

United Way of Central West Virginia, Inc.

**Independent Auditors' Report
and
Financial Statements**

June 30, 2011

United Way of Central West Virginia, Inc.

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Herman & Cormany

Certified Public Accountants, A.C.

Accountants & Consultants

Independent Auditors' Report


To the Board of Directors
United Way of Central West Virginia, Inc.
Charleston, West Virginia

We have audited the accompanying statement of financial position of United Way of Central West Virginia, Inc. (a non-profit organization) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the United Way of Central West Virginia, Inc.'s 2010 financial statements and, in our report dated October 6, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Central West Virginia, Inc., as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2011, on our consideration of United Way of Central West Virginia, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Charleston, West Virginia
November 4, 2011

United Way of Central West Virginia, Inc.

Statement of Financial Position

June 30, 2011, with Comparative Totals
as of June 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash and cash equivalents	\$ 911,728	\$ 795,459
Accounts receivable	175,308	208,765
Pledges receivable (net)	634,637	560,384
Prepaid expenses	<u>27,899</u>	<u>10,527</u>
Total Current Assets	<u>1,749,572</u>	<u>1,575,135</u>
Land, building, equipment (net)	646,830	690,535
Long-term investments	693,818	603,085
Long-term contributions receivable	<u>465,220</u>	<u>480,931</u>
Total Assets	<u>\$3,555,440</u>	<u>\$3,349,686</u>
Liabilities		
Accounts payable	\$ 25,494	\$ 13,950
Accrued expenses	24,806	25,675
Capital lease obligation	2,474	2,284
Grant and program funds received in advance	344,270	286,938
Donor designations	<u>409,282</u>	<u>430,902</u>
Total Current Liabilities	<u>806,326</u>	<u>759,749</u>
Long-term Capital Lease Obligation, less current portion	<u>1,986</u>	<u>4,442</u>
Net Assets		
Unrestricted	2,058,097	1,876,588
Temporarily restricted	<u>689,031</u>	<u>708,907</u>
Total Net Assets	<u>2,747,128</u>	<u>2,585,495</u>
Total Liabilities and Net Assets	<u>\$3,555,440</u>	<u>\$3,349,686</u>

See independent auditors' report and notes to financial statements.

United Way of Central West Virginia, Inc.

Statement of Activities

For the Year Ended June 30, 2011,
with Comparative Totals for the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
Revenues, Gains, and Support				
Pledges				
Total pledges received	\$ -0-	\$2,027,513	\$2,027,513	\$2,389,399
Uncollectible pledges, net	-0-	100,166	100,166	(142,881)
Less donor pass through pledges	-0-	(176,109)	(176,109)	(211,477)
Net Pledges	<u>-0-</u>	<u>1,951,570</u>	<u>1,951,570</u>	<u>2,035,041</u>
Administrative fees income	20,384	-0-	20,384	31,282
Realized investment income (loss)	43,304	-0-	43,304	48,021
Net unrealized (loss) gains on long-term investments	35,946	-0-	35,946	27,705
Foster grandparents	-0-	490,976	490,976	472,447
AmeriCorps/Vista	-0-	1,450,326	1,450,326	1,295,186
Other grants and programs	-0-	246,355	246,355	257,870
Contributions	56,170	-0-	56,170	36,469
Miscellaneous	25,013	-0-	25,013	28,471
Rent income & equipment fees (net)	29,018	-0-	29,018	32,785
Satisfaction of restrictions	<u>4,159,103</u>	<u>(4,159,103)</u>	<u>-0-</u>	<u>-0-</u>
Total Revenues, Gains and Support	<u>4,368,938</u>	<u>(19,876)</u>	<u>4,349,062</u>	<u>4,265,277</u>
Expenses and Losses				
Total program costs	3,460,694	-0-	3,460,694	3,513,003
Management and general	434,104	-0-	434,104	442,793
United Way Worldwide dues	22,474	-0-	22,474	24,035
Fundraising	<u>270,157</u>	<u>-0-</u>	<u>270,157</u>	<u>259,008</u>
Total Expenses and Losses	<u>4,187,429</u>	<u>-0-</u>	<u>4,187,429</u>	<u>4,238,839</u>
Change in Net Assets	181,509	(19,876)	161,633	26,438
Net Assets, Beginning of Year	<u>1,876,588</u>	<u>708,907</u>	<u>2,585,495</u>	<u>2,559,057</u>
Net Assets, End of Year	<u>\$2,058,097</u>	<u>\$ 689,031</u>	<u>\$2,747,128</u>	<u>\$2,585,495</u>

See independent auditors' report and notes to financial statements.

