

**UNITED WAY OF SOUTHERN WV, INC.**  
**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**Years Ended December 31, 2022 and 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way of Southern WV, Inc.

We have audited the accompanying financial statements of United Way of Southern WV, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Southern WV, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt regarding United Way of Southern WV, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Southern WV, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Southern WV, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Statements of Activities and Changes in Net Assets, Related to disaster relief on page 15 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.

*Jess. Stewart + Campbell, PLLC.*

Beckley, West Virginia  
August 15, 2023

**UNITED WAY OF SOUTHERN WV, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 500,463	\$ 368,590
Restricted cash	65,526	97,750
Certificate of deposit	22,979	22,954
Pledges receivable, less allowance for uncollectible amounts of \$20,000 and \$20,000, respectively	13,775	20,289
Inventory	32,300	27,830
<b>TOTAL CURRENT ASSETS</b>	<b>635,043</b>	<b>537,413</b>
<b>LAND, STRUCTURES AND EQUIPMENT</b>		
Land	45,000	45,000
Building	214,172	214,172
Furniture, fixtures and equipment	40,088	34,119
	299,260	293,291
Less accumulated depreciation	(81,207)	(70,963)
	<b>218,053</b>	<b>222,328</b>
<b>OTHER ASSETS</b>		
Beckley Area Foundation Trust	3,674	3,674
<b>TOTAL ASSETS</b>	<b>\$ 856,770</b>	<b>\$ 763,415</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Allocations payable	\$ 273,800	203,475
Operating payables	1,939	574
Accrued payroll taxes and employee benefits	640	640
<b>TOTAL CURRENT LIABILITIES</b>	<b>276,379</b>	<b>204,689</b>
<b>NET ASSETS</b>		
Net assets without donor restrictions	482,565	433,146
Net assets with donor restrictions	97,826	125,580
<b>TOTAL NET ASSETS</b>	<b>580,391</b>	<b>558,726</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 856,770</b>	<b>\$ 763,415</b>

**UNITED WAY OF SOUTHERN WV, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Year Ended December 31, 2022 with Comparative Totals for the Year Ended December 31, 2021**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>SUPPORT AND REVENUES</b>				
Net campaign revenue 2023 year	\$ -	\$ 222,844	\$ 222,844	\$ -
Net campaign revenue 2022 year	-	116,552	116,552	244,286
Net campaign revenue 2021 year	-	-	-	125,235
Special events	-	325,036	325,036	128,779
Investment revenue	52	-	52	189
Miscellaneous income	169,629	-	169,629	122,842
	<u>169,681</u>	<u>664,432</u>	<u>834,113</u>	<u>621,331</u>
Net assets released from restrictions due to satisfaction of purpose	<u>692,186</u>	<u>(692,186)</u>	<u>-</u>	<u>-</u>
<b>Total Support and Revenues</b>	<u><b>861,867</b></u>	<u><b>(27,754)</b></u>	<u><b>834,113</b></u>	<u><b>621,331</b></u>
<b>EXPENSES</b>				
<b><u>Program services</u></b>				
Allocations to supported agencies and direct community services	273,800	-	273,800	203,475
Other program services expense	261,525	-	261,525	191,767
<b>Total program services expenses</b>	<u>535,325</u>	<u>-</u>	<u>535,325</u>	<u>395,242</u>
<b><u>Supporting services</u></b>				
Management and general	31,833	-	31,833	23,344
Fundraising	238,760	-	238,760	106,268
Payments to national organization	6,530	-	6,530	10,060
<b>Total supporting services</b>	<u>277,123</u>	<u>-</u>	<u>277,123</u>	<u>139,672</u>
<b>Total Expenses</b>	<u><b>812,448</b></u>	<u><b>-</b></u>	<u><b>812,448</b></u>	<u><b>534,914</b></u>
<b>CHANGE IN NET ASSETS</b>	<b>49,419</b>	<b>(27,754)</b>	<b>21,665</b>	<b>86,417</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u><b>433,146</b></u>	<u><b>125,580</b></u>	<u><b>558,726</b></u>	<u><b>472,309</b></u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u><b>\$ 482,565</b></u></u>	<u><u><b>\$ 97,826</b></u></u>	<u><u><b>\$ 580,391</b></u></u>	<u><u><b>\$ 558,726</b></u></u>

