

**United Way of Central West Virginia, Inc.**

**Independent Auditors' Report  
and  
Financial Statements**

**June 30, 2019**

# United Way of Central West Virginia, Inc.

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## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of United Way of Central West Virginia, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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.

To the Board of Directors  
United Way of Central West Virginia, Inc.  
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***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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited United Way of Central West Virginia, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matters***

***Other 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* (CFR) 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 information 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 December 10, 2019, 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.



Charleston, West Virginia  
December 10, 2019

# United Way of Central West Virginia, Inc.

## Statement of Financial Position

June 30, 2019, with Comparative Totals  
as of June 30, 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 369,812	\$ 655,997
Accounts receivable	332,278	329,399
Pledges receivable (net)	297,786	307,807
Prepaid expenses	<u>42,450</u>	<u>27,924</u>
<b>Total Current Assets</b>	<u>1,042,326</u>	<u>1,321,127</u>
Land, building, equipment (net)	463,382	477,243
Long-term investments	<u>836,386</u>	<u>792,750</u>
<b>Total Assets</b>	<u>\$2,342,094</u>	<u>\$2,591,120</u>
<b>Liabilities</b>		
Accounts payable	\$ 69,056	\$ 75,696
Accrued expenses	42,347	32,615
Grant and program funds received in advance	563,510	546,896
Donor designations	<u>41,790</u>	<u>121,728</u>
<b>Total Current Liabilities</b>	<u>716,703</u>	<u>776,935</u>
<b>Net Assets</b>		
Without donor restrictions	1,204,088	1,400,430
With donor restrictions	<u>421,303</u>	<u>413,755</u>
<b>Total Net Assets</b>	<u>1,625,391</u>	<u>1,814,185</u>
<b>Total Liabilities and Net Assets</b>	<u>\$2,342,094</u>	<u>\$2,591,120</u>

See notes to financial statements.

**United Way of Central West Virginia, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2019,**  
**with Comparative Totals for the Year Ended June 30, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018 Total</u>
<b>Revenues, Gains, and Support</b>				
Pledges				
Total pledges received	\$ -0-	\$ 1,532,739	\$1,532,739	\$1,671,181
Uncollectible pledges, net	-0-	(53,982)	(53,982)	(36,786)
Less donor pass through pledges	-0-	(83,653)	(83,653)	(119,079)
Net Pledges	<u>-0-</u>	<u>1,395,104</u>	<u>1,395,104</u>	<u>1,515,316</u>
Administrative fees income	1,834	-0-	1,834	1,980
Realized investment income (loss)	20,472	-0-	20,472	30,322
Net unrealized gains (loss) on long-term investments	23,312	-0-	23,312	(417)
Foster grandparents	-0-	463,340	463,340	423,600
AmeriCorps/Vista	-0-	1,273,904	1,273,904	1,406,673
Other grants and programs	-0-	322,559	322,559	324,780
Other contributions	9,452	-0-	9,452	12,838
Contributions – flood relief	-0-	85,934	85,934	488,662
Miscellaneous	540	-0-	540	141
Rent income & equipment fees (net)	24,132	-0-	24,132	29,582
Satisfaction of restrictions	<u>3,533,293</u>	<u>(3,533,293)</u>	<u>-0-</u>	<u>-0-</u>
<b>Total Revenues, Gains and Support</b>	<u>3,613,035</u>	<u>7,548</u>	<u>3,620,583</u>	<u>4,233,477</u>
<b>Expenses and Losses</b>				
Total program costs	3,186,252	-0-	3,186,252	3,738,623
Management and general	341,094	-0-	341,094	415,256
United Way Worldwide dues	37,481	-0-	37,481	42,886
Fundraising	<u>244,550</u>	<u>-0-</u>	<u>244,550</u>	<u>265,093</u>
<b>Total Expenses and Losses</b>	<u>3,809,377</u>	<u>-0-</u>	<u>3,809,377</u>	<u>4,461,858</u>
<b>Change in Net Assets</b>	(196,342)	7,548	(188,794)	(228,381)
<b>Net Assets, Beginning of Year</b>	<u>1,400,430</u>	<u>413,755</u>	<u>1,814,185</u>	<u>2,042,566</u>
<b>Net Assets, End of Year</b>	<u>\$1,204,088</u>	<u>\$ 421,303</u>	<u>\$1,625,391</u>	<u>\$1,814,185</u>

See notes to financial statements.

