UNITED WAY OF SOUTHERN NEVADA, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2020

With Summarized Comparative Information
For The Year Ended June 30, 2019

United Way
of Southern Nevada

UNITED WAY OF SOUTHERN NEVADA, INC.

JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Southern Nevada, Inc.
Las Vegas, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Southern Nevada, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020, 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 Southern Nevada, Inc. as of June 30, 2020, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020, on our consideration of United Way of Southern Nevada, 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 Southern Nevada, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited United Way of Southern Nevada, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 4, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
December 22, 2020

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	$ 2,749,501	$ 2,082,571
Cash and cash equivalents, restricted	1,054,747	867,322
Pledges receivable, net of allowance	2,016,974	2,943,427
Grants receivable	879,630	1,894,151
Prepaid expenses	11,330	38,590
	6,712,182	7,826,061
OTHER ASSETS		
Pledges receivable, net of current and discount	389,029	958,187
Property and equipment, net	2,493,259	2,603,954
	$ 9,594,470	$ 11,388,202

LIABILITIES AND NET ASSETS

	2020	2019
CURRENT LIABILITIES		
Allocations payable	$ 333,333	$ 333,333
Designations and other agency obligations	818,852	1,162,161
Payroll and related accrual	110,105	131,655
Refundable advances	400,008	477,623
Accounts payable and other	2,052,611	3,339,126
Long-term debt, current	357,358	45,532
	4,072,267	5,489,430
LONG-TERM LIABILITIES		
Long-term debt, net of current maturities and bond issuance costs	1,039,906	1,082,870
	5,112,173	6,572,300
NET ASSETS		
Without donor restrictions	3,427,550	3,236,996
With donor restrictions	1,054,747	1,578,906
	4,482,297	4,815,902
	$ 9,594,470	$ 11,388,202

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND GAINS				
Gross campaign results, current year	$ 5,292,934	$ 158,504	$ 5,451,438	$ 5,446,218
Less provision for uncollectible pledges	(1,046,393)	-	(1,046,393)	(261,758)
	4,246,541	158,504	4,405,045	5,184,460
Contribution and grant revenues	6,426,383	-	6,426,383	10,670,914
Program revenue	180,014	-	180,014	301,387
Rental revenue	65,050	-	65,050	84,987
Other revenue	86,804	-	86,804	66,362
In-kind donations	205,126	-	205,126	155,547
Net assets released from restrictions	682,663	(682,663)	-	-
	11,892,581	(524,159)	11,368,422	16,463,657
Less donor-designated pass-through, net of portion retained to offset administrative costs	(1,288,941)	-	(1,288,941)	(1,911,966)
	10,603,640	(524,159)	10,079,481	14,551,691
EXPENSES AND LOSSES				
Program services:				
Funded program allocations	1,782,312	-	1,782,312	1,256,702
Community development	477,563	-	477,563	612,881
Fiscal agent expense, other grants	5,979,856	-	5,979,856	9,994,199
	8,239,731	-	8,239,731	11,863,782
Support services:				
Management and general	776,168	-	776,168	823,332
Fundraising	1,397,187	-	1,397,187	1,480,265
	2,173,355	-	2,173,355	2,303,597
	10,413,086	-	10,413,086	14,167,379
CHANGE IN NET ASSETS	190,554	(524,159)	(333,605)	384,312
NET ASSETS, BEGINNING OF YEAR	3,236,996	1,578,906	4,815,902	4,431,590
NET ASSETS, END OF YEAR	$ 3,427,550	$ 1,054,747	$ 4,482,297	$ 4,815,902

