in Operating Liabilities:		
Due to Member Agencies	14,614	(45,888)
Accounts Payable and Accrued Expenses	25,640	34,190
Designated Funds Payable	10,403	(41,193)
Donor Choice Designations	19,692	(19,990)
Deferred support	-	(8,215)
Total Adjustments	<u>(435,308)</u>	<u>(351,224)</u>
Net Cash Provided by (Used in) Operating Activities	<u>482,381</u>	<u>(314,995)</u>
Cash Flows from Investing Activities:		
Acquisition of Land, Building and Equipment	(3,456)	(623,221)
Certificates of Deposits	(4,762)	(106,251)
Proceeds from Sale of Land and Building	210,000	-
Proceeds from Sale of Investments	465,276	346,113
Purchase of Long-Term Investments	<u>(453,459)</u>	<u>(271,388)</u>
Net Cash Provided by (Used in) Investing Activities	<u>213,599</u>	<u>(654,747)</u>
Cash Flows from Financing Activities:		
Proceeds from Long-Term Borrowings	110,600	178,380
Repayment of Long-Term Borrowings	(178,380)	-
Net Assets Acquired in Merger	-	852,653
Net Cash Provided by (Used in) Financing Activities	<u>(67,780)</u>	<u>1,031,033</u>
Increase in Cash	628,200	61,291
Cash, Beginning of year	227,979	166,688
Cash, End of year	<u>\$ 856,179</u>	<u>\$ 227,979</u>

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



POCONO MOUNTAINS UNITED WAY

STATEMENT OF FUNCTIONAL EXPENSE  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 321,027	\$ 44,464	\$ 64,000	\$ 429,491
Employee Benefits	47,893	8,913	11,087	67,893
Payroll Taxes	24,976	4,105	4,950	34,031
Total Salaries and Related Expenses	393,896	57,482	80,037	531,415
Program Expenses	342,282	-	-	342,282
Allocations	276,419	-	-	276,419
Professional Fees	66,613	11,130	7,720	85,463
Scholarships	77,020	-	-	77,020
Donor Choice	49,146	-	-	49,146
Donor out of area	44,730	-	-	44,730
Printing and Publicity	22,030	3,424	8,950	34,404
Dues and Subscriptions	21,440	2,527	4,186	28,153
Occupancy	14,250	1,297	2,966	18,513
Telephone	9,760	912	1,393	12,065
Insurance	9,238	741	1,474	11,453
Subcontract Services	7,180	-	-	7,180
Meetings	5,641	455	370	6,466
Travel, Meals and Lodging	4,847	137	1,462	6,446
Supplies	2,559	1,798	407	4,764
Investment fees	4,750	-	-	4,750
Postage	3,717	367	535	4,619
Repairs and Maintenance	3,455	348	564	4,367
Collections	3,905	-	-	3,905
Interest Expense	2,568	720	337	3,625
Miscellaneous	1,107	1,362	-	2,469
Expenses Before Depreciation	1,366,553	82,700	110,401	1,559,654
Depreciation	5,649	810	1,188	7,647
Total Expenses	<u>\$ 1,372,202</u>	<u>\$ 83,510</u>	<u>\$ 111,589</u>	<u>\$ 1,567,301</u>

