

June 9, 2020

Members of the Board of Directors of
Chenango United Way, Inc.

I have audited the financial statements of Chenango United Way, Inc. for the year ended December 31, 2019, and I will issue a report thereon dated June 9, 2020. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated February 7, 2020. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Chenango United Way, Inc. are described in Note 1 to the financial statements. The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605). I noted no transactions entered into by the Organization 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 estimates related to the useful lives of the assets owned by the Organization, the reserve for uncollectible accounts, the allocation of management and general expenses among the program and the fair value of investments and valuation of the beneficial interest in perpetual trust. These estimates were based on an analysis of the useful lives of similar assets, history of collections with the donors and grantors, the estimated costs to run the programs and value of the investments within the accounts. I have evaluated the key factors and assumptions used to develop the aforementioned estimates in determining that they are 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 financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management.

1. Audit entry of approximately \$18,700 to adjust posting of allocations.
2. Audit entry of approximately \$5,500 to record additional pledges receivable.
3. Audit entry of approximately \$3,700 to record directed donation payable.
4. Audit entry of approximately \$6,200 to record gain on beneficial interest perpetual trust.
5. Audit entry of approximately \$4,900 to record donations payable.
6. Audit entry of approximately \$9,500 to write off prior year campaign receivables that were not collectible.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated June 9, 2020.

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 the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

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



Darcy Aldous CPA P.C.