**UNITED WAY OF SOUTHERN WV, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2022 and 2021

**December 31, 2022**

**Program Functions**

**Other Functions**

	<b>Other Program Operational Components</b>				<b>Disaster Relief Programs</b>					<b>Other Functions</b>		<b>Unallocated Payments to National Organization</b>	<b>Totals All</b>	
	<b>Allocations to Supported Agencies and Direct Community Services</b>	<b>De Tocqueville Operations</b>	<b>Kroger Feeding Program Operations</b>	<b>211 Operations</b>	<b>Total Program Services Exclusive of Disaster Relief Programs</b>	<b>United Way Disaster Relief Program</b>	<b>Greater Fayette County Long-Term Flood Recovery</b>	<b>Greater Nicholas County Long-Term Flood Recovery</b>	<b>Total Disaster Relief Programs</b>	<b>Total Program Services</b>	<b>Management &amp; General</b>			<b>Fundraising</b>
Allocations to agencies and direct support community services	\$ 273,800	\$ -	\$ -	\$ -	\$ 273,800	\$ -	\$ -	\$ -	\$ -	\$ 273,800	\$ -	\$ -	\$ -	\$ 273,800
Salaries & wages	62,325	13,528	4,138	17,601	97,592	930	930	930	2,790	100,382	12,219	18,361	-	130,962
Payroll taxes & employee benefits	6,290	1,365	418	1,776	9,849	94	94	94	282	10,131	1,233	1,853	-	13,217
Fundraising events direct costs	-	-	-	-	-	-	-	-	-	-	-	190,924	-	190,924
Contributed Media	60,263	13,081	4,001	17,019	94,364	899	899	899	2,697	97,061	11,814	17,754	-	126,629
Office supplies and expense	12,067	2,619	801	3,408	18,895	180	180	180	540	19,435	2,366	3,555	-	25,356
United Way of America dues	-	-	-	-	-	-	-	-	-	-	-	-	6,530	6,530
Telephone and internet	4,253	923	282	1,201	6,659	63	63	63	189	6,848	834	1,253	-	8,935
Depreciation	4,875	1,058	324	1,377	7,634	73	73	73	219	7,853	956	1,435	-	10,244
Travel and entertainment	1,218	264	81	344	1,907	18	18	18	54	1,961	239	360	-	2,560
Utilities	2,282	495	152	645	3,574	34	34	34	102	3,676	447	672	-	4,795
Marketing, advertising and recognition	2,080	451	138	587	3,256	31	31	31	93	3,349	408	613	-	4,370
Insurance	2,803	608	186	791	4,388	42	42	42	126	4,514	549	826	-	5,889
Dues and subscriptions	2,883	626	191	814	4,514	43	43	43	129	4,643	565	849	-	6,057
Repairs and maintenance	414	90	27	117	648	7	7	7	21	669	81	122	-	872
Board of directors meeting expenses	519	113	34	146	812	8	8	8	24	836	102	153	-	1,091
Other taxes	103	22	7	29	161	2	2	2	6	167	20	30	-	217
	<b>\$ 436,175</b>	<b>\$ 35,243</b>	<b>\$ 10,780</b>	<b>\$ 45,855</b>	<b>\$ 528,053</b>	<b>\$ 2,424</b>	<b>\$ 2,424</b>	<b>\$ 2,424</b>	<b>\$ 7,272</b>	<b>\$ 535,325</b>	<b>\$ 31,833</b>	<b>\$ 238,760</b>	<b>\$ 6,530</b>	<b>\$ 812,448</b>