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

POCONO MOUNTAINS UNITED WAY

STATEMENT OF FUNCTIONAL EXPENSE  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 146,950	\$ 61,369	\$ 79,067	\$ 287,386
Employee Benefits	31,143	7,211	10,296	48,650
Payroll Taxes	16,127	8,551	4,718	29,396
Total Salaries and Related Expenses	194,220	77,131	94,081	365,432
Allocations	454,444	-	-	454,444
Program Expenses	62,823	-	-	62,823
Printing and Publicity	28,700	1,981	10,721	41,402
Donor out of area	36,449	-	-	36,449
Donor Choice	30,706	-	-	30,706
Professional Fees	-	30,220	-	30,220
Repairs and Maintenance	26,772	1,213	1,150	29,135
Consultant	1,748	17,611	5,986	25,345
Subcontract Services	22,500	-	-	22,500
Supplies	18,120	1,625	2,148	21,893
Dues and Subscriptions	8,249	1,279	1,598	11,126
Insurance	6,375	1,903	861	9,139
Travel, Meals and Lodging	6,180	1,047	1,016	8,243
Telephone	6,702	880	638	8,220
Scholarships	7,893	-	-	7,893
Occupancy	4,025	3,015	497	7,537
Miscellaneous	3,854	904	-	4,758
Meetings	-	2,643	-	2,643
Postage	1,881	387	264	2,532
Interest Expense	1,580	357	213	2,150
Expenses Before Depreciation	923,221	142,196	119,173	1,184,590
Depreciation	12,029	1,712	1,277	15,018
Total Expenses	<u>\$ 935,250</u>	<u>\$ 143,908</u>	<u>\$ 120,450</u>	<u>\$ 1,199,608</u>

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

POCONO MOUNTAINS UNITED WAY

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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**NOTE 1: DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Nature of Activities:**

Pocono Mountains United Way (the Organization) is a nonprofit organization dedicated to providing funds to various charitable and welfare organizations in Monroe County. The agency conducts an annual campaign to seek pledges of contributions for the following year which are then allocated to its member agencies. In 2019, the Organization merged with Pocono Alliance, Inc. a non-profit county-wide community planning organization with a focus on health and human services and system changes which support low and moderate income families as they improve their quality of life.

**National and State Affiliation:**

The Organization is an affiliate of both the United Way Worldwide and the United Way of Pennsylvania. Dues of 1.5 percent of the campaign total are paid annually to the United Way of America for the right to use the United Way name and logo as well as extensive research services, access to marketing materials, training courses, and national marketing efforts such as the National Football League television and radio advertising. Dues to the United Way of Pennsylvania are a fixed amount of \$4,200 for public policy review, management of the State employee campaign and specialized training and conferences.

**Basis of Accounting:**

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect significant receivables, payables, and other liabilities.

**Financial Statement Presentation:**

The financial statements of the Organization have been presented in accordance with FASB Accounting Standards Update (ASU) 2016 14, Presentation of Financial Statements of Not for Profit Entities, which requires the Library to report information regarding its financial position and activities according to the following net asset classifications:

**Net Assets Without Donor Restrictions:** Net assets that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

**Net Assets With Donor Restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Revenue Recognition:**

Public support and contributions received are recorded as revenue and net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions or by law. In general, grants received by the Organization are considered contributions.

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POCONO MOUNTAINS UNITED WAY

NOTES TO FINANCIAL STATEMENTS - continued  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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**NOTE 1: DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:**

Public support and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donors for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled, net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as net assets without donor restrictions.

Fundraising event and program revenues are not recognized until the revenue is earned, and the Organization does not believe it is required to provide additional good or services to fulfill its related performance obligation. Reciprocal transaction within program revenues are generally registration fees or ticket sales which are recognized as revenue upon conclusion of the event.

Individuals may volunteer their time and perform a variety of tasks that assist the Organization at fundraising activities. As of June 30, 2020 and 2019, these services did not meet the criteria for recognition as contributed services and have not been recorded in the financial statements.

**Estimates:**

In preparing financial statements in conformity with United States generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents:**

The Organization considers certificates of deposit that mature in three months or less and are not permanently restricted to be cash equivalents.

**Long-Term investments:**

Long-term investments consist of various mutual fund investments. Principal of \$430,022 is permanently restricted. The income may be made available for operations. This investment is stated at fair market value as follows:

	<u>2020</u>	<u>2019</u>
Market Value	\$ 638,867	\$ 623,154
Cost	593,966	568,208
Unrealized Gain to Date	<u>\$ 44,901</u>	<u>\$ 54,946</u>

**Concentration of Credit Risk:**

The Organization maintains cash balances with five financial institutions located in Northeastern Pennsylvania and an investment firm. The cash balances, up to \$250,000 are insured by the Federal Deposit Insurance Corporation. Uninsured cash amounted to \$476,441 at June 30, 2020. Cash balances did not exceed limits at June 30, 2019.