United Way of Central West Virginia, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2011,
with Comparative Totals for the Year Ended June 30, 2010

	<u>Program Costs</u>				
	<u>Retired and Senior Volunteer Program</u>	<u>Foster Grand Parents</u>	<u>AHI</u>	<u>AmeriCorps/ Vista</u>	<u>Other Program Expenses</u>
Salaries	\$ 65,073	\$ 86,704	\$ 40,998	\$1,138,001	\$ 56,919
Payroll Taxes	4,241	8,469	3,870	92,612	4,404
Benefits	<u>11,041</u>	<u>6,529</u>	<u>1,480</u>	<u>71,742</u>	<u>6,819</u>
Total salaries and related expenses	80,355	101,702	46,348	1,302,355	68,142
Professional fees	1,600	2,300	-0-	-0-	6,010
Outside services	-0-	100	-0-	8,538	26,092
Participant stipend	-0-	288,148	-0-	-0-	-0-
Communications	2,327	2,534	680	4,025	439
Postage	747	1,304	22	1,064	386
Occupancy	5,451	5,486	2,968	3,620	-0-
Repairs and maintenance	-0-	-0-	225	-0-	490
Printing and copying cost	1,331	746	323	690	78
Travel and meals	6,158	69,695	2,182	31,123	8,189
Conferences and meetings	-0-	-0-	2,309	-0-	842
Miscellaneous and grants	9,800	14,134	-0-	1,140	407
Insurance	1,599	637	-0-	-0-	-0-
Staff development	-0-	-0-	-0-	44,677	1,178
Allocation to agencies	-0-	-0-	-0-	-0-	-0-
Payments for emergency food and shelter	-0-	-0-	-0-	-0-	-0-
Volunteer recognition	5,266	2,202	716	1,891	1,731
Depreciation	-0-	-0-	-0-	-0-	-0-
Dues	-0-	-0-	115	-0-	-0-
Supplies	3,752	3,175	5,202	9,705	5,957
Special Events	-0-	-0-	-0-	-0-	-0-
Advertising/Promotion	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>25,175</u>
Total Expenses	<u>\$118,386</u>	<u>\$492,163</u>	<u>\$61,090</u>	<u>\$1,408,828</u>	<u>\$145,116</u>

See independent auditors' report and notes to financial statements.

<u>Supporting Activities</u>							
<u>Information & Referral</u>	<u>Community Service</u>	<u>Total Program Costs</u>	<u>United Way</u>			<u>2011 Total</u>	<u>2010 Total</u>
			<u>Management & General</u>	<u>Worldwide Dues</u>	<u>Fund Raising</u>		
\$28,504	\$ 39,351	\$1,455,550	\$188,937	\$ -0-	\$153,151	\$1,797,638	\$1,661,208
2,666	3,542	119,804	15,781	-0-	15,095	150,680	142,657
<u>8,221</u>	<u>5,956</u>	<u>111,788</u>	<u>48,491</u>	<u>-0-</u>	<u>24,329</u>	<u>184,608</u>	<u>176,804</u>
39,391	48,849	1,687,142	253,209	-0-	192,575	2,132,926	1,980,669
-0-	-0-	9,910	27,036	-0-	1,000	37,946	41,283
1,000	1,550	37,280	13,410	-0-	4,925	55,615	49,096
-0-	-0-	288,148	-0-	-0-	-0-	288,148	294,755
753	-0-	10,758	4,440	-0-	4,254	19,452	18,632
355	204	4,082	1,339	-0-	1,583	7,004	7,887
-0-	-0-	17,525	23,971	-0-	2,975	44,471	42,624
75	-0-	790	30,051	-0-	129	30,970	40,094
19	132	3,319	-0-	-0-	10,515	13,834	11,619
297	2,936	120,580	1,085	-0-	765	122,430	99,112
1,481	543	5,175	384	-0-	2,339	7,898	28,360
-0-	374	25,855	2,476	-0-	-0-	28,331	17,745
-0-	-0-	2,236	19,763	-0-	-0-	21,999	22,159
22	-0-	45,877	-0-	-0-	-0-	45,877	51,446
-0-	1,135,250	1,135,250	-0-	-0-	-0-	1,135,250	1,356,303
-0-	-0-	-0-	15	-0-	-0-	15	105
-0-	447	12,253	1,212	-0-	887	14,352	13,448
-0-	-0-	-0-	48,962	-0-	-0-	48,962	50,143
-0-	250	365	1,647	22,474	-0-	24,486	25,802
451	732	28,974	4,871	-0-	4,820	38,665	41,673
-0-	-0-	-0-	-0-	-0-	19,123	19,123	14,703
-0-	-0-	25,175	233	-0-	24,267	49,675	31,181
<u>\$43,844</u>	<u>\$1,191,267</u>	<u>\$3,460,694</u>	<u>\$434,104</u>	<u>\$22,474</u>	<u>\$270,157</u>	<u>\$4,187,429</u>	<u>\$4,238,839</u>

