



**UNITED WAY OF CENTRAL WEST VIRGINIA, INC.**

**FINANCIAL REPORT**

**June 30, 2021**

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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 Financial Statements

We have audited the accompanying financial statements of United Way of Central West Virginia, Inc. (the "Organization") which comprise the statement of financial position as of June 30, 2021, 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.

## **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, 2021, 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.

## **Correction of Error**

As described in Note 2 to the financial statements, beginning net assets have been restated to correct a misstatement related to recognition of contributions and grants revenue. Our opinion is not modified with respect to this matter.

## **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 February 17, 2022, 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.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Charleston, West Virginia  
February 17, 2022

**UNITED WAY OF CENTRAL WEST VIRGINIA, INC.**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2021**

**ASSETS**

Cash	\$ 159,466
Grants and other receivables	723,443
Pledges receivable	269,894
Prepaid expenses	4,666
Property and equipment, net (Note 4)	384,977
Investments (Note 6)	<u>820,655</u>
 Total assets	 <u>\$ 2,363,101</u>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 180,760
Accrued expenses	46,801
Refundable advance	561,767
Donor designations	<u>22,634</u>
 Total liabilities	 <u>811,962</u>
 Net assets	
Without donor restrictions	1,430,667
With donor restrictions (Note 7)	<u>120,472</u>
Total net assets	<u>1,551,139</u>
 Total liabilities and net assets	 <u>\$ 2,363,101</u>

The Notes to Financial Statements are an integral part of these statements.

**UNITED WAY OF CENTRAL WEST VIRGINIA, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
REVENUES, GAINS, AND SUPPORT			
Pledges			
Total pledges received	\$ 1,236,962	\$ -	\$ 1,236,962
Uncollectible pledges, net	(15,950)	-	(15,950)
Net pledges	<u>1,221,012</u>	<u>-</u>	<u>1,221,012</u>
Grant revenue	2,462,531	-	2,462,531
Contributions - COVID 19	-	77,703	77,703
Other contributions	142,976	143,075	286,051
Special events income, net	45,639	-	45,639
Rent income and equipment fees	32,070	-	32,070
Miscellaneous	8,058	-	8,058
Investment income	52,576	-	52,576
Paycheck Protection Program forgiveness (Note 13)	118,900	-	118,900
Satisfaction of restrictions	248,809	(248,809)	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues, gains, and support	<u>4,332,571</u>	<u>(28,031)</u>	<u>4,304,540</u>
EXPENSES AND LOSSES			
Program services	3,780,255	-	3,780,255
Management and general	379,518	-	379,518
Fundraising	203,376	-	203,376
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenses and losses	<u>4,363,149</u>	<u>-</u>	<u>4,363,149</u>
Change in net assets	(30,578)	(28,031)	(58,609)
Net assets, beginning of year, as restated (Note 2)	<u>1,461,245</u>	<u>148,503</u>	<u>1,609,748</u>
Net assets, end of year	<u><u>\$ 1,430,667</u></u>	<u><u>\$ 120,472</u></u>	<u><u>\$ 1,551,139</u></u>

The Notes to Financial Statements are an integral part of these statements.

UNITED WAY OF CENTRAL WEST VIRGINIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2021

