



United Way of Central West Virginia

FINANCIAL AND COMPLIANCE REPORT

June 30, 2022

United Way of Central West Virginia, Inc.

FINANCIAL REPORT

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Way of Central West Virginia, Inc. (the Organization), a non-profit organization, which comprise the statement of financial position as of June 30, 2022 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of Central West Virginia, Inc. as of June 30, 2022 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Central West Virginia, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Central West Virginia, Inc.'s ability to continue as a going concern for one year after the date of the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Way of Central West Virginia, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Central West Virginia, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2023, 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 solely 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 the effectiveness of United Way of Central West Virginia, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering United Way of Central West Virginia, Inc.'s internal control over financial reporting and compliance.

Gray, Griffith & Mays, a.c.

Charleston, West Virginia
March 28, 2023

United Way of Central West Virginia, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2022

ASSETS

Cash	\$ 413,640
Grants and other receivables	590,697
Pledges receivable, net of allowance	282,723
Prepaid expenses	4,927
Property and equipment, net	349,141
Investments	<u>721,194</u>
 Total assets	 <u>\$ 2,362,322</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 198,229
Accrued expenses	38,870
Refundable advance	91,060
Donor designations	<u>20,676</u>
 Total liabilities	 <u>348,835</u>
 Net assets:	
Without donor restrictions	1,764,846
With donor restrictions	<u>248,641</u>
Total net assets	<u>2,013,487</u>
 Total liabilities and net assets	 <u>\$ 2,362,322</u>

The notes to the financial statements are an integral part of these statements.

United Way of Central West Virginia, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and support:			
Pledge revenue:			
Pledge revenue	\$ 1,232,847	\$ -	\$ 1,232,847
Uncollectible pledges	(16,216)	-	(16,216)
Net pledge revenue	<u>1,216,631</u>	<u>-</u>	<u>1,216,631</u>
Grant revenue	1,827,051	-	1,827,051
Contributions	591,213	257,004	848,217
Special events income, net	212,055	-	212,055
Rent income and equipment fees	32,970	-	32,970
Miscellaneous	11,326	-	11,326
Investment loss	(99,458)	-	(99,458)
Satisfaction of restrictions	128,835	(128,835)	-
Total revenues, gains and support	<u>3,920,623</u>	<u>128,169</u>	<u>4,048,792</u>
Expenses and losses:			
Program services	3,016,025	-	3,016,025
Management and general	388,129	-	388,129
Fundraising	182,290	-	182,290
Total expenses and losses	<u>3,586,444</u>	<u>-</u>	<u>3,586,444</u>
Changes in net assets	334,179	128,169	462,348
Net assets, beginning of year	<u>1,430,667</u>	<u>120,472</u>	<u>1,551,139</u>
Net assets, end of year	<u>\$ 1,764,846</u>	<u>\$ 248,641</u>	<u>\$ 2,013,487</u>

The notes to the financial statements are an integral part of these statements.

United Way of Central West Virginia, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022