United Way of Central West Virginia, Inc.

Statement of Cash Flows

For the Year Ended June 30, 2011
with Comparative Totals for the Year Ended June 30, 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities		
Change in assets	\$161,633	\$ 26,438
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	48,962	50,143
Unrealized (gain) loss on investments	(35,946)	(27,705)
Decrease (increase) in accounts receivable	33,457	(65,977)
Increase in prepaid expenses	(17,372)	(675)
(Increase) decrease in contributions receivable	(58,542)	281,900
Decrease in donor designations	(21,620)	(50,601)
Increase (decrease) in accounts payable	11,544	(12,910)
Decrease in accrued expenses	(869)	(2,242)
Increase in grant and program funds received in advance	<u>57,332</u>	<u>80,183</u>
Net Cash Provided By Operating Activities	<u>178,579</u>	<u>278,554</u>
Cash Flows From Investing Activities		
Purchase of furniture and equipment	(5,257)	(8,698)
Purchase of investments	(396,787)	(105,758)
Sale of investments	<u>342,000</u>	<u>100,000</u>
Net Cash Used In Investing Activities	<u>(60,044)</u>	<u>(14,456)</u>
Cash Flows From Financing Activities		
Payments made on capital lease obligation	<u>(2,266)</u>	<u>(2,094)</u>
Net Cash Used In Financing Activities	<u>(2,266)</u>	<u>(2,094)</u>
Net Increase in Cash	116,269	262,004
Cash and Cash Equivalents, Beginning of Year	<u>795,459</u>	<u>533,455</u>
Cash and Cash Equivalents, End of Year	<u>\$911,728</u>	<u>\$795,459</u>
Supplemental Disclosures of Cash flow Information:		
Cash paid during the year for interest	<u>\$ 456</u>	<u>\$ 630</u>

See independent auditors' report and notes to financial statements.

United Way of Central West Virginia, Inc.

Notes to Financial Statements

June 30, 2011, with Comparative Totals
as of June 30, 2010

Note A – Summary of Significant Accounting Policies

Organization – The United Way of Central West Virginia, Inc. is a non-profit, non-stock organization organized under the laws of the State of West Virginia. The Organization was formed to identify needs, develop and mobilize resources and implement programs in a manner that models shared leadership, enhances organizational capacity and builds a better community. The Organization is governed by a local voluntary Board of Directors and managed by local staff. It is affiliated with the United Way of America through the National Service and Training Center only in that it receives services from the National Center for which it remits voluntary dues. The Organization's main source of revenues include pledges from its fundraising campaign, federal and state grants, and earnings from various programs conducted.

Basis of Financial Reporting – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, whereby revenues are recognized as earned and expenses are recognized as incurred.

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.

Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Cash Balances in Excess of FDIC Insurance Limits – The Organization maintains cash in demand deposit accounts with federally insured banks. At times, the balances in those accounts may be in excess of federally insured limits. In management's opinion, the amounts in excess of FDIC limits do not pose significant risk to the Organization.

Income Taxes – The Organization has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Sec. 501 (c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on related income pursuant to Sec. 501(a) of the IRC.

Advertising – Advertising costs are expensed as incurred. The total advertising and promotion expense for the years ended June 30, 2011 and 2010 are \$49,667 and \$31,181, respectively.

Comparative Totals – The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Reclassifications – Certain amounts in the 2010 comparative financial statements have been reclassified to conform to the classifications reported in the financial statements for the year ended June 30, 2011.

United Way of Central West Virginia, Inc.

Notes to Financial Statements (Continued)

June 30, 2011, with Comparative Totals
as of June 30, 2010

Note A – Summary of Significant Accounting Policies (Continued)

Revenue Recognition – In the accompanying financial statements, transactions have been classified as unrestricted, temporarily restricted, or permanently restricted based upon the intent and stipulations provided by the donor or grantor.

The revenues and net assets of the Organization are reported as follows:

1. Unrestricted – includes resources without donor-imposed stipulations.
2. Temporarily Restricted – includes resources whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization satisfying those stipulations.
3. Permanently Restricted – includes resources whose use is limited by donor-imposed stipulations that cannot be satisfied by actions of the Organization or passage of time.

Donor Pass Through Pledges – Pledges received by the Organization where the donor has specified another entity as the ultimate recipient, are not recognized in the Organization's net revenues. These amounts are recognized as a liability to the designated organization net of uncollectible pledges and administrative fees upon receipt.

Donated Material and Services – The Organization receives a significant amount of donated services from unpaid volunteers who assist in program services, management, and its fund raising campaigns. However, due to the nature of the estimate, no amounts have been recognized in the statement of activities.

Allocated Expenses – Expenses by function have been allocated among program services, fund distribution, management and general, and fund raising services classifications on the basis of time records and on estimates made by the Organization's management. The expenses have been summarized on a functional basis in the Statement of Functional Expenses.

Property, Furniture and Equipment – Property, furniture and equipment are stated at cost or at the fair market value on the date of receipt, in the case of in-kind gifts. The Organization capitalizes all expenditures for property and equipment in excess of \$500. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 2011 and 2010 was \$48,962 and \$50,143, respectively. These amounts at June 30, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Furniture and equipment	\$ 420,319	\$ 441,439
Building	915,748	910,698
	1,336,067	1,352,137
Less accumulated depreciation	990,660	963,025
	345,407	389,112
Land	301,423	301,423
	<u>\$ 646,830</u>	<u>\$ 690,535</u>

United Way of Central West Virginia, Inc.

Notes to Financial Statements (Continued)

**June 30, 2011, with Comparative Totals
as of June 30, 2010**

Note B – Pledges Receivable

The United Way of Central WV, Inc. maintains two separate classes of pledges receivable which total \$634,637 and \$560,384 for the years ended June 30, 2011 and 2010, respectively.

The current year campaign accounts for funds raised in the first six months of 2011, the proceeds of which will be distributed in 2011 to the United Way of Central WV, Inc. agencies. All current year campaign funds raised during the year ended June 30, 2011 have been recorded as income, net of the estimated allowance for uncollectible pledges. Management provides for probable uncollectible accounts through an adjustment to an allowance account and the pledges revenue based upon an assessment of the current status of individual accounts. Balances, which approximate fair value, at June 30, 2011 were:

	<u>2011</u>	
Total pledges outstanding 2011-2012		\$23,428
Allowance for uncollectible		-0-
Net campaign		<u>\$23,428</u>

Amounts still uncollected from the previous years campaign are summarized as follows:

	<u>2010</u>	
Total pledges outstanding 2010-2011		\$ 712,423
Allowance for uncollectible		<u>(101,214)</u>
Net prior year campaign		<u>\$ 611,209</u>

Note C – Accounts Receivable

Accounts receivable for the Organization consist primarily of governmental grants. Management feels there is no need for an allowance for uncollectible accounts since they believe the full amount to be collectible. The balance of accounts receivable at June 30, 2011 and 2010 was \$175,308 and \$208,765 respectively.

