

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

**Independent Auditors' Report  
and  
Financial Statements**

**June 30, 2017**

**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, 2017, 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, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 12, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

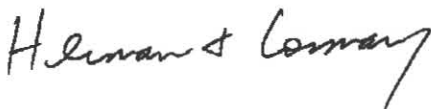
***Other Matters***

***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 October 10, 2017, on our consideration of United Way of Central West Virginia, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Central West Virginia, Inc.'s internal control over financial reporting and compliance.



Charleston, West Virginia  
October 10, 2017

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

**Statement of Financial Position**

**June 30, 2017, with Comparative Totals  
as of June 30, 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and cash equivalents	\$1,179,095	\$ 987,169
Accounts receivable	295,398	182,624
Pledges receivable (net)	364,249	570,157
Prepaid expenses	<u>54,928</u>	<u>54,414</u>
<b>Total Current Assets</b>	<u>1,893,670</u>	<u>1,794,364</u>
Land, building, equipment (net)	492,374	509,074
Long-term investments	<u>775,761</u>	<u>745,417</u>
<b>Total Assets</b>	<u>\$3,161,805</u>	<u>\$3,048,855</u>
<b>Liabilities</b>		
Accounts payable	\$ 88,129	\$ 53,362
Accrued expenses	27,611	24,930
Grant and program funds received in advance	876,680	573,358
Donor designations	<u>126,819</u>	<u>195,638</u>
<b>Total Current Liabilities</b>	<u>1,119,239</u>	<u>847,288</u>
<b>Net Assets</b>		
Unrestricted	1,567,559	1,673,445
Temporarily restricted	<u>475,007</u>	<u>528,122</u>
<b>Total Net Assets</b>	<u>2,042,566</u>	<u>2,201,567</u>
<b>Total Liabilities and Net Assets</b>	<u>\$3,161,805</u>	<u>\$3,048,855</u>

See notes to financial statements.

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

**Statement of Activities**

**For the Year Ended June 30, 2017,  
with Comparative Totals for the Year Ended June 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>Revenues, Gains, and Support</b>				
<b>Pledges</b>				
Total pledges received	\$ -0-	\$ 1,760,563	\$1,760,563	\$1,985,955
Uncollectible pledges, net	-0-	(42,833)	(42,833)	(45,707)
Less donor pass through pledges	-0-	(127,188)	(127,188)	(180,762)
<b>Net Pledges</b>	<u>-0-</u>	<u>1,590,542</u>	<u>1,590,542</u>	<u>1,759,486</u>
Administrative fees income	2,168	-0-	2,168	1,476
Realized investment income (loss)	30,748	-0-	30,748	34,731
Net unrealized gains (loss) on long-term investments	16,969	-0-	16,969	(13,542)
Foster grandparents	-0-	422,783	422,783	444,732
AmeriCorps/Vista	-0-	1,489,689	1,489,689	1,407,323
Other grants and programs	-0-	333,816	333,816	322,025
Other contributions	22,746	-0-	22,746	25,278
Contributions – flood relief	-0-	398,702	398,702	-0-
Miscellaneous	24,285	-0-	24,285	20,750
Rent income & equipment fees (net)	32,583	-0-	32,583	33,176
Satisfaction of restrictions	<u>4,288,647</u>	<u>(4,288,647)</u>	<u>-0-</u>	<u>-0-</u>
<b>Total Revenues, Gains and Support</b>	<u>4,418,146</u>	<u>(53,115)</u>	<u>4,365,031</u>	<u>4,035,435</u>
<b>Expenses and Losses</b>				
Total program costs	3,842,224	-0-	3,842,224	3,434,003
Management and general	381,679	-0-	381,679	344,046
United Way Worldwide dues	24,285	-0-	24,285	20,750
Fundraising	<u>275,844</u>	<u>-0-</u>	<u>275,844</u>	<u>344,163</u>
<b>Total Expenses and Losses</b>	<u>4,524,032</u>	<u>-0-</u>	<u>4,524,032</u>	<u>4,142,962</u>
<b>Change in Net Assets</b>	(105,886)	(53,115)	(159,001)	(107,527)
<b>Net Assets, Beginning of Year</b>	<u>1,673,445</u>	<u>528,122</u>	<u>2,201,567</u>	<u>2,309,094</u>
<b>Net Assets, End of Year</b>	<u>\$1,567,559</u>	<u>\$ 475,007</u>	<u>\$2,042,566</u>	<u>\$2,201,567</u>

See notes to financial statements.