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	2020							2019
	Program Services				Supporting Services			
	Funded Program Allocations	Community Development	Other Grants	Total Program	Management and General	Fundraising	Total all Functions	Total all Functions
Payroll and related	$ -	$ 172,922	$ 532,380	$ 705,302	$ 470,611	$ 670,674	$ 1,846,587	$ 1,943,723
Professional fees	-	21,703	462,973	484,676	56,540	94,005	635,221	451,742
Education program disbursements	-	-	4,520,721	4,520,721	-	-	4,520,721	8,916,600
Office supplies and expenses	-	112,155	93,553	205,708	81,031	104,710	391,449	287,931
Bank fees	-	-	-	-	27,901	-	27,901	24,035
Occupancy and insurance	-	39,860	15,891	55,751	37,369	47,384	140,504	163,512
Printing, publications, awards	-	3,072	-	3,072	4,347	44,909	52,328	89,422
Campaign support media	-	1,309	-	1,309	1,087	27,590	29,986	79,188
Travel and conferences	-	2,905	79,820	82,725	3,855	11,035	97,615	67,811
Outreach event fees	-	-	11	11	674	278,807	279,492	301,412
Community event fees	-	24,699	240	24,939	-	-	24,939	19,158
Mortgage loan interest payments	-	16,314	-	16,314	15,293	19,373	50,980	52,604
Other program expenses	-	-	274,254	274,254	-	-	274,254	285,478
Depreciation and amortization	-	35,231	13	35,244	33,030	42,421	110,695	103,346
Community distribution	1,782,312	-	-	1,782,312	-	-	1,782,312	1,261,419
	1,782,312	430,170	5,979,856	8,192,338	731,738	1,340,908	10,264,984	14,047,381
National dues	-	47,393	-	47,393	44,430	56,279	148,102	119,998
	$ 1,782,312	$ 477,563	$ 5,979,856	$ 8,239,731	$ 776,168	$ 1,397,187	$ 10,413,086	$ 14,167,379

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (333,605)	$ 384,312
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	110,695	103,346
Amortization of bond issuance costs (interest)	3,574	3,574
Change in pledge allowance	(25,508)	(221,482)
Change in discount to present value	(2,592)	(10,407)
(Increase) decrease in operating assets		
Pledges receivable	1,523,711	150,299
Grants receivable	1,014,521	(723,971)
Prepaid expenses	27,260	1,305
Increase (decrease) in operating liabilities		
Designations and other agency obligations	(343,309)	69,903
Payroll and related accrual	(21,550)	(50,075)
Refundable advances	(77,615)	(279,574)
Accounts payable and other	(1,286,515)	2,109,263
Net cash provided by operating activities	589,067	1,536,493
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(154,235)
Net cash used in investing activities	-	(154,235)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(44,712)	(43,090)
Proceeds from Paycheck Protection Program Loan	310,000	-
Net cash provided by (used in) financing activities	265,288	(43,090)
NET INCREASE IN CASH AND CASH EQUIVALENTS	854,355	1,339,168
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,949,893	1,610,725
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,804,248	$ 2,949,893
SUMMARY OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	$ 2,749,501	$ 2,082,571
Cash and cash equivalents, restricted	1,054,747	867,322
	$ 3,804,248	$ 2,949,893
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	$ 50,980	$ 52,604

See notes to financial statements

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: United Way of Southern Nevada, Inc. (the Organization or United Way) is a not-for-profit corporation governed by a local volunteer Board of Directors. The Organization was incorporated in 1957 and its operations are primarily in Clark County. The Organization is one of more than 1,200 local, independent United Ways across the country.

The Organization's mission is to unite the community to improve people's lives. The Organization is innovative and collaborative in their efforts to create a better community for all.

United Way utilizes its ability to harness the energy of tens of thousands of stakeholders in the community to collectively take on the biggest problems and make a measurable impact.

The Organization achieves its mission through its Community-based Agenda focused on supporting children and families to break the cycle of poverty and creating lasting change. The Organization engages the community in identifying the underlying causes of the most significant local issues, developing strategies, and mobilizing the required financial and human resources to address them and measuring the results.

United Way of Southern Nevada is part of a worldwide movement to create communities where all children and families can succeed by providing strong starts for future success. The Organization also acts as the fiscal agent for several State of Nevada grant programs benefiting the Southern Nevada area.