Note D – Restrictions of Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Combating Underage Drinking	\$ 16	\$ 16
Gifts Held in Trust	116,305	120,098
Restricted to distribution in the 6 months ended 12-09 and 12-08	<u>572,710</u>	<u>588,793</u>
Total temporarily restricted net assets	<u>\$689,031</u>	<u>\$708,907</u>

United Way of Central West Virginia, Inc.
Notes to Financial Statements (Continued)

**June 30, 2011, with Comparative Totals
as of June 30, 2010**

Note E – Investments

Investment activity for the year ended June 30, 2011 is reflected in the table below:

Market value of investments at June 30, 2010	\$603,085
Transfer of funds from operations checking account	33,743
Investment returns:	
Dividends and interest	12,640
Realized gain or (loss)	13,190
Unrealized gain (loss)	35,946
Expenses	<u>(4,786)</u>
Total return on investments	<u>56,990</u>
Market value of investments at June 30, 2011	<u>\$693,818</u>

The breakdown of funds by investment type at June 30, 2011, is as follows:

	<u>Cost Basis</u>	<u>2011 Fair Value</u>	<u>2010 Fair Value</u>
US government & agency obligation	\$106,109	\$106,651	\$ 23,803
Corporate obligations	423,567	426,034	141,173
Mutual funds and stocks	88,417	92,676	149,367
Money market funds	<u>68,457</u>	<u>68,457</u>	<u>288,742</u>
	<u>\$686,550</u>	<u>\$693,818</u>	<u>\$603,085</u>

All investments are reported on the basis of quoted market prices and unrestricted assets at June 30, 2011.

Note F – Concentration of Funds

The Organization receives a majority of its pledges from its annual campaign from the Kanawha Valley. Additionally, the Organization receives funds from federal and state government grants. A material reduction in the level of support from the campaign or the government grants would have a significant impact on the Organization's programs and activities.

United Way of Central West Virginia, Inc.

Notes to Financial Statements (Continued)

**June 30, 2011, with Comparative Totals
as of June 30, 2010**

Note G – Receipt of Gift Held in Trust

During September 1997, the Organization was notified that it is the beneficiary of six fully funded trusts. Through these trusts the donor has promised to give \$12,500 per year for general purposes, \$12,500 for Parents as Teachers programs, and \$25,000 per year for the Family Enrichment Center. Funds restricted to the Family Enrichment Center will not be recognized as contributions as the Organization is only a conduit for these funds. Therefore, the gross amount of this gift is presented in the financial statements as a long-term contribution receivable, and as a liability in donor designations. These amounts will be given each year until the year 2021 in gradually smaller amounts, as the trusts expire, until the final trust is terminated in year 2030. This gift was originally recorded at its net present value in the temporarily restricted fund in the 1997 statement of activity. Collections are to be as follows:

	<u>Unrestricted</u>	<u>Parents as Teachers</u>	<u>Interest Collectible</u>	<u>Total Collectible</u>
Year ended 6-30-12	\$ 4,068	\$ 4,068	\$ 16,864	\$ 25,000
Year ended 6-30-13	4,363	4,363	16,274	25,000
Year ended 6-30-14	4,679	4,679	15,642	25,000
Year ended 6-30-15	5,019	5,019	14,962	25,000
Year ended 6-30-16	5,382	5,382	14,236	25,000
Thereafter	<u>92,793</u>	<u>92,793</u>	<u>97,749</u>	<u>283,335</u>
	<u>\$116,304</u>	<u>\$116,304</u>	<u>\$175,727</u>	<u>\$408,335</u>

Amount collectible and payable to Family Enrichment Center

Year ended 6-30-12	\$ 25,000
Year ended 6-30-13	25,000
Year ended 6-30-14	25,000
Year ended 6-30-15	25,000
Year ended 6-30-16	25,000
Thereafter	<u>283,335</u>
	<u>\$408,335</u>

Note H – Retirement Plan

The Organization maintains a 403(b) pension plan for its employees. During the years ended June 30, 2011 and 2010, the Organization matched 75% of employees' contributions up to 4% of wages, and additionally, the company contributed an amount equal to 2% of all participating employee's wages into the plan through February 28, 2009. This discretionary contribution was suspended on March 1, 2009. Pension expense for the years ended June 30, 2011 and 2010 was \$13,282 and \$14,425, respectively.