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

**Statement of Functional Expenses**

**For the Year Ended June 30, 2017,  
with Comparative Totals for the Year Ended June 30, 2016**

	<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>
Salaries	\$110,172	\$ 87,160	\$43,584	\$1,153,564	\$ 78,410
Payroll Taxes	3,021	7,294	3,623	88,678	6,693
Benefits	<u>11,197</u>	<u>11,236</u>	<u>1,719</u>	<u>85,507</u>	<u>12,417</u>
Total salaries and related expenses	124,390	105,690	48,926	1,327,749	97,520
Professional fees	1,603	10	4,720	-0-	1
Outside services	-0-	2,300	-0-	6,369	3,890
Participant stipend	-0-	241,891	-0-	-0-	-0-
Communications	2,513	3,055	1,371	4,763	1,284
Postage	1,611	1,072	-0-	1,398	188
Occupancy	6,395	4,929	3,001	3,620	2,973
Repairs and maintenance	-0-	-0-	1,624	-0-	3
Printing and copying cost	1,495	1,370	-0-	779	-0-
Travel and meals	20,261	44,803	1,650	24,939	253
Conferences and meetings	63	7,983	441	699	4,849
Miscellaneous and grants	1,822	1,021	-0-	2,090	315
Insurance	4,039	736	-0-	-0-	-0-
Staff development	-0-	35	-0-	71,333	1,000
Allocation to agencies	-0-	-0-	-0-	-0-	-0-
Flood relief assistance	-0-	-0-	-0-	-0-	-0-
Volunteer recognition	16,061	2,706	-0-	-0-	3,781
Depreciation	-0-	-0-	-0-	-0-	-0-
Dues	-0-	-0-	-0-	-0-	-0-
Supplies	14,613	5,964	7,468	6,367	3,611
Special Events	-0-	-0-	-0-	-0-	-0-
Advertising/Promotion	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>19,999</u>
<b>Total Expenses</b>	<u>\$194,866</u>	<u>\$423,565</u>	<u>\$69,201</u>	<u>\$1,450,106</u>	<u>\$139,667</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>2017 Total</u>	<u>2016 Total</u>
			<u>Management &amp; General</u>	<u>United Way Worldwide Dues</u>	<u>Fund Raising</u>		
\$39,329	\$35,968	\$1,548,187	\$133,974	\$ -0-	\$135,143	\$1,817,304	\$1,859,852
3,104	2,817	115,230	11,061	-0-	10,698	136,989	142,056
<u>13,063</u>	<u>6,461</u>	<u>141,600</u>	<u>44,021</u>	<u>-0-</u>	<u>45,034</u>	<u>230,655</u>	<u>170,977</u>
55,496	45,246	1,805,017	189,056	-0-	190,875	2,184,948	2,172,885
-0-	-0-	6,334	28,543	-0-	-0-	34,877	33,407
1,350	9,289	23,198	29,917	-0-	23,503	76,618	72,334
-0-	-0-	241,891	-0-	-0-	-0-	241,891	264,181
1,303	-0-	14,289	7,772	-0-	1,584	23,645	26,217
274	68	4,611	10,443	-0-	864	15,918	7,193
-0-	-0-	20,918	27,578	-0-	-0-	48,496	48,645
57	-0-	1,684	20,844	-0-	179	22,707	21,387
338	-0-	3,982	-0-	-0-	10,776	14,758	11,642
99	38	92,043	338	-0-	823	93,204	109,504
98	1,170	15,303	-0-	-0-	592	15,895	6,219
-0-	628	5,876	6,036	-0-	-0-	11,912	14,408
-0-	-0-	4,775	16,512	-0-	-0-	21,287	23,130
-0-	-0-	72,368	-0-	-0-	-0-	72,368	24,653
-0-	1,048,510	1,048,510	-0-	-0-	-0-	1,048,510	1,077,346
-0-	398,702	398,702	-0-	-0-	-0-	398,702	-0-
-0-	586	23,134	2,106	-0-	302	25,542	21,793
-0-	-0-	-0-	34,374	-0-	-0-	34,374	33,171
-0-	379	379	1,523	24,285	48	26,235	23,425
276	912	39,211	5,872	-0-	732	45,815	59,884
-0-	-0-	-0-	-0-	-0-	10,510	10,510	18,156
<u>-0-</u>	<u>-0-</u>	<u>19,999</u>	<u>765</u>	<u>-0-</u>	<u>35,056</u>	<u>55,820</u>	<u>73,382</u>
<u>\$59,291</u>	<u>\$1,505,528</u>	<u>\$3,842,224</u>	<u>\$381,679</u>	<u>\$24,285</u>	<u>\$275,844</u>	<u>\$4,524,032</u>	<u>\$4,142,962</u>