United Way staff works closely with community members to create positive change by solving complex community problems from cradle-to-career. The Organization's staff engages in advocacy and public policy, development of strategic initiatives and community leadership. United Way staff members manage and support community impact programs and provide nonprofit support and technical assistance.

United Way has learned it takes more than promising programs to change conditions in southern Nevada. The Organization mobilizes businesses, institutions, nonprofits, and residents to positively impact the community and create long-lasting generational change. By pursuing approaches that can be measured and programs that are proven to succeed, the Organization is getting to the root of the region's most troubling issues. The Organization works collaboratively with various community members to make permanent, systemic changes in areas that support the basics that we all need.

Annual fundraising campaigns are conducted throughout the fiscal year to support programs primarily in the subsequent fiscal year. Campaign contributions are used generally to support the Community-based initiatives, a variety of local health and human services programs, and to pay the United Way's operating expenses.

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities (continued): Contributors may direct their pledges to qualified 501(c)(3) organizations, United Way's Community Impact Fund or to a United Way Community-based Agenda initiative including education, health and financial stability. Specific donor designated pledges are assessed both a fundraising and a processing fee based on actual historical costs in accordance with United Way Worldwide membership standards as outlined in their publication titled *United Way of America Implementation Requirements for Membership Standard M (Cost Deduction for Designated Funds).*

Revenues related to the Community-based Agenda programs are included in campaign results and funded program distributions in the accompanying statement of activities. Specific contributor designations are not included in revenues, gains, other support, or in funded program allocations in the Statement of Activities in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605 and subsections, as United Way passes these contributions to the donor-designated party.

Commitments to distribute funds to United Way Community-based Agenda initiatives are dependent on the results of United Way's community campaign. Generally, commitments are paid over the calendar year, on a monthly or quarterly basis, following Board of Directors approval. Future support and activities and realization of its pledges receivable could be affected by adverse changes in economic conditions in this area.

Grant revenue is recognized in the period a liability is incurred for eligible expenditures under the term of the grant. Grant funds received prior to expenditure are recorded initially as an advance from the grantor under liabilities.

Basis of Accounting: The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and with the financial statement standards of United Way Worldwide. United Way Worldwide standards are required for membership and fully comply with the FASB ASC applicable for not-for-profit organizations. The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation: Financial statement presentation follows the guidelines of the FASB ASC. Under FASB ASC, the Organization is required to report information regarding its financial position and changes in financial position activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are available for the support of the Organization's activities. Net assets with donor restrictions represent funds subject to donor-imposed restrictions which will be met either by the Organization's actions or the passage of time.

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents: The Organization considers all highly liquid instruments purchased with an original maturity of twelve months or less to be cash equivalents.

Use of Estimates: Timely preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from management's estimates. Specifically, the allowance for estimated uncollectible pledges and the timing of payments on campaign pledge receivables (Note 4) are susceptible to revision in the near term.

Pledges Receivable: Annual campaign pledge contributions consist of unconditional promises to give by donors (Note 4). Unconditional promises to give that are expected to be collected during the following fiscal year are recorded at net realizable value. Pledges receivable expected to be collected in greater than one year are recognized net of a discount to present value.

Allowances for Uncollectible Pledges: The allowance for uncollectible pledges is computed based upon a three-year historical average and management's consideration of current economic factors that could affect pledge collections (Note 4). Using these criteria, the provision was determined to be 20.8% and 5.9% of gross campaign pledge revenue as of June 30, 2020 and 2019, respectively. After eighteen months or as otherwise determined uncollectible, uncollected campaign pledges are written off for the annual pledge campaign.

Property and Equipment: Property and equipment (Note 5) owned and used in operations are included in net assets without donor restrictions at cost or, if donated, at fair market value at the date of donation. All expenditures for property and equipment in excess of $3,000 are capitalized at the time of purchase. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, ranging from three to thirty-one years.

Refundable Advances: Refundable advances are recognized as revenues during the fiscal year in which they are earned.