**UNITED WAY OF SOUTHERN WV, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2022 and 2021

**December 31, 2021**

	<b>Program Functions</b>						<b>Other Functions</b>							
	<b>Other Program Operational Components</b>				<b>Disaster Relief Programs</b>									
	<b>Allocations to Supported Agencies and Direct Community Services</b>	<b>De Tocqueville Operations</b>	<b>Kroger Feeding Program Operations</b>	<b>211 Operations</b>	<b>Total Program Services Exclusive of Disaster Relief Programs</b>	<b>United Way Disaster Relief Program</b>	<b>Greater Fayette County Long-Term Flood Recovery</b>	<b>Greater Nicholas County Long-Term Flood Recovery</b>	<b>Total Disaster Relief Programs</b>	<b>Total Program Services</b>	<b>Management &amp; General</b>	<b>Fundraising</b>	<b>Unallocated Payments to National Organization</b>	<b>Totals All</b>
Allocations to agencies and direct support community services	\$ 203,475	\$ -	\$ -	\$ -	\$ 203,475	\$ -	\$ -	\$ -	\$ -	\$ 203,475	\$ -	\$ -	\$ -	\$ 203,475
Salaries & wages	62,493	13,565	4,150	17,649	97,857	932	932	932	2,796	100,653	12,252	18,411	-	131,316
Payroll taxes & employee benefits	6,185	1,343	411	1,747	9,686	92	92	92	276	9,962	1,213	1,822	-	12,997
Fundraising events direct costs	-	-	-	-	-	-	-	-	-	-	-	71,189	-	71,189
Contributed Media	21,163	4,594	1,405	5,977	33,139	316	316	316	948	34,087	4,148	6,235	-	44,470
Office supplies and expense	8,689	1,886	577	2,454	13,606	130	130	130	390	13,996	1,704	2,559	-	18,259
United Way of America dues	-	-	-	-	-	-	-	-	-	-	-	-	10,060	10,060
Telephone and internet	2,632	571	175	743	4,121	39	39	39	117	4,238	516	775	-	5,529
Depreciation	4,916	1,067	326	1,388	7,697	73	73	73	219	7,916	964	1,450	-	10,330
Travel and entertainment	505	109	34	143	791	7	7	7	21	812	100	148	-	1,060
Utilities	3,551	771	236	1,003	5,561	53	53	53	159	5,720	696	1,047	-	7,463
Marketing, advertising and recognition	935	203	62	264	1,464	14	14	14	42	1,506	183	276	-	1,965
Insurance	3,893	845	259	1,099	6,096	58	58	58	174	6,270	763	1,147	-	8,180
Dues and subscriptions	3,267	709	217	923	5,116	49	49	49	147	5,263	640	962	-	6,865
Repairs and maintenance	162	35	11	46	254	2	2	2	6	260	32	48	-	340
Board of directors meeting expenses	625	136	41	176	978	8	8	8	24	1,002	123	184	-	1,309
Other taxes	51	11	3	14	79	1	1	1	3	82	10	15	-	107
	<b>\$ 322,542</b>	<b>\$ 25,845</b>	<b>\$ 7,907</b>	<b>\$ 33,626</b>	<b>\$ 389,920</b>	<b>\$ 1,774</b>	<b>\$ 1,774</b>	<b>\$ 1,774</b>	<b>\$ 5,322</b>	<b>\$ 395,242</b>	<b>\$ 23,344</b>	<b>\$ 106,268</b>	<b>\$ 10,060</b>	<b>\$ 534,914</b>



**UNITED WAY OF SOUTHERN WV, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2022 and 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 21,665	\$ 86,417
Adjustments to reconcile changes in net assets to net cash provided by operations:		
Depreciation	10,244	10,330
Changes in assets and liabilities:		
Increase in certificate of deposit	(25)	(163)
Decrease (increase) in pledges receivable	6,514	7,733
(Increase) decrease in inventory	(4,470)	8,080
Increases (decrease) in allocations payable	70,325	93,475
Increase (decrease) in operating payable	1,365	(1,273)
Decrease in accrued expenses and withholdings	-	(3,229)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>105,618</b>	<b>201,370</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of improvements of land, buildings and equipment	(5,969)	(2,943)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,969)</b>	<b>(2,943)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in Long-term Debt (PPP Loan)	-	(35,500)
<b>NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	<b>-</b>	<b>(35,500)</b>
<b>NET INCREASE IN CASH</b>	<b>99,649</b>	<b>162,927</b>
<b>CASH AND RESTRICTED CASH AT BEGINNING OF YEAR</b>	<b>466,340</b>	<b>303,413</b>
<b>CASH AND RESTRICTED CASH AT END OF YEAR</b>	<b>\$ 565,989</b>	<b>\$ 466,340</b>