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

**Statement of Cash Flows**

**For the Year Ended June 30, 2017  
with Comparative Totals for the Year Ended June 30, 2016**

	<u>2017</u>	<u>2016</u>
<b>Cash Flows From Operating Activities</b>		
Change in assets	\$ (159,001)	\$ (107,527)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	34,374	33,171
Allowance for uncollectible accounts	(4,933)	(8,958)
Unrealized (gain) loss on investments	(16,969)	13,542
(Increase) decrease in accounts receivable	(112,774)	17,943
(Increase) decrease in prepaid expenses	(514)	8,793
Decrease (increase) in contributions receivable	210,841	105,490
Decrease in donor designations	(68,819)	(117,377)
Increase in accounts payable	34,767	27,873
Increase (decrease) in accrued expenses	2,681	(4,776)
Increase (decrease) in grant and program funds received in advance	<u>303,322</u>	<u>(21,528)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>222,975</u>	<u>(53,354)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of furniture and equipment	(17,674)	(11,794)
Purchase of investments	(343,122)	(117,967)
Sale of investments	<u>329,747</u>	<u>100,730</u>
<b>Net Cash Used In Investing Activities</b>	<u>(31,049)</u>	<u>(29,031)</u>
<b>Cash Flows From Financing Activities</b>	<u>-0-</u>	<u>-0-</u>
<b>Net Increase (Decrease) in Cash</b>	191,926	(82,385)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>987,169</u>	<u>1,069,554</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$1,179,095</u>	<u>\$ 987,169</u>

See notes to financial statements.

# United Way of Central West Virginia, Inc.

## Notes to Financial Statements

June 30, 2017, with Comparative Totals  
as of June 30, 2016

### 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, 2017, the tax years that remain subject to examination by taxing authorities begin with 2014. Tax returns for 2014, 2015 and 2016 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, 2017 and 2016 are \$55,820 and \$73,382, 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, 2016, from which the summarized information was derived.

Reclassifications – Certain amounts in the 2016 comparative financial statements have been reclassified to conform to the classifications reported in the financial statements for the year ended June 30, 2017.

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

**Notes to Financial Statements (Continued)**

**June 30, 2017, with Comparative Totals  
as of June 30, 2016**

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

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

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

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

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

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

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

Property, Furniture and Equipment – Property, furniture and equipment are stated at cost or at the fair market value on the date of receipt, in the case of in-kind gifts. The Organization capitalizes all expenditures for property and equipment in excess of \$500. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 2017 and 2016 was \$34,374 and \$33,171, respectively. These amounts at June 30, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 442,996	\$ 437,246
Building	948,510	936,586
	1,391,506	1,373,832
Less accumulated depreciation	<u>1,200,555</u>	<u>1,166,181</u>
	190,951	207,651
Land	<u>301,423</u>	<u>301,423</u>
	<u>\$ 492,374</u>	<u>\$ 509,074</u>

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

**June 30, 2017, with Comparative Totals  
as of June 30, 2016**

**Note B – Pledges Receivable**

The United Way of Central WV, Inc. pledges receivable total \$364,249 and \$570,157 for the years ended June 30, 2017 and 2016, respectively.

The current year campaign accounts for funds raised in the first six months of 2017, the proceeds of which will be distributed in 2017 to the United Way of Central WV, Inc. agencies. All current year campaign funds raised during the year ended June 30, 2017 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, 2017 were:

Total pledges outstanding 2016-2017	\$421,030
Allowance for uncollectible	<u>(56,874)</u>
Net campaign 2016-2017	364,156
Total pledges outstanding 2017-2018	<u>93</u>
	<u>\$364,249</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, 2017 and 2016 was \$295,398 and \$182,624, respectively.

**Note D – Restrictions of Net Assets**

Temporarily restricted net assets are available for the following purposes at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Restricted to distribution in the 6 months ended 12-17 and 12-16	<u>\$475,007</u>	<u>528,122</u>
Total temporarily restricted net assets	<u>\$475,007</u>	<u>\$528,122</u>

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

**June 30, 2017, with Comparative Totals  
as of June 30, 2016**

**Note E – Investments**

Investment activity for the year ended June 30, 2017 is reflected in the table below.

Market value of investments at June 30, 2016	\$745,417
Investment returns:	
Dividends and interest	22,054
Realized gain or (loss)	(2,752)
Unrealized gain (loss)	18,108
Expenses	<u>(7,066)</u>
Total return on investments	<u>30,344</u>
Market value of investments at June 30, 2017	<u>\$775,761</u>

The breakdown of funds by investment type at June 30, 2017, is as follows:

	<u>Cost Basis</u>	<u>2017 Fair Value</u>	<u>2016 Fair Value</u>
Corporate obligations	\$543,417	\$536,336	\$518,891
Mutual funds and stocks	141,978	161,896	148,892
Money market funds	<u>77,529</u>	<u>77,529</u>	<u>77,634</u>
	<u>\$762,924</u>	<u>\$775,761</u>	<u>\$745,417</u>

All investments are Level 1 investments and are reported on the basis of quoted market prices and unrestricted assets at June 30, 2017.