Impairment of Long-Lived Assets: The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Advertising: The Organization expenses all advertising costs as they are incurred.

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status and Unrelated Business Income Tax: The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code. It is classified as a publicly supported charitable organization under IRC Section 509(a)(1); therefore, donations qualify for maximum charitable contribution deduction under IRC Section 170(b)(1)(A)(vi).

Donated Goods and Services: Donated services are recognized as contributions in accordance with FASB ASC 958-605 and subsections. The estimated fair value of donated services included in the financial statements consists of various services totaling $10,561 and $1,325 for the years ended June 30, 2020 and 2019, respectively. For the year ended June 30, 2020, donated services, which consisted of web services, training, janitorial services, and pest control, were recorded as fundraising and management and general expense in the statement of functional expenses. For the year ended June 30, 2019, donated services, which consisted of design and printing and pest control, were recorded as fundraising and management and general expense in the statement of functional expenses.

The Organization pays for substantially all services that would otherwise meet the requirements to be recorded as a contributed service. A substantial number of unpaid volunteers have made significant contributions of their time to the Organization's programs and fundraising campaigns. These donated services are not reflected in the financial statements since they do not meet the FASB ASC 958-605 and subsections criteria for recognition as contributed services.

Revenue Recognition: All current campaign contributions are considered net assets without donor restrictions unless specifically restricted by the donor for a specific program or time period. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions (Note 11).

The Organization reports contributions of cash and other assets as net assets with donor restrictions if the contributions are received with donor stipulations that limit the use of the donated assets. Donations designated for remittance to specific organizations or agencies are excluded from contributions revenue, except for a service charge, and accounted for as agency transactions and obligations. 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 reported in the statement of activities as net assets released from restrictions, unless the donor restriction is met within the same accounting period. In this case, the contribution is recorded as an increase in net assets without donor restrictions.

Comparative Financial Information: The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019 from which the summarized information was derived.

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses: The majority of expenses can generally be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses by function have been allocated among program and supporting services classification based on the time study allocation method and on a direct cost basis. This is consistent with the standards for allocation of functional expenses established by FASB ASC and United Way Worldwide.

Program descriptions include United Way's three main programs: Funded Program Allocations, Community Development and Other Grants.

Funded Program Allocations include community distribution dollars to the Organization's Community-based Agenda programs which aim to provide strong starts for children and students while supporting their families, focusing on Early Childhood Education, High School Achievement, Post-Secondary Attainment and Workforce Supports. Projects during the year include: Early Education Scholarships, Building Capacity for Early Education Centers, Early Education Family Engagement, High School Graduation Support, College Attainment and Workforce Readiness, Family Engagement Resource Centers for High School Success, Health Clinics, Financial Education for Children and Financial Stability Programs for Families. Expenses include grants to organizations that provide services to the community pursuant to the programs' criteria and objectives and staff labor. Community-based Agenda involves the process of planning and investing resources to effectively address the needs of Southern Nevada's children and families and includes outcome measurement, planning and problem-solving.

Community Development includes activities that fund investment and strategic community initiatives, including Community Engagement, Emergency Food and Shelter Program, Project REACH and community services/labor.

Other Grants include a variety of federal and private grants, including: Nevada Ready!, CCDF Quality and Windsong (providing high quality early education throughout Southern Nevada), Snell & Wilmer (providing resources to improve the quality of home-based childcare) Lumina Foundation (expanding access to post-secondary education), Siemer Institute and Neighborhood Lift (providing case management to families with school age children that are homeless or at risk for homelessness), Listen for Good and the Estate Grant (building capacity as a community problem solver through collection and use of data and convening community partners), Antiterrorism & Emergency Assistance Program (supporting victim's services in wake of the Route 91 Harvest Festival tragedy).

Supporting services descriptions include fundraising and management and general. Fundraising includes resource development and marketing. These two groups are responsible for the annual fundraising campaign, building strong programs in communications, advertising, media relations, community awareness, visibility and education about the Organization. In addition, resource development and marketing are responsible for developing long-term relationships with key customers and facilitating the involvement of local organization, corporations and businesses in community service.