	Adolescent Health Initiative	AmeriCorps Vista	Foster Grand Parents	LifeBridge AmeriCorps	Retired and Senior Volunteer Program	Other Program Services	Community Impact	Information and Referral	Total Program Services	Management and General	Fund Raising	Total
Salaries	\$ 35,690	\$ 40,092	\$ 76,493	\$ 110,367	\$ 117,227	\$ 49,156	\$ 147,663	\$ 26,956	\$ 603,646	\$ 135,034	\$ 114,696	\$ 853,376
Payroll taxes	2,809	4,213	6,198	52,720	4,933	4,288	11,695	2,195	89,050	10,945	9,071	109,066
Benefits	7,113	9,182	7,444	46,948	4,847	5,807	24,139	3,414	108,896	27,802	32,753	169,451
Total personnel	45,612	53,487	90,135	210,035	127,007	59,251	183,497	32,565	801,592	173,781	156,520	1,131,893
Allocation to agencies	-	-	-	-	-	650,375	-	-	650,375	-	-	650,375
Other community assistance	-	-	-	-	-	264,775	95,203	-	359,978	-	-	359,978
Advertising and promotion	-	-	-	-	-	16,274	4,387	571	21,232	-	876	22,108
Communications	1,609	918	8,028	3,886	2,627	239	1,880	1,999	21,186	6,910	1,731	29,827
Conferences and meetings	150	-	-	-	-	3	1,150	399	1,702	1,311	1,495	4,508
Depreciation	-	-	-	-	-	-	-	-	-	35,836	-	35,836
Insurance	-	-	1,054	-	6,603	-	1,472	-	9,129	20,752	-	29,881
Member living allowances	-	133,456	-	519,052	-	-	-	-	652,508	-	-	652,508
Miscellaneous	2,460	7	390	2,264	546	2,894	1,065	180	9,806	8,323	8,675	26,804
Office expenses	3,238	204	12,402	6,307	12,749	10,423	513	494	46,330	3,541	744	50,615
Outside services	-	-	-	-	-	-	167,757	-	167,758	14,224	2,520	184,502
Occupancy	-	3,620	4,807	-	6,272	2,976	-	-	17,675	22,736	-	40,411
Participant stipend	-	-	137,399	-	-	4,000	-	-	141,399	-	-	141,399
Postage	-	116	1,393	1,034	1,889	176	289	708	5,605	333	2,288	8,226
Printing and copying	-	-	901	-	3,173	12	1,916	499	6,501	318	2,541	9,360
Professional fees	-	-	-	-	-	-	1,200	970	2,170	27,500	350	30,020
Repairs and maintenance	-	-	-	-	-	-	3,208	16	3,224	18,164	3,509	24,897
Training and development	660	890	325	15,751	-	35	892	-	18,553	-	-	18,553
Travel and meals	383	1,053	22,367	11,749	11,161	2,287	6,884	335	56,219	1,090	1,024	58,333
United Way Worldwide dues	-	-	-	-	-	-	-	-	-	52,471	-	52,471
Volunteer recognition	-	-	3,549	-	16,166	2,652	716	-	23,083	839	17	23,939
Total expenses	<u>\$ 54,112</u>	<u>\$ 193,751</u>	<u>\$ 282,750</u>	<u>\$ 770,078</u>	<u>\$ 188,193</u>	<u>\$ 1,016,372</u>	<u>\$ 472,029</u>	<u>\$ 38,736</u>	<u>\$ 3,016,025</u>	<u>\$ 388,129</u>	<u>\$ 182,290</u>	<u>\$ 3,586,444</u>

The notes to the financial statements are an integral part of these statements.

United Way of Central West Virginia, Inc.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2022

Cash flows from operating activities:	
Change in net assets	\$ 462,348
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	35,836
Unrealized loss on investments	111,562
(Increase) decrease in:	
Grants and other receivables	132,746
Pledges receivable	(12,829)
Prepaid expenses	(261)
Increase (decrease) in:	
Accounts payable	17,469
Accrued expenses	(7,931)
Refundable advance	(470,707)
Donor designations	(1,958)
	<u>266,275</u>
Net cash provided by operating activities	<u>266,275</u>
Cash flows used in investing activities:	
Purchase of investments	<u>(12,101)</u>
Net increase in cash	254,174
Cash, beginning of year	<u>159,466</u>
Cash, end of year	<u><u>\$ 413,640</u></u>

The notes to the financial statements are an integral part of these statements.

United Way of Central West Virginia, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of organization and operations

United Way of Central West Virginia, Inc. (the “Organization”) is a non-profit, non-stock corporation 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 organization capacity, and builds a better community. The Organization is governed by a local voluntary Board of Directors and managed by local staff. 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 accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when the obligation is incurred.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions in checking and savings accounts and investments in highly liquid debt instruments with original maturities of three months or less. Bank balances are typically secured by federal deposit insurance up to \$250,000 per institution. Balances in these accounts sometimes exceed the federal deposit insurance limits; however, management believes the banks to be creditworthy and believes that credit risk associated with these deposits is minimal.

Grants and other receivables

Grants and other receivables consist primarily of amounts due under governmental grants. No allowance for uncollectible amounts is considered necessary at June 30, 2022.

Pledges receivable

All current year campaign funds raised during the year ended June 30, 2022, have been recorded as income, net of the estimated allowance for uncollectible pledges. Pledges receivable are expected to be collected within one year. 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. The allowance for doubtful accounts was \$52,891 as of June 30, 2022.