**United Way of Central West Virginia, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2019,**  
**with Comparative Totals for the Year Ended June 30, 2018**

	<b>Program Costs</b>					
	<b>Retired and Senior Volunteer Program</b>	<b>Foster Grand Parents</b>	<b>AHI</b>	<b>AmeriCorps/ Vista</b>	<b>Other Program Expenses</b>	<b>Community Impact</b>
Salaries	\$108,249	\$ 77,672	\$41,055	\$1,022,967	\$ 67,542	\$55,656
Payroll Taxes	3,042	6,307	3,424	72,433	5,122	3,675
Benefits	<u>5,534</u>	<u>12,917</u>	<u>1,522</u>	<u>69,351</u>	<u>15,594</u>	<u>16,343</u>
Total salaries and related expenses	116,825	96,896	46,001	1,164,751	88,258	75,674
Professional fees	-0-	-0-	-0-	-0-	-0-	-0-
Outside services	289	2,846	-0-	1,531	520	-0-
Participant stipend	-0-	267,857	-0-	-0-	1,500	-0-
Communications	2,786	4,577	1,366	4,451	559	34
Postage	1,720	1,083	-0-	1,001	35	8
Occupancy	6,303	4,837	-0-	3,620	2,975	-0-
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	48
Printing and copying cost	647	783	-0-	3,772	106	861
Travel and meals	14,762	57,334	2,964	27,315	3,276	1,603
Conferences and meetings	-0-	-0-	-0-	-0-	-0-	622
Miscellaneous and grants	1,128	4,108	-0-	-0-	-0-	-0-
Insurance	3,975	724	-0-	-0-	-0-	-0-
Staff development	-0-	-0-	-0-	23,206	1,352	-0-
Allocation to agencies	-0-	-0-	-0-	-0-	-0-	-0-
Flood relief assistance	-0-	-0-	-0-	-0-	-0-	-0-
Other community assistance	-0-	-0-	-0-	-0-	-0-	5,518
Volunteer recognition	12,353	2,865	-0-	-0-	888	30
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-
Dues	-0-	-0-	-0-	-0-	223	66
Supplies	25,381	5,011	4,037	11,089	4,969	1,843
Special Events	-0-	-0-	-0-	-0-	-0-	-0-
Advertising/Promotion	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>12,000</u>	<u>56</u>
<b>Total Expenses</b>	<u>\$186,169</u>	<u>\$448,921</u>	<u>\$54,368</u>	<u>\$1,240,736</u>	<u>\$116,661</u>	<u>\$86,363</u>

See notes to financial statements.

<u>Information &amp; Referral</u>	<u>Community Service</u>	<u>Total Program Costs</u>	<u>Supporting Activities</u>			<u>2019 Total</u>	<u>2018 Total</u>
			<u>Management &amp; General</u>	<u>United Way Worldwide Dues</u>	<u>Fund Raising</u>		
\$59,688	\$ 49,299	\$1,482,128	\$107,473	\$ -0-	\$123,015	\$1,712,616	\$1,838,072
4,726	3,887	102,616	8,869	-0-	9,727	121,212	134,565
<u>15,146</u>	<u>7,032</u>	<u>143,439</u>	<u>24,736</u>	<u>-0-</u>	<u>34,836</u>	<u>203,011</u>	<u>226,220</u>
79,560	60,218	1,728,183	141,078	-0-	167,578	2,036,839	2,198,857
350	-0-	350	30,189	-0-	2,750	33,289	32,906
-0-	2,020	7,206	20,973	-0-	-0-	28,179	67,310
-0-	-0-	269,357	-0-	-0-	-0-	269,357	251,911
1,633	1,315	16,721	9,510	-0-	2,034	28,265	25,854
510	12	4,369	1,406	-0-	1,705	7,480	7,540
-0-	-0-	17,735	40,894	-0-	-0-	58,629	61,380
1,153	42	1,243	10,881	-0-	308	12,432	12,522
661	54	6,884	110	-0-	8,778	15,772	14,542
436	1,669	109,359	3,650	-0-	3,431	116,440	97,735
235	201	1,058	3,447	-0-	3,480	7,985	6,231
-0-	346	5,582	7,835	-0-	2,991	16,408	15,083
-0-	1,148	5,847	18,660	-0-	-0-	24,507	23,759
444	-0-	25,002	92	-0-	-0-	25,094	16,806
-0-	807,915	807,915	-0-	-0-	-0-	807,915	920,178
-0-	85,934	85,934	-0-	-0-	-0-	85,934	488,661
2,235	-0-	7,753	-0-	-0-	-0-	7,753	-0-
-0-	594	16,730	1,162	-0-	402	18,294	19,435
-0-	-0-	-0-	40,391	-0-	-0-	40,391	34,883
-0-	694	983	3,502	37,481	1,964	43,930	45,886
2,836	819	55,985	7,220	-0-	2,855	66,060	50,885
-0-	-0-	-0-	-0-	-0-	36,404	36,404	18,107
<u>-0-</u>	<u>-0-</u>	<u>12,056</u>	<u>94</u>	<u>-0-</u>	<u>9,870</u>	<u>22,020</u>	<u>51,387</u>
<u>\$90,053</u>	<u>\$962,981</u>	<u>\$3,186,252</u>	<u>\$341,094</u>	<u>\$37,481</u>	<u>\$244,550</u>	<u>\$3,809,377</u>	<u>\$4,461,858</u>



