

UNITED WAY OF SOUTHEAST ALASKA

Letter to the Governing Board

Year Ended August 31, 2015

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December 1, 2015

To the Board of Directors  
United Way of Southeast Alaska  
Juneau, Alaska

Ladies and Gentlemen:

We have audited the financial statements of United Way of Southeast Alaska (UWSEAK) for the year ended August 31, 2015, and have issued our report thereon dated December 1, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 12, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies and Transactions

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by UWSEAK are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We 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

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 the useful lives and depreciation methods of leasehold improvements and equipment is based on industry trends and norms. We evaluated the key factors and assumptions used to develop the useful lives of equipment in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the collectability of pledges receivable is based on a review of the pledges receivable aging summary and prior experiences with individuals and agencies. We evaluated the key factors and assumptions used to develop the estimate of collectability of accounts receivable in relation to the financial statements taken as a whole.

Management's estimate of the value of donated services, supplies and rental space are based on fair market value of those items. We evaluated the key factors and assumptions used to develop the estimate of the value of donated services, supplies and rental space in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of functional expenses is based on the programs and supporting activities benefited. We evaluated the key factors and assumptions used to develop the functional expense classification in determining that it is reasonable in relation to the financial statements taken as a whole

#### Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

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

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not identify any misstatements that were material, either individually or in the aggregate, to the financial statements taken as a whole.

Summarized below is the misstatement that management has determined to be immaterial, both individually and in the aggregate, to the financial statements as a whole. The misstatements was not corrected by management:

- The ANDAR pledge tracking system is \$3,407 lower than the Accounts Receivable balance reported in the General Ledger.
- The ANDAR pledge tracking system is \$2,868 lower than the Accounts Payable balance reported in the General Ledger.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is 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 dated December 1, 2015.

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, 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 Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control

In planning and performing our audit of the financial statements of UWSEAK as of and for the year ended August 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered UWSEAK’s internal control over financial reporting (internal control) as a basis for designing 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 UWSEAK’s internal control. Accordingly, we do not express an opinion on the effectiveness of UWSEAK’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.

Our consideration of internal control was for the limited purpose described in the first paragraph of the section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Directors and management of UWSEAK, and is not intended to be, and should not be, used by anyone other than these specified parties.



Sincerely,  
Juneau, Alaska