**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, 2017, 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, 2017, with Comparative Totals  
as of June 30, 2016**

**Note G – Retirement Plan**

The Organization maintains a 403(b) pension plan for its employees. During the years ended June 30, 2017 and 2016, the Organization matched 75% of employees' contributions up to 4% of wages, and additionally, the company contributed an amount equal to 2% of all participating employee's wages into the plan through February 28, 2009. This discretionary contribution was suspended on March 1, 2009. Pension expense for the years ended June 30, 2017 and 2016 was \$17,069 and \$17,758, 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, 2017 and 2016 were 14.98% and 15.30%, 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, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Parents as Teachers	\$ 4,481	\$ 4,481
Fiscal Agents Fund	1,948	53,805
Foster Grandparent	-0-	2,200
Vista-Sponsorship and Matching Funds	28,033	13,382
AmeriCorps Matching and Other Grant Funds	360,359	369,444
AHI and Teen Institute	10,163	13,031
Foster Grandparent-Volunteer Funds	-0-	4,035
EITC	36,087	36,233
RSVP	12,485	12,487
Flood relief	361,301	-0-
Contributions – Bertie Cohen	37,860	37,860
Pledges received for future campaigns	-0-	-0-
Sunday Scoop and Incentive Sponsorship	15,000	5,071
Catastrophic Illness	8,963	12,933
Other advances	-0-	8,396
	<u>\$876,680</u>	<u>\$573,358</u>

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

**Notes to Financial Statements (Continued)**

**June 30, 2017, with Comparative Totals  
as of June 30, 2016**

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

During the year ended June 30, 2017, the Organization received \$760,003 in contributions that were earmarked for flood relief assistance to individuals in various locations in the Charleston, WV area. The Organization utilized \$398,702 of those funds in providing assistance during the year ended June 30, 2017. The remaining \$361,301 will be utilized in subsequent years to provide assistance and is recorded as program funds received in advance 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, 2017 and 2016 were \$127,188 and \$180,762, 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, 2017 and 2016, these contributions totaled \$107,343 and \$96,978, respectively.

The Organization has a beneficial interest in the United Way Fund held with the Greater Kanawha Valley Foundation. The individual donor's granted the Greater Kanawha Valley Foundation variance power. Therefore, based upon the provisions of FASB Statement No. 136, *Transfers of Assets to a Not-for-Profit Organization that Raises or Holds Contributions for Others*, the assets are not recorded in the statement of financial position. The total amounts held in the United Way fund was \$366,441 and \$346,562 for the years ended June 30, 2017 and 2016, respectively. Distributions from the fund totaling \$16,535 and \$17,494 for the years ended June 30, 2017 and 2016 are recorded as revenue in the accompanying statement of activities.

**Note K – Date of Management Evaluation**

Subsequent events were evaluated through October 10, 2017, 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, 2017, 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 October 10, 2017.

**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.

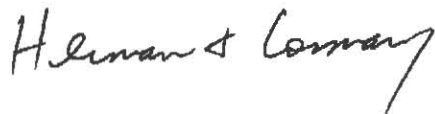


### **Compliance and Other Matters**

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  
October 10, 2017

**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, 2017. 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, 2017.

### **Report on Internal Control over Compliance**

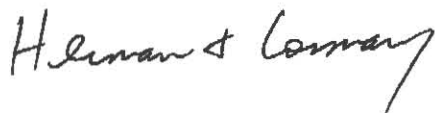
Management of United Way of Central West Virginia, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered United Way of Central West 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 & Conway".

Charleston, West Virginia  
October 10, 2017

**United Way of Central West Virginia, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2017**

<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	\$ 421,281
Foster Grandparents Program	94.011	13SFSWV001	1,501
Retired Senior Volunteer Program	94.002	16SRSWV004	95,321
Retired Senior Volunteer Program	94.002	14SRSWV001	97,851
Vista	94.013	08VSSWV005	<u>282,704</u>
			898,658
Passed Through the WV Commission for National and Community Service:			
Americorps	94.006	16AC178592-15ACH	658,426
AmeriCorps	94.006	15AC168060-15ACH	<u>169,718</u>
Total Corporation for National Service			<u>1,726,802</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	G170427	77,500
Temporary Assistance for Needy Families	93.558	G160565	15,309
Temporary Assistance for Needy Families	93.558	G170512	<u>29,921</u>
			<u>122,730</u>
Total Federal Financial Assistance			<u>\$1,849,532</u>

**United Way of Central West Virginia, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For The Year Ended June 30, 2017**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of United Way of Central West Virginia, Inc. under programs of the federal government for the year ended June 30, 2017. 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 not elected 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, 2017**

**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   No
- 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   No

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**

94.006

Americorps

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, 2017**

**Section II – Financial Statement Findings**

None.

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

None.