**UNITED WAY OF SOUTHERN WV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization:** The United Way of Southern WV, Inc. (“the organization”) is a non-profit community service organization servicing principally Raleigh, Fayette, Summers, Wyoming, Mercer, McDowell and Nicholas counties in southern and central West Virginia. The primary purpose of the organization is to bring together, in a united appeal, all possible fundraising campaigns of community accepted health, welfare, and recreational agencies, including local, state, and national service organizations. The Organization is supported primarily through donor contributions provided by individuals and companies and special fundraising events.

The organization also operates a “West Virginia 211 Center”. The purpose of this is to accept phone calls from people in need of assistance in obtaining valuable social services. The 211 Center does this by providing linkage between those in need and those that may directly help with this need. Examples of some of the social services that may be met by contacting a 211 Center are as follows:

- Crisis prevention
- Assistance for the aged or disabled
- Assistance in obtaining employment
- Assistance in obtaining housing
- And many others.

In recent years, the Board of Directors decided to earmark a certain portion of high dollar amount contributions received (“Tocqueville” Society Contributions”) for direct community services coordinated by the Organization. Besides West Virginia 211, direct community services take the form of the following:

- Healthy Grandfamilies
- Childhood Enrichment
- Equal Footing Shoe Fund
- Anti-Hunger Campaign
- Basic Needs/ Emergency Services, and
- Read Aloud West Virginia

Further information concerning the Tocqueville Society giving may be obtained from the Organization’s website.

The Organization’s geographic operational area has found the need for a non-profit to serve as a fiscal sponsor and direct sponsor, principally as it relates to flood relief efforts resulting from the devastating Spring 2016 floods suffered by large parts of West Virginia (See Note 2).

**Basis of accounting:** The financial statements of the Organization 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.

**Basis of presentation:** The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The Board of Directors has discretionary control.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

**UNITED WAY OF SOUTHERN WV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Estimates:** Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

**Cash and cash equivalents:** Cash includes currency, demand deposits and time deposits with original maturities of three months or less.

**Pledges Receivable:** Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All pledges receivable are due within the coming calendar year.

**Allowance for doubtful amounts:** Management has determined an allowance for doubtful amounts based on previous historical averages of actual collections of contributions in relation to the promise to give (e.g. pledging) for a given campaign year.

**Land, buildings, and equipment:** Land, buildings, and equipment are carried at cost, or if donated at estimated fair value at the date of donation (See Note 3). Land is not depreciated whereas depreciation of buildings and equipment is computed on the straight-line method over the estimated useful lives of the respective assets as follows:

<b>Asset Depreciation</b>	<b>Estimated Useful Life</b>
Buildings	39 years
Equipment	3-5 years

Repairs and maintenance of equipment that do not enhance the useful lives of equipment are expensed as incurred.

**Donated property and services:** Donated noncash assets, such as use of facilities are recorded at their fair value in the period received and used as donations revenues with a corresponding expense. Contributions of donated services that create or enhance non-financial assets, or that require specialized skills and would typically need to be purchased, if not provided by donation, are recorded at their fair values in the period received as donations revenue with a corresponding expense. It is the policy of the Organization to record donations of long-lived assets as a component of unrestricted net assets.

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, special event fund raisers, and various other assignments.

**Revenue and revenue recognition:** Revenue is recognized when received. Donations are recognized when cash, or other assets, a promise to give, or notification of a beneficial interest is received.

**Revenue with and without donor restrictions:** Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

**Functional expenses allocation:** The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Allocations of these costs are based on the amount of time in terms of payroll dollars spent on each function by individual employees, as estimated by management.