United Way of Central West Virginia, Inc.

Notes to Financial Statements (Continued)

**June 30, 2011, with Comparative Totals
as of June 30, 2010**

Note I – Fundraising and Administrative Expense Ratio

As recommended by the United Way Worldwide, the fundraising and administrative expense ratios were calculated utilizing the gross method, which utilizes gross revenues without any deductions for the allowance for uncollectible pledges or donor pass through pledges. The fundraising and administrative expense ratios for the years ended June 30, 2011 and 2010 were 14.41% and 14.11%, respectively.

Note J – Grant and Program Funds Received in Advance

Grant and program funds received in advance relates to funds received from the various grantor agencies and other program sources in advance of expenditures incurred. The funds are restricted to the intended purpose of the grant or activity. The advance funds at June 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Parents as Teachers	\$ 20,000	\$ 7,500
Catastrophic Illness	23,915	12,655
Foster Grandparent	2,610	7,423
Vista-Benedum and Matching Funds	12,472	10,189
Americorps Matching and Other Grant Funds	90,932	81,474
Verizon Foundation	87,603	62,968
Foster Grandparent-Volunteer Funds	4,135	4,135
EITC	18,942	23,360
RSVP	12,507	11,010
Boone County Agency Allocations	46,056	40,919
Other advances	<u>25,098</u>	<u>25,305</u>
	<u>\$344,270</u>	<u>\$286,938</u>

Note K – Assets Transferred to Recipient Organization

The Organization receives contributions as part of its annual campaign that are designated to various agencies. The Organization has no variance power over the funds. The Organization is not entitled to receive any of these funds back once they have been distributed. The total donor choice payments distributed during the years ended June 30, 2011 and 2010 were \$176,109 and \$211,477, respectively. These amounts are not recognized in revenues or expenses in the related statement of activities.

United Way of Central West Virginia, Inc.
Notes to Financial Statements (Continued)

**June 30, 2011, with Comparative Totals
as of June 30, 2010**

Note K – Assets Transferred to Recipient Organization (Continued)

Additionally, the Organization raised and reported pledges as part of its annual campaign total that are not recorded as revenues since these contributions are paid directly to designated member agencies instead of passing thru the Organization. For the year ended June 30, 2011, these contributions totaled \$66,902.

The Organization has a beneficial interest in the United Way Fund held with the Greater Kanawha Valley Foundation. The individual donor's granted the Greater Kanawha Valley Foundation variance power. Therefore, based upon the provisions of FASB Statement No. 136, *Transfers of Assets to a Not-for-Profit Organization that Raises or Holds Contributions for Others*, the assets are not recorded in the statement of financial position. The total amounts held in the United Way fund was \$381,352 and \$333,180 for the years ended June 30, 2011 and 2010, respectively. Distributions from the fund totaling \$18,503 and \$21,253 for the years ended June 30, 2011 and 2010 are recorded as revenue in the accompanying statement of activities.

Note L – Capital Lease Obligation

The Organization leases telephone equipment under a capital lease entered into during the year ended June 30, 2011. The economic substance of the lease is that the Organization is financing the acquisition of the assets through the lease, and, accordingly, it is recorded in the Organization's assets and liabilities. The asset has a cost basis of \$11,193 and had accumulated depreciation of \$7,089 at June 30, 2011. The lease agreement contains a bargain purchase option at the end of the lease term.

The following is a schedule by years of future minimum payments required under the lease together with their present value at June 30, 2011:

<u>Year Ended June 30,</u>	<u>Amount</u>
2012	\$2,723
2013	<u>2,043</u>
	4,766
Less: amount representing interest	<u>306</u>
Present value of minimum lease payments	<u>\$4,460</u>

The amortization of the assets held under capital leases is included with depreciation expense.

Note M – Date of Management Evaluation

Management has evaluated subsequent events through November 4, 2011, the date on which the financial statements were available to be filed.