United Way of Central West Virginia, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are stated at cost or at fair 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.

Net assets

The accompanying financial statements present information regarding the Organization's financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions are currently available for operating purposes under the direction of the board, designated by the board for specific use, donor-advised funds, or invested in property and equipment.

Net asset with donor restrictions are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted.

Advertising costs

Advertising costs are expensed as incurred.

Functional allocation of expenses

The financial statements report certain categories of expenses that are attributable to more than one supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses have been allocated on the basis of management's estimates of usage, considering such factors as square footage and time and effort.

Grants and contributions

The Organization analyzes grant agreements to determine whether such agreements constitute contributions or exchange transactions, and if determined to be contributions, whether such contributions are conditional or unconditional. The Organization has determined that substantially all of its grant agreements represent conditional contributions due to the agreements containing a right of return and containing certain barriers related to incurring qualifying expenditures in compliance with rules and regulations established by the grantor, which is typically a state or federal awarding agency. The Organization recognizes payments received as refundable advances until qualifying expenditures are incurred, at which time revenue is recognized. Any unused funds are forfeited and required to be refunded to the awarding agency. Grant revenue is recognized as revenues increasing net assets without donor restrictions when the conditions and restrictions are met in the same period, or when the grants were initially determined to be conditional contributions.

United Way of Central West Virginia, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and contributions (continued)

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported on the statement of activities as net assets released from restrictions.

All contributions and grants are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor or grantor are reported as net assets with donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

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 on related income pursuant to Section 501(a) of the Code. The Organization has been classified as an organization that is not a private foundation.

Donor designated pledges

Pledges received by the Organization during the annual campaign may be designated by the donor to another specific charitable organization. These pledges are not recognized in the Organization's net revenues but are recognized as a liability to the designated organization net of uncollectible pledges and an administrative fee.

Donated 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.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

Subsequent events were considered through March 28, 2023, the date the financials were available to be issued.

United Way of Central West Virginia, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

2 – LIQUIDITY

The Organization reserves a minimum of three months of operating expenses, including management and general and fundraising expenses, and one month of agency allocations and grant program reimbursements. These reserves are held in the Organization's investment accounts. The following table reflects the Organization's financial assets as of June 30, 2022, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or because they have been set aside for a specific program.

Financial assets:	
Cash	\$ 413,640
Grants and other receivables	590,697
Pledges receivables, net	282,723
Investments	721,194
Financial assets at year-end	<u>2,008,254</u>
Less those unavailable for general expenditures within one year due to:	
Donor restrictions	<u>248,641</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 1,759,613</u></u>

3 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 consisted of the following:

Office equipment	\$ 110,867
Building	968,385
Land	301,423
	<u>1,380,675</u>
Less accumulated depreciation	<u>(1,031,534)</u>
	<u><u>\$ 349,141</u></u>

4 – FAIR VALUE MEASUREMENT

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Valuation techniques maximize the use of observable inputs. The three levels of the fair value hierarchy are described as follows:

United Way of Central West Virginia, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

4 – FAIR VALUE MEASUREMENT (continued)

Level 1 – Inputs to the valuation methodology are quoted (unadjusted) in active market prices for identical assets or liabilities that the Organization can access at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable inputs for the asset or liability.

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds: Value at the closing price reported on the active market which the individual securities are traded.

Assets measured at fair value on a recurring basis at June 30, 2022 consist of the following:

	Level 1	Total
Mutual funds:		
Fixed income	\$ 536,134	\$ 536,134
Equity	108,043	108,043
Short-term investments	77,017	77,017
	<u>\$ 721,194</u>	<u>\$ 721,194</u>

5 – NET ASSETS

Net assets with donor restrictions at June 30, 2022 consisted of the following:

Mobile Grocery	\$ 39,999
WV 211	84,784
Handle With Care	34,426
Court appointed special advocates (CASA)	49,353
Other	40,079
	<u>\$ 248,641</u>

United Way of Central West Virginia, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

6 – CONCENTRATION OF CREDIT RISK

The Organization receives a majority of its pledges from its annual campaign from 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.