**UNITED WAY OF SOUTHERN WV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Income taxes:** The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in these financial statements. The Organization's federal exempt organization business income tax returns for 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they were filed.

**Economic geographic dependency and concentrations:** The Organization generates substantially all of its support and revenue from the Plateau and surrounding areas of southern West Virginia, which is principally comprised of Raleigh, Fayette, Summers, Wyoming, Mercer, McDowell and Nicholas counties. The economies are largely dependent upon the mineral extraction (coal), governmental, health care and tourism industries. Changes in economies of these industries could significantly influence the Organization's ability to provide its support and services.

**Endowment fund:** The Beckley Area Foundation maintains three endowment funds for the direct benefit of the Organization. The Foundation holds the endowment assets valued at \$25,908 and \$30,781, for the years ended December 31, 2022 and 2021, respectively. The net income of the funds is distributed to the Organization annually. That income amounted to \$919 and \$856 for the years ended December 31, 2022 and 2021, respectively, and is included in donation revenue. According to the trust agreement, no principal amounts may be distributed from the endowment fund.

**Compensated Absences:** A liability for accrued compensated absences (i.e. vacation pay) has not been reflected in the accompanying financial statements as the amount is not reasonably determinable.

**Advertising:** The Organization expenses advertising costs when incurred. Total advertising costs were \$4,370 and \$1,965 for 2022 and 2021, respectively.

**Concentrations:** The Organization maintains cash in demand deposit accounts with federally insured banks. At times, the balance in the account may be in excess of federally insured limits.

**Affiliations:** The Organization is a participating member of the United Way Worldwide, which provides marketing, management and fundraising support. Dues paid to this organization for the years ended December 31, 2021 and 2020, amount to \$6,530 and \$10,060, respectively.

**Donor designations and service fees:** Donor designations, contributions that are designated by the donor to non-profit organizations other than United Way of Southern WV, Inc. member agencies are included in net campaign revenue. Donor designations are generally paid to the designated organization on a quarterly basis as pledges are collected. Where applicable, a service fee amounting to 10% of the designated contribution is charged to the representative organization.

**Fiscal sponsorships and disaster relief programs:** The Organization offers fiscal sponsorship programs for selected partner organizations whose work furthers the Organization's mission and exempt purpose. The priority area of focus for the fiscal sponsorship programs has been flood relief efforts necessitated by the devastating floods which occurred in regions of West Virginia and focus on Fayette and Nicholas Counties of West Virginia. In its capacity as a fiscal sponsor, the Organization is responsible for ensuring funds are properly spent to achieve the individual project goals. As a condition to the arrangements, goals must align with and further the Organization's mission. Under fiscal sponsorship arrangement for the years ended December 31, 2022 and 2021, the Organization received \$920 and \$0 in contributions and incurred expenses of \$0 and \$0, respectively. This is detailed by a fiscal sponsorship arrangement in the accompanying Supplemental Schedules of Activities and Changes in Net Assets, Related to Disaster Relief and Fiscal Sponsorships.

**Reclassifications:** Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**Recent accounting pronouncements:** The following summarizes a recent authoritative pronouncement that could impact the accounting, reporting, and/or disclosure of financial information by the Organization.

**UNITED WAY OF SOUTHERN WV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958)- Presentation of Financial Statements of Not-for-Profit Entities*. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which did not impact net assets without donor restrictions nor did it impact net assets with donor restrictions. As required by ASU 2016-14, the Organization is required to reclassify amounts that were previously reported as temporarily restricted net assets for donor-restricted property and equipment with implied time restrictions that expired over the useful life of the asset. Those amounts are now classified as net assets without donor restrictions as the related assets have been placed in service.

**NOTE 2. CASH AND CASH EQUIVALENTS**

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of assets, liabilities, and net assets that sum to the total of the same such amounts shown in the statements of cash flows as of December 31, 2022.