	Adolescent Health Initiative	AmeriCorps Vista	Foster Grand Parents	LifeBridge AmeriCorps	Retired and Senior Volunteer Program	Other Program Expenses	Community Impact	Information and Referral	Total Program Services	Management and General	Fund Raising	Total
Salaries	\$ 40,000	\$ 40,116	\$ 72,635	\$ 122,424	\$ 117,717	\$ 65,531	\$ 127,264	\$ 29,001	\$ 614,688	\$ 128,397	\$ 131,475	\$ 874,560
Payroll taxes	3,219	4,021	5,892	61,872	4,275	5,274	10,048	2,534	97,135	10,228	10,222	117,585
Benefits	6,971	10,696	8,137	64,073	4,722	6,513	24,834	2,181	128,127	25,038	34,008	187,173
Total salaries and related expenses	50,190	54,833	86,664	248,369	126,714	77,318	162,146	33,716	839,950	163,663	175,705	1,179,318
Allocation to agencies	-	-	-	-	-	716,250	-	-	716,250	-	-	716,250
Other community assistance	-	-	-	-	-	125,867	607,734	-	733,601	-	-	733,601
Advertising and promotion	-	-	-	-	-	14,472	1,500	313	16,285	1,033	296	17,614
Communications	1,297	1,050	3,564	5,832	2,573	334	1,291	1,738	17,679	6,123	1,838	25,640
Conferences and meetings	-	-	-	-	-	1,425	186	279	1,890	721	1,085	3,696
Depreciation	-	-	-	-	-	-	-	-	-	39,391	-	39,391
Insurance	-	-	1,054	-	6,603	-	1,275	-	8,932	20,642	-	29,574
Member living allowances	-	163,735	-	603,501	-	-	-	-	767,236	-	-	767,236
Miscellaneous	174	-	220	2,261	358	9,698	321	180	13,212	12,808	5,824	31,844
Office expenses	1,087	342	22,007	9,849	18,183	14,908	11,044	385	77,805	2,342	350	80,497
Outside services	-	-	-	-	-	38,950	113,679	1,300	153,929	16,339	1,481	171,749
Occupancy	-	3,620	4,807	-	6,273	2,976	-	-	17,676	22,335	-	40,011
Participant stipend	-	-	314,084	-	-	2,500	-	-	316,584	-	-	316,584
Postage	91	278	2,313	934	4,558	521	335	222	9,252	453	4,313	14,018
Printing and copying	-	-	307	900	1,421	-	1,080	224	3,932	914	8,005	12,851
Professional fees	-	-	-	-	-	-	-	970	970	27,500	320	28,790
Repairs and maintenance	-	-	-	-	-	-	2,940	105	3,045	10,839	3,371	17,255
Training and development	-	109	7,066	7,228	-	161	-	5	14,569	100	-	14,669
Travel and meals	190	1,965	13,977	9,831	9,554	4,830	4,562	56	44,965	109	338	45,412
United Way Worldwide dues	-	-	-	-	-	-	-	-	-	52,612	-	52,612
Volunteer recognition	-	-	4,286	-	16,856	989	362	-	22,493	1,594	450	24,537
Total expenses	\$ 53,029	\$ 225,932	\$ 460,349	\$ 888,705	\$ 193,093	\$ 1,011,199	\$ 908,455	\$ 39,493	\$ 3,780,255	\$ 379,518	\$ 203,376	\$ 4,363,149

The Notes to Financial Statements are an integral part of these statements.

UNITED WAY OF CENTRAL WEST VIRGINIA, INC.

STATEMENT OF CASH FLOWS  
Year Ended June 30, 2021

Cash flows from operating activities:	
Change in net assets	\$ (58,609)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	39,391
Unrealized gain on investments	(33,436)
Forgiveness of Payroll Protection Program loan	(118,900)
(Increase) decrease in:	
Grants and other receivables	(435,310)
Pledges receivable	29,002
Prepaid expenses	(726)
Increase (decrease) in:	
Accounts payable	29,164
Accrued expenses	(8,110)
Refundable advance	192,021
Donor designations	(10,275)
Net cash used in operating activities	<u>(375,788)</u>
Cash flows from investing activities:	
Purchase of investments	(717,025)
Sale of investments	<u>797,889</u>
Net cash provided by investing activities	<u>80,864</u>
Net decrease in cash	(294,924)
CASH, beginning	<u>454,390</u>
CASH, ending	<u><u>\$ 159,466</u></u>

The Notes to Financial Statements are an integral part of these statements.

UNITED WAY OF CENTRAL WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**Note 1. Organization and Significant Accounting Policies**

Nature of organization and operations

United Way of Central West Virginia, Inc. (the "Organization") is a nonprofit, nonstock 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 organizational 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, 2021.

Pledges receivable

All current year campaign funds raised during the year ended June 30, 2021, 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 \$36,676 as of June 30, 2021.

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.

(Continued)

UNITED WAY OF CENTRAL WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**Note 1. Organization and Significant Accounting Policies (Continued)**

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 assets 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. Conditional contributions are recognized as the Organization incurs 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.

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.

(Continued)

**UNITED WAY OF CENTRAL WEST VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Organization and Significant Accounting Policies (Continued)**

Grants and contributions (continued)

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 February 17, 2022, the date the financials were available to be issued.

**Note 2. Prior Period Adjustment**

Net assets have been restated as of July 1, 2020, to reflect adjustments necessary to present net assets in accordance with the generally accepted accounting principles. Management has determined that certain net assets were classified as net assets with donor restrictions but should have been classified as net assets without donor restrictions. In addition, certain contributions were previously determined to be conditional contributions, which resulted in the recognition of a liability, but management has determined that the contributions should have been reported as unconditional. As a result, as of July 1, 2020, net assets without donor restrictions were increased by \$387,299 and net assets with donor restrictions were decreased by \$251,851.