The Organization's financial instruments that exposed it to concentrations of credit risk consist primarily of investments, cash equivalents and pledges receivable.

(continued)

POCONO MOUNTAINS UNITED WAY

NOTES TO FINANCIAL STATEMENTS - continued  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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**NOTE 1: DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:**

**Income Taxes:**

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes.

**Land, Building and Equipment:**

Land, building and equipment are stated at cost, or in the case of donated items, fair market value at the date of the gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

**Allocation of Expenses by Function:**

The Organization's method for allocating expenses among the program and functional reporting classifications which can not be specifically identified as program or supporting service are based on estimates made for time spent by key personnel between functions, space occupied by function, consumption of supplies and postage by function, and other objective basis.

**Donated Materials and Services:**

Contributed services are recorded if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A significant amount of time has been donated by volunteers to agencies, programs, services and the fund-raising campaign during the year; however, such services are not required to be recorded under current accounting standards.

**Liquidity Considerations and Availability of Financial Assets:**

**Quantitative**

The Organization had the following financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date. None of the financial assets, other than those noted below, are subject to donor or other contractual restrictions that make them unavailable for expenditures within one year of the Statement of Financial Position date.

	<u>2020</u>	<u>2019</u>
Financial Assets at Year-End		
Cash and Cash Equivalents	\$ 856,179	\$ 227,979
Certificates of Deposit	335,231	330,469
Pledges Receivable	304,326	202,468
Grants Receivable	581,719	315,609
Promises to Give	15,000	15,000
Other Receivables	-	31,337
Long-Term Investments	638,867	623,154
Total Financial Assets	<u>2,731,322</u>	<u>1,746,016</u>
Less: Net Assets With Donor Restrictions	<u>1,218,940</u>	<u>826,477</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 1,512,382</u>	<u>\$ 919,539</u>

(continued)

POCONO MOUNTAINS UNITED WAY

NOTES TO FINANCIAL STATEMENTS - continued  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

**NOTE 1: DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:**

**Liquidity Considerations and Availability of Financial Assets - continued:**

**Qualitative**

As a part of Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Should the need arise to help manage unanticipated liquidity needs, the Organization has adequate net assets to obtain a line of credit, which it could draw upon if needed.

**Subsequent Events:**

Subsequent events have been evaluated through March 11, 2021 which is the date the financial statements were available to be issued.

**NOTE 2: PLEDGES RECEIVABLE:**

Pledges receivable consist of the Organization's public support derived from contributions from individuals and businesses primarily located in Monroe County, Pennsylvania. Contributions are recorded when the pledge is received and an allowance is provided for amounts estimated to be uncollectible. Pledges to be paid directly to the United Way are available for unrestricted use unless specifically restricted by the donor.

**NOTE 3: LAND, BUILDING AND EQUIPMENT:**

	<u>2020</u>	<u>2019</u>
Land and Building	\$ 511,876	\$ 520,726
Building Improvements	123,636	366,481
Furniture	35,769	62,971
Equipment	38,939	151,916
Total	<u>710,220</u>	<u>1,102,094</u>
Less: Accumulated Depreciation	93,387	429,073
Net Book Value	<u>\$ 616,833</u>	<u>\$ 673,021</u>
Depreciation Expense	<u>\$ 7,647</u>	<u>\$ 15,018</u>

**NOTE 4: DUE TO MEMBER AGENCIES:**

The amounts due to member agencies represent commitments due to, or expected to be due to the agencies and are released to them upon fulfilling the requirements set forth by the Organization.