Cash and cash equivalents	\$	<b>500,463</b>
Restricted cash		<b>65,526</b>
Total cash and restricted cash	<u>\$</u>	<u><b>565,989</b></u>

Restricted cash consisted of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Related to fiscally sponsored entities and flood relief (See Note 1)	\$ 3,856	\$ 2,936
COVID-19 funding received	7,738	16,520
Handle with care fundraiser	6,628	11,085
Grandfamilies fundraiser	14,315	8,815
CASA funding received	-0-	43,394
Equal footing shoe project	5,205	15,000
L&S Basic Needs	10,000	-0-
AEP McDowell County	8,782	-0-
Bridging the Gap (Fayette Co)	7,406	-0-
Blessing Boxes	1,596	-0-
	<u>\$ 65,526</u>	<u>\$ 97,750</u>

In each case, restrictions of cash result from the applicable contractual relationship.

**NOTE 3. PROPERTY AND EQUIPMENT**

Land, buildings and equipment consisted of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land	\$ 45,000	\$ 45,000
Buildings and improvements	214,172	214,172
Equipment	40,088	34,119
	<u>299,260</u>	<u>293,291</u>
Less accumulated depreciation	<u>(81,207)</u>	<u>(70,963)</u>
	<u>\$ 218,053</u>	<u>\$ 222,328</u>

The Organization incurred depreciation expenses for 2022 and 2021, totaling \$10,244 and \$10,330, respectively.

**UNITED WAY OF SOUTHERN WV, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – FAIR VALUE MEASUREMENTS**

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with the Fair Value Measurements and Disclosures topic of FASB ASC, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined upon quoted market prices. Under GAAP, the Organization groups assets and liabilities at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine the fair value. These levels are:

- **Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date
- **Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities.
- **Level 3:** Significant unobservable inputs that reflect an entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**Fair Value Measurements:** Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

**Certificate of deposit:** Certificate of Deposit are investments that are recorded at net realizable value which is the principal amount of deposit plus accrued interest which represents fair value.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2022 and 2021, are as follows:

**2022:**

	<u>Fair Value</u>	<u>Significant Observable Inputs (Level 1)</u>	<u>Significant Unobservable Inputs (Level 2)</u>
Certificate of Deposit	\$ 22,979	\$ 22,979	\$ -

**2021:**

	<u>Fair Value</u>	<u>Significant Observable Inputs (Level 1)</u>	<u>Significant Unobservable Inputs (Level 2)</u>
Certificate of Deposit	\$ 22,954	\$ 22,954	\$ -

**NOTE 5. DONATED MEDIA AND RELATED PARTIES**

The Organization also receives substantial fundraising media support from such local outlets (i.e. radio, television and newspapers). The fair value of this support amounted to \$126,629 and \$44,470 for the years ended December 31, 2022 and 2021, respectively and are reflected in the accompanying statement of activities as miscellaneous income and in the statement of functional expenses as contributed media expense.

Substantial amounts of these donated services have been provided by entities in which owners, stockholders or managerial level employees also serve on the Board of Directors of the Organization.

**UNITED WAY OF SOUTHERN WV, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. CAMPAIGN YEAR**

The fundraising campaign year differs from the fiscal year of the Organization (the fiscal year is a calendar year). The campaign year effectively begins during the second calendar quarter of each year with the occurrence of numerous special fundraising events (golf tournaments, raffles, etc.). The campaign formally begins on or about September 1<sup>st</sup> of each year, with major contribution solicitations occurring through the end of the fourth calendar quarter (December 31<sup>st</sup>) of each year. Substantial unconditional promises to give (See note 1) in the form of pledges continue to be received well into 1<sup>st</sup> calendar quarter of the next year, but are not recorded as revenue until such time as these pledges are received.

In contrast, the Allocations Committee of the Board of Directors meets during the last calendar quarter of each year in order to determine the allocations to be paid out during the coming fiscal year (the payments typically commence during January of each year). This committee’s deliberations involve making estimates as to the outcome of the fundraising efforts in order to determine the outlay of allocations.

At the time that the Allocations Committee determines the allocation, and the Board of Directors approves the amounts to be paid to member and nonmember agencies, the “unconditional promise to give” is recorded as an expense of the Organization, along with a corresponding liability (allocations payable in the accompanying statements of financial position). Certain stipulations are placed on these allocations to agencies, specifically stating that if fundraising goals are not met, then allocation may be reduced accordingly.