**UNITED WAY OF CENTRAL WEST VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 3. 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, 2021, 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	\$ 159,466
Accounts receivable	723,443
Pledges receivables (net)	269,894
Investments	820,655
Financial assets at year-end	<u>1,973,458</u>
Less those unavailable for general expenditures within one year due to:	
Donor restrictions	<u>120,472</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 1,852,986</u></u>

**Note 4. Property and Equipment**

Property and equipment consisted of the following:

Office equipment	\$ 110,867
Building	968,385
Land	301,423
	<u>1,380,675</u>
Less accumulated depreciation	<u>(995,698)</u>
	<u><u>\$ 384,977</u></u>

**Note 5. Conditional Contributions**

The Organization has conditional contributions available through September 2021, subject to certain conditions being met, such as incurring qualifying expenditures. Conditional contributions, which are not recognized as revenue in the financial statements until the conditions have been met, are as follows:

Foster Grandparents Program	\$ 596,352
Retired Senior Volunteers	234,476
VISTA	202,596
Lifebridge	139,397
Other	93,201
	<u><u>\$ 1,266,022</u></u>

UNITED WAY OF CENTRAL WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**Note 6. 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:

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:* Valued at the closing price reported on the active market which the individual securities are traded.

Assets measured at fair value on a recurring basis consist of the following:

	<u>Level 1</u>	<u>Total</u>
Mutual funds:		
Fixed income	\$ 579,818	\$ 579,818
Equity	131,304	131,304
Short-term investments	<u>109,533</u>	<u>109,533</u>
	<u>\$ 820,655</u>	<u>\$ 820,655</u>

**Note 7. Net Assets**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

COVID-19	\$ 156,019
WV 211	78,723
Other	<u>14,067</u>
	<u>\$ 248,809</u>

(Continued)

**UNITED WAY OF CENTRAL WEST VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 7. Net Assets (Continued)**

Net assets with donor restrictions consisted of the following:

Mobile Grocery	\$	40,005
Handle With Care		34,806
Other		45,661
	<u>\$</u>	<u>120,472</u>

**Note 8. 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.

**Note 9. 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, 2021 was 13.54%.

**Note 10. 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 \$478,017 as of June 30, 2021. Distributions from the fund totaling \$20,043 for the year ended June 30, 2021, are recorded as revenue in the accompanying statement of activities.

**Note 11. Retirement Plan**

The Organization maintains a 403(b) tax advantaged retirement plan for its employees. During the year ended June 30, 2021, the Organization matched 75% of employees' contributions up to 4% of wages. Retirement expense for the year ended June 30, 2021, was \$23,000.

**Note 12. Line of Credit**

As of June 30, 2021, the Organization had \$200,000 available under a line of credit with a bank which expires in January 2024. The line of credit bears interest at the bank's prime rate with a minimum rate of 3.25%.

**UNITED WAY OF CENTRAL WEST VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**Note 13. 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.

In an effort to mitigate the potential impact, the Organization applied for and received a Paycheck Protection Program loan (“PPP Loan”) of \$118,900 granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The PPP Loan was subject to forgiveness under the Paycheck Protection Program upon the Organization’s request to the extent that the PPP Loan proceeds were used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization received formal forgiveness of the loan in March 2021 in the amount of \$118,900, which is recognized as income in the statement of activities.

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

Year Ended June 30, 2021

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	\$ 205,846
COVID-19 Retired Senior Volunteer Program	94.002	20SRSWV001	5,000
Retired Senior Volunteer Program	94.002	17SRSWV001	38
Vista	94.013	20VSSWV002	<u>211,309</u>
			422,193
Passed Through Volunteer West Virginia:			
AmeriCorps	94.006	19AC210618-2	188,913
AmeriCorps	94.006	20AC210618-3	<u>611,828</u>
Total Corporation for National and Community Services			1,222,934
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	G210352	58,142
Temporary Assistance for Needy Families	93.558	G200603	5,900
Temporary Assistance for Needy Families	93.558	G210544	<u>34,230</u>
			98,272
Passed through Kanawha Valley Collective:			
State Opioid Response	93.788	Not available	<u>119,669</u>
Total for Department of Health and Human Services			217,941
Department of Homeland Security:			
Passed through United Way Worldwide:			
Emergency Food and Shelter National Board Program	97.024	E455107	351
COVID-19 Emergency Food and Shelter National Board Program	97.024	E455344	1,109
COVID-19 Emergency Food and Shelter National Board Program	97.024	E455346	124
Emergency Food and Shelter National Board Program	97.024	E455108	1,274
COVID-19 Emergency Food and Shelter National Board Program	97.024	E455347	1,020
Emergency Food and Shelter National Board Program	97.024	E456146	4,178
Emergency Food and Shelter National Board Program	97.024	C255746	254
COVID-19 Emergency Food and Shelter National Board Program	97.024	E455348	<u>841</u>
Total Department of Homeland Security			9,151
Department of Justice			
Passed through Kanawha-Chas Health Department:			
Comprehensive Opioid Abuse Program	16.838	Not available	9,308
Department of Housing and Urban Development:			
Passed through West Virginia Development Office:			
Emergency Solutions Grants	14.231	ESG20UWC	3,355
Passed through Kanawha Valley Collective:			
Home4Good	14.267	Not available	271,064
COVID-19 Emergency Solutions Grant	14.231	Not available	<u>54,604</u>
			325,668
Passed through Pretera Center:			
Substance Abuse Prevention and Treatment (KCTC)	93.959	Not available	18,219
Substance Abuse Prevention and Treatment (KCTC)	93.959	Not available	<u>27,923</u>
			46,142
Total Housing and Urban Development			375,165
<u>Foster Grandparent/Senior Companion Cluster</u>			
Corporation for National and Community Service:			
Foster Grandparents Program	94.011	19SFSWV001	464,329
COVID-19 Foster Grandparents Program	94.011	19SFSWV001	<u>15,000</u>
Total Foster Grandparent/Senior Companion Cluster			479,329
<u>CDBG - Entitlement Grants Cluster</u>			
Department of Housing and Urban Development:			
Passed through City of Charleston:			
COVID-19 Community Development Block Grant	14.218	Not available	<u>142,309</u>
Total CDBG - Entitlement Grants Cluster			142,309
Total Expenditures of Federal Awards			<u>\$ 2,456,137</u>