**United Way of Central West Virginia, Inc.**

**Statement of Cash Flows**

**For the Year Ended June 30, 2019  
with Comparative Totals for the Year Ended June 30, 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Change in assets	\$(188,794)	\$ (228,381)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	40,391	34,883
Allowance for uncollectible accounts	(3,811)	(4,335)
Unrealized (gain) loss on investments	(23,312)	417
Increase in accounts receivable	(2,879)	(34,001)
(Increase) decrease in prepaid expenses	(14,526)	27,004
Decrease in pledges receivable	13,832	60,777
Decrease in donor designations	(79,938)	(5,091)
Decrease in accounts payable	(6,640)	(12,433)
Increase in accrued expenses	9,732	5,004
Increase (decrease) in grant and program funds received in advance	<u>16,614</u>	<u>(329,784)</u>
<b>Net Cash Used In Operating Activities</b>	<u>(239,331)</u>	<u>(485,940)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of furniture and equipment	(26,530)	(19,752)
Purchase of investments	(151,566)	(131,255)
Sale of investments	<u>131,242</u>	<u>113,849</u>
<b>Net Cash Used In Investing Activities</b>	<u>(46,854)</u>	<u>(37,158)</u>
<b>Cash Flows From Financing Activities</b>	<u>-0-</u>	<u>-0-</u>
<b>Net Decrease in Cash</b>	(286,185)	(523,098)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>655,997</u>	<u>1,179,095</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 369,812</u>	<u>\$ 655,997</u>

See notes to financial statements.

# United Way of Central West Virginia, Inc.

## Notes to Financial Statements

June 30, 2019, with Comparative Totals  
as of June 30, 2018

### 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.

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.

As of June 30, 2019, the tax years that remain subject to examination by taxing authorities begin with 2017. Tax returns for 2017, 2018 and 2019 remain open to examination by taxing authorities. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

Advertising – Advertising costs are expensed as incurred. The total advertising and promotion expense for the years ended June 30, 2019 and 2018 are \$22,020 and \$51,387, 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, 2018, from which the summarized information was derived.

# United Way of Central West Virginia, Inc.

## Notes to Financial Statements (Continued)

June 30, 2019, with Comparative Totals  
as of June 30, 2018

### Note A – Summary of Significant Accounting Policies (Continued)

Reclassifications – Certain amounts in the 2018 comparative financial statements have been reclassified to conform to the classifications reported in the financial statements for the year ended June 30, 2019.

Revenue and Expenses – 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 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.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the program services and support activities of the Organization have been summarized on a neutral classification basis.

Classes of Net Assets – The financial statements report amounts by class of net assets.

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

Recently Issued Accounting Standards – In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted the provisions of this new standard during the year ended June 30, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note K), and disclosures related to functional allocation of expenses were expanded.

# United Way of Central West Virginia, Inc.

## Notes to Financial Statements (Continued)

June 30, 2019, with Comparative Totals  
as of June 30, 2018

### Note A – Summary of Significant Accounting Policies (Continued)

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, 2019 and 2018 was \$40,391 and \$34,883, respectively. These amounts at June 30, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 443,921	\$ 449,198
Building	<u>962,060</u>	<u>962,060</u>
	1,405,981	1,411,258
Less accumulated depreciation	<u>1,244,022</u>	<u>1,235,438</u>
	161,959	175,820
Land	<u>301,423</u>	<u>301,423</u>
	<u>\$ 463,382</u>	<u>\$ 477,243</u>

### Note B – Pledges Receivable

The United Way of Central WV, Inc. pledges receivable total \$297,786 and \$307,807 for the years ended June 30, 2019 and 2018, respectively.

