

**Report to the  
Board of Trustees**

# **United Way of Greenville County, Inc.**

**December 31, 2017**

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## **Communication with Those Charged with Governance**

July 9, 2018

To the Board of Trustees

United Way of Greenville County, Inc.

We have audited the financial statements of United Way of Greenville County, Inc. (“United Way”) for the year ended December 31, 2017, and have issued our report thereon dated July 9, 2018. Professional standards require that we provide you with information about our responsibilities in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* and *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our presentation to you on December 5, 2017. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by United Way are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of significant existing policies was not changed during 2017. We noted no transactions entered into by United Way during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management’s estimate of allowance for uncollectible pledges receivable is based on the historical collections on the pledges. We evaluated the key factors and assumptions used to develop the allowance for uncollectible pledges in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of depreciation expense is based on the assets’ respective estimated useful lives. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of functional expense allocation is based on a review of expenses and allocating them among the programs and supporting services that



benefited. We evaluated the key factors and assumptions used to develop the functional expense allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair value of investments is based on management's knowledge and experience, which includes in certain instances consultation with external advisors.

Management's estimate of the unfunded pension benefit obligation is based on the estimates and assumptions used by the actuary to determine related pension expense and the obligation at year end. We evaluated the key factors and assumptions used to develop the unfunded pension benefit obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of restrictions on net assets in Note 2 to the financial statements describes the restrictions placed on donor contributions.

### **Difficulties Encountered in Performing the Audit**

We encountered no difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements and Omitted Disclosures**

Professional standards require us to accumulate all known and likely misstatements and omitted disclosures identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No uncorrected or corrected misstatements were identified over the course of the audit. However, the level 3 investment roll forward has been omitted from the financial statements.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter included in Appendix A.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to United Way's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting



accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the United Way's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and management of United Way and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Dixon Hughes Goodman LLP*

Greenville, South Carolina



# **Appendix A**

## **Management Representation Letter**

July 9, 2018

Dixon Hughes Goodman LLP  
11 Brendan Way, Suite 200  
Greenville, SC 29615

This representation letter is provided in connection with your audit of the financial statements of United Way of Greenville County (“United Way”), which comprise the statement of financial position as of December 31, 2017 and the related statements of activities, cash flows, and allocations and functional expenses for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

***Financial Statements***

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 26, 2017 for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility 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.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) The following have been properly accounted for and disclosed in the financial statements:
  - a) Related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties
  - b) Guarantees, whether written or oral, under which the United Way is contingently liable
  - c) Other liabilities or gain or loss contingencies
- 5) Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that “near term” means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the United Way vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
- 6) Significant assumptions we used in making accounting estimates, including estimates of fair value, are reasonable.



- 7) We are not aware of any uncorrected financial statement misstatements which need to be made to the financial statements.
- 8) We believe that the effects of the omitted disclosure in the financial statements related to the level 3 investment roll forward is immaterial to the financial statements taken as a whole.
- 9) We represent to you the following for the United Way's fair value measurements and disclosures:
  - a) The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b) The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c) The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - d) There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- 10) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.

***Information Provided***

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the United Way from whom you determined it necessary to obtain audit evidence.
- 12) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud affecting the United Way involving:
  - a) Management.
  - b) Employees who have significant roles in internal control.
  - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting United Way's financial statements received in communications from employees, former employees, or others.
- 16) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- 17) There has been no instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.
- 18) We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

- 19) United Way is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize United Way's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date. We have evaluated United Way's tax positions, including its not-for-profit status, and have determined that United Way does not have any material uncertain tax positions.
- 20) The United Way recognizes tax benefits only to the extent that the United Way believes it is more-likely-than-not (i.e. greater than 50 percent) that its tax positions will be sustained upon examination. We have evaluated the United Way's tax positions, including its not-for-profit status, and have determined that the United Way does not have any material uncertain tax positions.
- 21) We have disclosed to you the identity of the United Way's related parties and all the related party relationships and transactions of which we are aware.
- 22) The United Way has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 23) The United Way has satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 24) We agree with the findings of specialists in evaluating the pension and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 25) We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 26) We adopted the provisions of the Not-For-Profit Entities Topic of the FASB Accounting Standards Codification related to net asset classification of endowment funds. The provisions of this accounting guidance improve disclosures about the endowment fund. This also requires that in the absence of explicit donor stipulations, an organization must determine what portion of a donor restricted fund is required to be retained permanently. We have complied with all provisions of this accounting guidance.
- 27) We plan to contribute \$300,000 to the pension plan in FY18.
- 28) We have reviewed the financial statements prepared by you and are in agreement with and accept responsibility for all methods and assertions contained therein.
- 29) We acknowledge our responsibility for presenting the Schedule of Expenditures of Federal Awards in accordance with U.S. GAAP, and we believe that the supplementary information including its form and content is fairly presented in accordance with U.S. GAAP. We have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 30) With respect to federal award programs:
  - a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditors' report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including, when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.

- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w) We have charged costs to federal awards in accordance with applicable cost principles.
- x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

aa) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

31) In regards to the tax and financial statement preparation services performed by you, we have:

- a) Assumed all management responsibilities.
- b) Overseen the service, by designating an individual within senior management, who possesses suitable skill, knowledge, or experience.
- c) Evaluated the adequacy and results of the services performed.
- d) Accepted responsibility for the results of the services.
- e) Evaluated and maintained internal controls, including monitoring ongoing activities.

We have evaluated subsequent events through the date of this letter, which is the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements except as made known to you and as disclosed in the financial statements.

Signature:   
Controller

Signature:   
Director of Executive Operations