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards.

**UNITED WAY OF CENTRAL WEST VIRGINIA, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2021**

**Note 1. 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, 2021. The information in this Schedule is presented in accordance with the requirement 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 Central West Virginia, Inc.

**Note 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.

**Note 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.



**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, 2021, and the related statements of activities, functional expenses and cash flows for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated February 17, 2022.

**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) as a basis for designing 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

## **Compliance and Other Matters**

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

## **United Way of Central West Virginia, Inc.'s Response to Findings**

United Way of Central West Virginia, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. United Way of Central West Virginia, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

## **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.

*Brown, Edwards & Company, S. L. P.*

CERTIFIED PUBLIC ACCOUNTANTS

Charleston, West Virginia  
February 17, 2022



**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**

We have audited United Way of Central West Virginia, Inc.’s (the “Organization”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization’s major federal program for the year ended June 30, 2021. The Organization’s major federal program is identified in the summary of auditor’s 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 the Organization’s major federal program 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 the Organization’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization’s compliance.

**Opinion on the 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 its major federal program for the year ended June 30, 2021.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-002. Our opinion on the federal major program is not modified with respect to this matter.

## Other Matters (Continued)

The Organization's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control over Compliance

Management of the Organization 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 the Organization'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 the Organization'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 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 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify certain deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-002, that we consider to be a significant deficiency.

The Organization's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

  
CERTIFIED PUBLIC ACCOUNTANTS

Charleston, West Virginia  
February 17, 2022

UNITED WAY OF CENTRAL WEST VIRGINIA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2021

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **One significant deficiency** relating to the audit of the financial statements is reported in the 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*.
3. **No instances of noncompliance** material to the financial statements were disclosed during the audit.
4. **One significant deficiency** relating to the audit of the major federal award program was reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditor's report on compliance for the major federal award program expresses an **unmodified opinion**.
6. The audit disclosed **one audit finding** relating to the major program.
7. The program tested as major program include:

<u>Name of Program:</u>	<u>CFDA #</u>
AmeriCorps State and National	94.006

8. The **threshold for** distinguishing Type A and B programs was **\$750,000**.
9. The Organization was determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

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 States of America (U.S. GAAP).

**UNITED WAY OF CENTRAL WEST VIRGINIA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2021**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)**

*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.

**C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT**

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.

*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.

**UNITED WAY OF CENTRAL WEST VIRGINIA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2021**

**C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT  
(Continued)**

*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.



## Corrective Action Plan

The Federal Audit Clearinghouse:  
United Way of Central West Virginia, Inc respectfully submits the following corrective action plan for the year ended June 30, 2021.

Independent public accounting firm:  
Brown, Edwards and Company, L.L.P.  
707 Virginia St E, Charleston, WV 25301

Audit period: June 30, 2021

The findings from the June 30, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

### FINDINGS – FINANCIAL STATEMENT AUDIT

2021-001 Recognition and Classification of Contributions and Grant

*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 States 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.

**FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT**

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.

*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.

Management expects the implementation of the corrective action for 2021-001 and 2021-002 to be completed by March 31, 2022. If the Federal Audit Clearinghouse has questions regarding this plan, please call Paul Koontz, Chief Financial Officer, 304-340-3506.

Sincerely,



Paul Koontz  
Chief Financial Officer

2/17/2022