For the years ended December 31, 2022 and 2021, \$273,800 and \$203,475 in awards were approved and distributed to member and nonmember agencies.

**NOTE 7. SIGNIFICANT FUNDRAISING EVENT**

The Organization has been a sponsor of a successful fundraising event named “Dancing with the Stars”. For the year ended December 31, 2022, special events revenue in the amount of \$245,042 related to this event has been recognized. Direct expenses related to this event amount to approximately \$104,752. Due to the COVID-19 pandemic, the event was cancelled for the 2021 year.

**NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are comprised of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Restricted Cash:		
Greater Raleigh County Long-Term Flood Recovery	\$ 856	\$ 856
Greater Fayette County Long- Term Flood Recovery	3,000	2,080
COVID-19 Relief Fund	7,738	16,520
Handle With Care fundraiser	6,628	11,085
Grandfamilies fundraiser	14,315	8,815
Equal Footing Shoe Project	5,205	43,394
CASA funding received	-0-	15,000
L&S Basic needs	10,000	-0-
AEP McDowell County	8,782	-0-
Bridging the Gap (Fayette Co)	7,406	-0-
Blessing Boxes	1,596	-0-
Shoe Inventory	32,300	27,830
	<u>\$ 97,826</u>	<u>\$ 125,580</u>

**UNITED WAY OF SOUTHERN WV, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. FUNCTIONAL EXPENSES**

Expenses in the accompanying 2022 and 2021, statements of support, revenues, expenses and changes in net assets are presented using their natural classifications. A summary of expenses by their functional classification are as follows:

Classification:	2022		2021	
	Amount	Percentage of Total	Amount	Percentage of total
Program services	\$ 535,325	66%	\$ 395,242	74%
Management and general	38,363	5%	33,404	6%
Fundraising	238,760	29%	106,268	20%
Total expenses	\$ 812,448	100%	\$ 534,914	100%

**NOTE 11. EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from the statement of financial position date through August 15, 2023, the date at which the financial statements were available to be issued. There are no further items to disclose.



**SUPPLEMENTARY INFORMATION**

**UNITED WAY OF SOUTHERN WV, INC.**  
**SCHEDULES OF STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**RELATED TO DISASTER RELIEF AND FISCAL SPONSORSHIPS**  
**For the Years Ended December 31, 2022 and 2021**

	<u>Internal Program</u>		<u>Fiscally Sponsored Entities</u>		<b>Totals All</b>
	<b>United Way Disaster Relief Program</b>	<b>Greater Fayette County Long- Term Flood Recovery</b>	<b>Greater Nicholas County Long- Term Flood Recovery</b>	<b>Total Fiscally Sponsored Entities</b>	
<b><u>2022</u></b>					
Revenues, all contributions and grants	\$ -	\$ 920	\$ -	\$ 920	\$ 920
<b><u>Expenses</u></b>					
Distributions for Assistance	-	-	-	-	-
Excess of (Expenses Over Revenue)					
Revenue Expenses	\$ -	\$ 920	\$ -	\$ 920	\$ 920
Net Assets, Beginning of Year					
With Donor Restriction	7,407	2,080	1	2,081	9,488
Net Assets, End of Year					
With Donor Restriction	<u>\$ 7,407</u>	<u>\$ 3,000</u>	<u>\$ 1</u>	<u>\$ 3,001</u>	<u>\$ 10,408</u>
<b><u>2021</u></b>					
Revenues, all contributions and grants	\$ -	\$ -	\$ -	\$ -	\$ -
<b><u>Expenses</u></b>					
Distributions for Assistance	-	-	-	-	-
Excess of (Expenses Over Revenue)					
Revenue Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Net Assets, Beginning of Year					
With Donor Restriction	7,407	2,080	1	2,081	9,488
Net Assets, End of Year					
With Donor Restriction	<u>\$ 7,407</u>	<u>\$ 2,080</u>	<u>\$ 1</u>	<u>\$ 2,081</u>	<u>\$ 9,488</u>