7 – FUNDRAISING AND ADMINISTRATIVE EXPENSE RATIO

As recommended by United Way Worldwide, the fundraising and administrative expense ratio was 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 ratio for the year ended June 30, 2022, was 14.09%.

8 – BENEFICIAL INTERESTS

The Organization has a beneficial interest in the United Way fund held with the Greater Kanawha Valley Foundation. The individual donors granted the Greater Kanawha Valley Foundation variance power. Therefore, the assets are not recorded in the statement of financial position. The total amount held in the United Way fund was \$390,362 as of June 30, 2022. Distributions from the fund totaling approximately \$16,986 for the year ended June 30, 2022, are recorded as revenue in the accompanying statement of activities.

9 – RETIREMENT PLAN

The Organization maintains a 403(b) tax advantaged retirement plan for its employees. During year ended June 30, 2022, the Organization matched 75% of employees' contributions up to 4% of wages. Retirement expense for the year ended June 30, 2022, was approximately \$22,000.

10 – LINE-OF-CREDIT

As of June 30, 2022, the Organization had \$200,000, available under a line-of-credit with a bank which matures in January 2024. The line-of-credit bears interest at the bank's prime rate with a minimum rate of 3.25%.

11 – COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus "the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The COVID-19 outbreak in the United States has caused business disruptions through mandated and voluntary closings as well as significant changes in individual behaviors.

United Way of Central West Virginia, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

11 – COVID-19 (continued)

The Organization is not able to estimate the effects of the COVID-19 outbreak on its financial condition, liquidity, or results of operations given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread.

SUPPLEMENTARY INFORMATION

United Way of Central West Virginia, Inc.

Schedule of Expenditures of Federal Awards

June 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing	Agency or Pass-Through Number	Federal Expenditures
Corporation for National and Community Service:			
Retired Senior Volunteer Program	94.002	20SRSWV001	\$ 204,035
Vista	94.013	20VSSWV002	140,727
Vista	94.013	21VSSWV002	37,536
			382,298
Passed Through Volunteer West Virginia:			
AmeriCorps	94.006	20AC210618-3	139,396
AmeriCorps	94.006	21AC210618-3	436,502
			575,898
Total Corporation for National and Community Services			958,196
Department of Health and Human Services:			
Passed through West Virginia Department of Health and Human Resources:			
Material and Child Health Services Block Grant	93.994	G220316	56,816
Temporary Assistance for Needy Families	93.558	G210544	46,369
Temporary Assistance for Needy Families	93.558	G220862	163,011
			266,196
Passed through Kanawha Valley Collective:			
State Opioid Response	93.788	N/A	22,675
Passed through West Virginia Bureau for Behavioral Health			
Passed through Pretera Center			
Substance Abuse Prevention and Treatment	93.959	N/A	32,234
Passed through Department of Education:			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	G200678	1,500
Total for Department of Health and Human Services			322,605
Department of Homeland Security:			
Passed through United Way Worldwide:			
Emergency Food and Shelter National Board Program	97.024	E456138	189
Emergency Food and Shelter National Board Program	97.024	E482336	396
Emergency Food and Shelter National Board Program	97.024	E456146	2,169
Emergency Food and Shelter National Board Program	97.024	E482342	1,878
Emergency Food and Shelter National Board Program	97.024	E482169	5,948
Total Department of Homeland Security			10,580
Department of Justice			
Passed through Kanawha-Charleston Health Department:			
Comprehensive Opioid Abuse Program	16.838	N/A	59,762
Department of Housing and Urban Development:			
Passed through West Virginia Development Office:			
Emergency Solutions Grants	14.231	ESG20UWC	3,699
Passed through the City of Charleston			
Community Development Block Grant (CDBG-CV)	14.218	N/A	149,331
Passed through the Kanawha Valley Collective			
Home4Good	14.267	N/A	22,909
Total Housing and Urban Development			175,939
<u>Foster Grandparent/Senior Companion Cluster</u>			
Corporation for National and Community Service:			
Foster Grandparents Program	94.011	19SFSWV001	299,969
Total Expenditures of Federal Awards			\$ 1,827,051

See Independent Auditor's Report.

United Way of Central West Virginia, Inc.