Herman & Cormany

Certified Public Accountants, A.C.

Accountants & Consultants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
United Way of Central West Virginia, Inc.
Charleston, West Virginia

We have audited the financial statements of United Way of Central West Virginia, Inc. (a nonprofit organization), as of and for the year ended June 30, 2011, and have issued our report thereon dated November 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered United Way of Central West Virginia, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Way of Central West Virginia, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

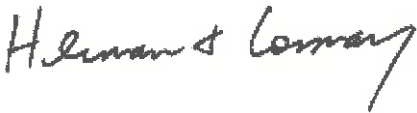
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Central West Virginia, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Charleston, West Virginia
November 4, 2011

Herman & Cormany

Certified Public Accountants, A.C.

Accountants & Consultants

**Independent Auditors' Report on Compliance with Requirements
That Could Have a Direct and Material Effect on
Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133**

To the Board of Directors
United Way of Central West Virginia, Inc.
Charleston, West Virginia

Compliance

We have audited United Way of Central West Virginia, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of United Way of Central West Virginia, Inc.'s major federal programs for the year ended June 30, 2011. United Way of Central West Virginia, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of United Way of Central West Virginia, Inc.'s management. Our responsibility is to express an opinion on United Way of Central West Virginia, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about United Way of Central West Virginia, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of United Way of Central West Virginia, Inc.'s compliance with those requirements.

In our opinion, United Way of Central West Virginia, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

To the Board of Directors
United Way of Central West Virginia, Inc.
Page two

Internal Control Over Compliance

Management of United Way of Central West Virginia, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered United Way of Central West Virginia, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of United Way of Central West Virginia, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

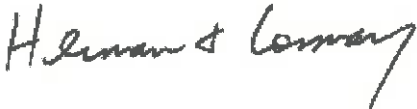
Schedule of Expenditures of Federal Awards

We have audited the financial statements of United Way of Central West Virginia, Inc. as of and for the year ended June 30, 2011, and have issued our report thereon dated November 4, 2011, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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

To the Board of Directors
United Way of Central West Virginia, Inc.
Page three

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.

This report is intended solely for the information and use of the audit committee, management, board of directors, others within the entity, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Charleston, West Virginia
November 4, 2011

United Way of Central West Virginia, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
Corporation for National and Community Service:			
Foster Grandparents Program	94.011	10SFSWV003	\$ 472,148
Retired Senior Volunteer Program	94.002	10SRWV007	107,406
Foster Grandparents Program	94.011	07SFSWV003	1,516
Vista	94.013	08VSSWV005	246,077
Passed Through the WV Commission for National and Community Service:			
AmeriCorps Verteran Corps	94.006	06AFHWV0010015	96,412
AmeriCorps	94.006	09ACHWV001-0001	<u>768,985</u>
Total Corporation for National Service			<u>1,692,544</u>
Corporation for National and Community Service – Stimulus Funding			
AmeriCorps	94.006	09RCHWV002-01	<u>8,605</u>
Department of Health and Human Services Passed Thru The West Virginia Department of Health and Human Resources			
Temporary Assistance for Needy Families	93.558	G110290	64,593
Temporary Assistance for Needy Families	93.558	G100514	4,857
Temporary Assistance for Needy Families	93.558	G110572	<u>32,914</u>
			<u>102,364</u>
Total Federal Financial Assistance			<u>\$1,803,513</u>

Note A – Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of United Way of Central West Virginia, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation, of the basic financial statements.

United Way of Central West Virginia, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Section 1 – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: unqualified

- Control deficiencies disclosed? Yes No
 - Control deficiencies reported as a significant deficiency? Yes No
 - Control deficiencies reported as a material weakness? Yes No
- Noncompliance material to financial statements notes? Yes No

Federal Awards

Internal control over major programs:

- Control deficiencies identified? Yes No
- Control deficiencies reported as a significant deficiency? Yes No
- Control deficiencies reported as material weaknesses? Yes No

Type of auditors’ report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

94.006

Americorps

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

Yes No

United Way of Central West Virginia, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011

Section II – Findings – Financial Statements Audit

None.

Section III – Findings and Questioned Costs – Major Federal Program Audit

None.