**NOTE 5: LONG-TERM DEBT:**

Long-term debt consisted of the following:

	<u>2020</u>	<u>2019</u>
Note Payable, Paycheck Protection Program, as further discussed in Note 11, the loan was forgiven in February 2021	\$ 110,600	\$ -

(continued)

POCONO MOUNTAINS UNITED WAY

NOTES TO FINANCIAL STATEMENTS - continued  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

**NOTE 5: LONG-TERM DEBT - continued:**

	<u>2020</u>	<u>2019</u>
Mortgage payable, bank, due in monthly installments of \$1,924, including interest at a variable rate, which currently is 4.59%, matures March 2038, secured by real estate which cost \$511,876	-	125,659
Mortgage payable, bank, due in monthly installments of \$430, including interest at a variable rate, which currently is 4.75%, matures January 2034, secured by real estate	-	52,721
Total Long-Term Debt	<u>\$ 110,600</u>	<u>\$ 178,380</u>

Debt matures in each of the next five years and in the aggregate thereafter as follows:

	<u>2020</u>		<u>2019</u>
2021	\$ 110,600	2020	\$ 20,397
		2021	21,358
		2022	22,364
		2023	23,417
		2024	24,520
		Thereafter	66,324
	<u>\$ 110,600</u>		<u>\$ 178,380</u>
Interest Expense on Long-Term Borrowings	<u>\$ 3,625</u>		<u>\$ 2,150</u>

**NOTE 6: DONOR CHOICE DESIGNATED TO AGENCIES AND OTHER UNITED WAYS:**

Donor choice designations consist of contributions from individuals and businesses that designate their contributions to a specific agency or to a United Way other than Monroe County. These amounts are held on behalf of the contributors and are distributed as they are collected.

**NOTE 7: PENSION PLAN:**

The Organization maintains a SEP/IRA plan, in which all full-time employees with at least one year of service receive benefits. Under the plan, contributions are made based upon a percentage of participants' base annual salaries. Pension expense of \$21,369 in 2020 and \$10,602 in 2019 is included in employee benefits and was calculated based upon 5% of the base annual salaries.

**NOTE 8: UNRESTRICTED NET ASSETS DESIGNATED BY THE BOARD:**

**Land, building and equipment** - This represents the net book value of the Organization's land, building and equipment.

(continued)

POCONO MOUNTAINS UNITED WAY

NOTES TO FINANCIAL STATEMENTS - continued  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

**NOTE 8: UNRESTRICTED NET ASSETS DESIGNATED BY THE BOARD - continued:**

**Working capital** – Net assets in an amount determined by the Organization's Board of Directors are maintained to provide for allocated grants and functional expenses in the event of crisis situations.

**NOTE 9: FAIR VALUE MEASUREMENTS:**

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. Pocono Mountains United Way uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Pocono Mountains United Way measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 or Level 2 inputs were not available.

The Organization's investments are reported at fair value in the accompanying statement of financial position:

Financial Assets:	Fair Value		Quoted Market Prices (Level 1)	
	2020	2019	2020	2019
Investments, at Fair Value				
Marketable Equity Securities	<u>\$ 638,867</u>	<u>\$ 623,154</u>	<u>\$ 638,867</u>	<u>\$ 623,154</u>

**NOTE 10: NEW ACCOUNTING STANDARDS:**

For the fiscal year ended June 30, 2019, the Organization implemented FASB ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities. The organization has applied the changes retrospectively to all periods presented. The new standard changes the following aspects of the financial statements:

- The unrestricted net asset class has been renamed Net Assets Without Donor Restrictions;
- The temporarily and permanently restricted net asset classes have been combined into a single net asset class called Net Assets with Donor Restrictions; and
- The financial statements include a disclosure about liquidity and availability of resources.

(continued)



POCONO MOUNTAINS UNITED WAY

NOTES TO FINANCIAL STATEMENTS - continued  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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**NOTE 11: COVID-19:**

On March 11, 2020, the World Health Organization characterized an outbreak of novel strain of coronavirus (“COVID-19”) as a pandemic and on March 13, 2020, the United States declared a national emergency. As a result, the current economic environment has presented companies and organizations with unprecedented circumstances and challenges. Potential impacts to the Organization include disruptions and restrictions on the ability of employees to work, as well as travel and other restrictions imposed by governments. COVID-19 is also expected to adversely affect economies and financial markets in the United States and throughout the world. The extent of the impact on the Organization’s financial position, operating results and cash flows will depend on future developments, including the duration and spread of the outbreak, which are highly uncertain and cannot be predicted.

The Organization applied for and was approved a \$110,600 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization has met the loan forgiveness requirements and the loan has been subsequently forgiven in February 2021.