Notes to Schedule of Expenditures of Federal Awards
June 30, 2022

1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of United Way of Central West Virginia, Inc. (the “Organization”), under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3 – INDIRECT COST

Except for the Maternal and Child Health Services Block Grant, United Way of Central West Virginia, Inc. has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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**INDEPENDENT AUDITOR'S 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, in accordance with the 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, the financial statements of United Way of Central West Virginia, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gray, Griffith & Mays, a.c.

Charleston, West Virginia
March 28, 2023



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Way of Central West Virginia, Inc. (the "Organization"), a nonprofit organization, the compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way of Central West Virginia, Inc. complied, in all material respects, with the compliance 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of United Way of Central West Virginia, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of United Way of Central West Virginia, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of United Way of Central West Virginia, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gray, Griffith & Mays, a.c.

Charleston, West Virginia
March 28, 2023

United Way of Central West Virginia, Inc.

Schedule of Findings and Questioned Costs

June 30, 2022

1 – SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
* Material weakness(es) identified?	Yes <u> </u>	No <u> </u>	<u> X </u>
* Significant deficiencies identified that are not considered to be material weakness(es)?	Yes <u> </u>	No <u> </u>	<u> X </u>
Noncompliance material to financial statements noted?	Yes <u> </u>	No <u> </u>	<u> X </u>

Federal Awards:

Internal control over major programs:			
* Material weakness(es) identified?	Yes <u> </u>	No <u> </u>	<u> X </u>
* Significant deficiencies identified that are not considered to be material weakness(es)?	Yes <u> </u>	No <u> </u>	<u> X </u>

Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516 (a)?	Yes <u> </u>	No <u> </u>	<u> X </u>

Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
94.006	AmeriCorps State and National

Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>
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Auditee qualified as low-risk auditee?	Yes <u> X </u>	No <u> </u>
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United Way of Central West Virginia, Inc.

Schedule of Findings and Questioned Costs

June 30, 2022

FINANCIAL STATEMENT FINDINGS

None

MAJOR FEDERAL AWARD PROGRAM FINDINGS

None

United Way of Central West Virginia, Inc.

Schedule of Prior Year Findings

June 30, 2021

FINANCIAL STATEMENT FINDINGS

2021-001 Recognition and Classification of Contributions and Grants

Condition

Certain unconditional contributions and grants were incorrectly recognized as conditional contributions. In addition, certain contributions without donor restrictions were improperly classified as net assets with donor restrictions.

Criteria

Contributions and grants should be recognized in accordance with accounting principles generally accepted in the United State of America (U.S. GAAP).

Cause

The Organization's historical practices for accounting for contributions were not critically evaluated against U.S. GAAP.

Effect

Recognition of revenue in improper period and incorrect net asset classification.

Recommendation

Management should implement procedures to ensure that documentation received for contributions and grants is reviewed by the Chief Financial Officer to verify contributions and grants are properly recognized.

Views of Responsible Officials and Planned Corrective Actions

Management has implemented a process whereby all grant and contribution documentation is reviewed by the Chief Financial Officer to ensure proper recognition.

MAJOR FEDERAL AWARD PROGRAM FINDINGS

2021-002: AmeriCorps State and National CFDA #94.006, Program Income

Condition

Program income was not properly considered when computing expenditures eligible for reimbursement under the grant.

United Way of Central West Virginia, Inc.

Schedule of Prior Year Findings (continued)

June 30, 2021

MAJOR FEDERAL AWARD PROGRAM FINDINGS (continued)**Criteria**

Program income must be accounted for, reported, and expended by the Organization in the budget period in which it is earned. Under the requirements of 2 CFR 200.307, program income earned in excess of the amount needed to finance the Organization's share must be deducted from total claimed costs.

Cause

Lack of familiarity with applicable compliance requirement.

Effect

Grant funds were drawn down prematurely.

Recommendation

Management should consult with grant program officials regarding the proper disposition of accumulated excess program income. In addition, management should implement policies and procedures to ensure program income is spent during the award year in accordance with 2 CFR 200.

Views of Responsible Officials and Planned Corrective Actions

Management and grant program officials have determined that grant fund drawdowns shall be reduced by the amount of the accumulated excess program income over the remainder of the grant period. Management has also implemented policies and procedures to ensure program income is spent during the award year.