**United Way of Central West Virginia, Inc.**

**Notes to Financial Statements (Continued)**

**June 30, 2019, with Comparative Totals  
as of June 30, 2018**

**Note B – Pledges Receivable (Continued)**

The current year campaign accounts for funds raised in the first six months of 2019, the proceeds of which will be distributed in 2019 to the United Way of Central WV, Inc. agencies. All current year campaign funds raised during the year ended June 30, 2019 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, 2019 were:

Total pledges outstanding 2018-2019	\$346,513
Allowance for uncollectible	<u>(48,727)</u>
Total pledges outstanding 2018-2019	<u>\$297,786</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, 2019 and 2018 was \$332,278 and \$329,399, respectively.

**Note D – Restrictions of Net Assets**

Temporarily restricted net assets are available for the following purposes at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Restricted to distribution in the 6 months ended 12-19 and 12-18	<u>\$421,303</u>	<u>\$413,755</u>
Total temporarily restricted net assets	<u>\$421,303</u>	<u>\$413,755</u>

**United Way of Central West Virginia, Inc.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2019, with Comparative Totals**  
**as of June 30, 2018**

**Note E – Investments**

Investment activity for the year ended June 30, 2019 is reflected in the table below.

Market value of investments at June 30, 2018	\$792,750
Investment returns:	
Dividends and interest	22,714
Realized gain or (loss)	3,737
Unrealized gain (loss)	23,312
Expenses	<u>(6,127)</u>
Total return on investments	<u>43,636</u>
Market value of investments at June 30, 2019	<u>\$836,386</u>

The breakdown of funds by investment type at June 30, 2019, is as follows:

	<u>Cost Basis</u>	<u>2019 Fair Value</u>	<u>2018 Fair Value</u>
Corporate obligations	\$568,375	\$570,142	\$544,975
Mutual funds and stocks	149,706	179,769	163,491
Money market funds	<u>86,475</u>	<u>86,475</u>	<u>84,284</u>
	<u>\$804,556</u>	<u>\$836,386</u>	<u>\$792,750</u>

All investments are Level 1 investments and are reported on the basis of quoted market prices for identical assets in an active market.

**Note F – Concentration of Credit Risk**

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.

Additionally, the Organization holds cash in various accounts in a local bank. The Federal Deposit Insurance Corporation (FDIC) insures accounts to a maximum of \$250,000 per depositor. At June 30, 2019, aggregate amounts in these accounts in excess of the \$250,000 limit may not be insured.

## United Way of Central West Virginia, Inc.

### Notes to Financial Statements (Continued)

June 30, 2019, with Comparative Totals  
as of June 30, 2018

#### Note G – Retirement Plan

The Organization maintains a 403(b) tax advantaged retirement plan for its employees. During the years ended June 30, 2019 and 2018, the Organization matches 75% of employees' contributions up to 4% of wages. Pension expense for the years ended June 30, 2019 and 2018 was \$11,883 and \$14,833, respectively.

#### Note H – 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, 2019 and 2018 were 16.17% and 16.07%, respectively.

#### Note I – 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, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Parents as Teachers	\$ 4,481	\$ 4,481
Fiscal Agents Fund	8,688	8,061
Vista-Sponsorship and Matching Funds	55,366	19,128
AmeriCorps Matching and Other Grant Funds	273,464	335,741
AHI and Teen Institute	5,361	4,398
EITC	44,720	39,092
RSVP	10,312	9,766
Flood relief	-0-	84,384
Contributions – Bertie Cohen	28,123	28,123
Event Sponsorship	7,001	3,600
WV211	113,352	-0-
Catastrophic Illness	-0-	216
Other programs	12,642	9,906
	<u>\$563,510</u>	<u>\$546,896</u>

## United Way of Central West Virginia, Inc.

### Notes to Financial Statements (Continued)

June 30, 2019, with Comparative Totals  
as of June 30, 2018

#### **Note I – Grant and Program Funds Received in Advance (Continued)**

During the years ended June 30, 2017 through 2019, the Organization received a total of \$973,298 in contributions that were earmarked for flood relief assistance to individuals in various locations in the Charleston, WV area. The Organization utilized \$887,364 of those funds in providing assistance through the year ended June 30, 2018. The remaining \$85,934 was utilized during the year ended June 30, 2019 to provide assistance and is recorded as revenues with a corresponding expense in the accompanying financial statements.

#### **Note J – 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, 2019 and 2018 were \$83,658 and \$119,079, respectively. These amounts are not recognized in revenues or expenses in the related statement of activities. 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 years ended June 30, 2019 and 2018, these contributions totaled \$36,537 and \$70,997, respectively.

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, 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 \$375,737 and \$375,564 for the years ended June 30, 2019 and 2018, respectively. Distributions from the fund totaling \$16,585 and \$16,381 for the years ended June 30, 2019 and 2018 are recorded as revenue in the accompanying statement of activities.

#### **Note K – Liability and Availability of Financial Assets**

The following table reflects the Organization's financial assets as of June 30, 2019 and 2018, reduced by amounts not available for general expenditures 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.



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

**June 30, 2019, with Comparative Totals  
as of June 30, 2018**

**Note K – Liability and Availability of Financial Assets (Continued)**

	<u>2019</u>	<u>2018</u>
Financial Assets:		
Cash	\$ 369,812	\$ 655,997
Accounts receivable	332,278	329,399
Pledges receivable (net)	297,786	307,807
Investments	<u>836,386</u>	<u>792,750</u>
Financial assets at year-end	1,836,262	2,085,953
Less those unavailable for general expenditures within one year due to:		
Investments held by others inherently not convertible within one year	<u>(53,272)</u>	<u>(52,344)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$1,782,990</u>	<u>\$2,033,609</u>

**Note L – Date of Management Evaluation**

Subsequent events were evaluated through December 10, 2019, which is the date the financial statements were available to be issued, and determined that there are no subsequent events that require disclosure.

**Independent Auditors' 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.

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. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered United Way of Central West Virginia, Inc.'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 United Way of Central West Virginia, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Central West Virginia, Inc.'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 United Way of Central West Virginia, Inc.'s financial statements are free from 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.



Charleston, West Virginia  
December 10, 2019

**Independent Auditors' 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.

**Report on Compliance for Each Major Federal Program**

We have audited United Way of Central West Virginia, Inc.'s compliance with the types of compliance requirements described in the *OMB 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, 2019. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of United Way of Central West Virginia, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 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). Those standards and the Uniform Guidance 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.

To the Board of Directors  
United Way of Central West Virginia, Inc.  
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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of United Way of Central West Virginia, Inc.'s compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, United Way of Central West Virginia, Inc. complied, in all material respects, with the types of 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, 2019.

### **Report on 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 types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered United Way of Central West Virginia, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 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. *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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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.

A handwritten signature in cursive script that reads "Herman & Company".

Charleston, West Virginia  
December 10, 2019

**United Way of Central West Virginia, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

<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	16SFSWV002	\$ 463,340
Retired Senior Volunteer Program	94.002	17SRSWV001	198,353
Vista	94.013	08VSSWV005	<u>300,031</u>
			<u>961,724</u>
Passed Through the WV Commission for National and Community Service:			
AmeriCorps	94.006	18AC199290-18ACH	482,263
AmeriCorps	94.006	17AC189378-15ACH	<u>187,124</u>
Total Corporation for National Service			<u>1,631,111</u>
Department of Health and Human Services Passed Thru The West Virginia Department of Health and Human Resources			
Maternal and Child Health Services Block Grant	93.994	G190331	70,323
Temporary Assistance for Needy Families	93.558	G180305	13,225
Temporary Assistance for Needy Families	93.558	G193271	<u>23,794</u>
			<u>107,342</u>
Total Federal Financial Assistance			<u>\$1,738,453</u>

**United Way of Central West Virginia, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For The Year Ended June 30, 2019**

**Note A – 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. under programs of the federal government for the year ended June 30, 2019. 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 United Way of Central West Virginia, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of United Way of Central West Virginia, Inc.

**Note B – 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.

Additionally, pass-through entity identifying numbers are presented where available.

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



**United Way of Central West Virginia, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2019**

**Section 1 – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued: unmodified

Internal control over financial reporting:

- Material weakness identified? \_\_\_\_\_ Yes   x   No
- Significant deficiencies identified? \_\_\_\_\_ Yes   x   None reported
- Noncompliance material to financial statements notes? \_\_\_\_\_ Yes   x   No

**Federal Awards**

Internal control over major programs:

- Material weakness identified? \_\_\_\_\_ Yes   x   No
- Significant deficiencies identified? \_\_\_\_\_ Yes   x   None reported

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

Any audit findings disclosed that are required to be reported in accordance 2 CFR Section 200.516(a)? \_\_\_\_\_ Yes   x   No

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

94.011

Foster Grandparents Program

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

\$750,000

Auditee qualified as low-risk auditee?

  x   Yes \_\_\_\_\_ No

**United Way of Central West Virginia, Inc.**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2019**

**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.