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses (continued): Management and general is responsible for providing support for all areas of the Organization, including campaign pledge processing, accounting, finance, facilities management, information systems and human resource management. Responsible for ensuring the financial integrity of the Organization, this area manages the financial controls and reporting of financial data to the volunteers, the donors and the community.

Subsequent Events: Subsequent events have been evaluated through December 22, 2020, which is the date the financial statements were available to be issued.

NOTE 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization receives contribution (campaign and non-campaign) revenues and considers contributions restricted for programs which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Liquidity and reserves are managed following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Organization's financial assets available within one year of the statement of financial position date of June 30, 2020 and 2019 are as follows:

	2020	2019
Cash and cash equivalents	$ 3,804,248	$ 2,949,893
Pledges receivable, current, net of allowance	2,016,974	2,943,427
Grants receivable	879,630	1,894,151
Total financial assets	6,700,852	7,787,471
Less: Community-based Agenda Allocation Board of Directors (Board) designated (Note 11)	(333,333)	(333,333)
Less: Designations and other agency obligations	(818,852)	(1,162,161)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,548,667	$ 6,291,977

To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of $300,000, which it could draw upon (Note 10). Additionally, as discussed in Note 8, the Organization is required to meet certain covenants related to long-term debt.

NOTE 3. EMPLOYEE BENEFIT PLAN

The Organization has a Section 403(b) retirement plan covering substantially all employees who have completed one month of service and are at least 21 years old. Participants may contribute a percentage of their compensation on a pre-tax basis, up to the maximum allowed under federal guidelines. Employer contributions are a mandatory 4% of participant compensation and totaled $37,640 and $9,067 during the years ended June 30, 2020 and 2019, respectively.

NOTE 4. PLEDGES RECEIVABLE

The Organization began a naming gift pledge drive during the year ended June 30, 2015. Based on the size of the donation, donors receive a plaque with their name on it which will be placed in the lobby of the building. Pledges contain no purpose restriction and pledges are paid over five years. The Organization also received a naming gift pledge for their board room which will be paid over ten years. Pledges received after one year are recorded at fair value and discounted at the 5-year U.S. Treasury rate of 1.01% to 2.79%. Campaign pledges are due in one year.

Pledges receivable are comprised of the following as of June 30,:

	2020	2019
Pledges receivable, including designations due in less than one year	$ 2,500,639	$ 3,452,600
Pledges receivable due in one to five years	411,075	982,825
	2,911,714	4,435,425
Less: allowance for uncollectible pledges	483,665	509,173
Less: discount to present value	22,046	24,638
	$ 2,406,003	$ 3,901,614
Gross pledges due in less than one year	$ 2,500,639	$ 3,452,600
Less: allowance for current pledges receivable	483,665	509,173
Current receivable balance	2,016,974	2,943,427
Long-term receivable balance, net of discount	389,029	958,187
Net receivable balance	$ 2,406,003	$ 3,901,614

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30,:

	2020	2019
Land	$ 437,000	$ 437,000
Buildings and improvements	2,545,232	2,545,232
Furniture, fixtures and equipment	482,784	482,784
	3,465,016	3,465,016
Less: accumulated depreciation	971,757	861,062
	$ 2,493,259	$ 2,603,954

NOTE 6. CONCENTRATIONS

The Organization has concentrated its custodial credit risk by maintaining deposits in financial institutions which at most times exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC). The loss would represent the excess of the deposit liabilities reported by the banks over the amounts that would have been covered by federal insurance. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash and cash equivalents.

The Organization receives a significant amount of its revenue from grants. The Organization received $4,026,338 and $8,800,108 from its single largest grantor for the year ended June 30, 2020 and 2019, respectively, which represents 40% and 60% of total revenue and 91% and nearly 100% of grants receivable for the year ended June 30, 2020 and 2019, respectively.

NOTE 7. OPERATING LEASES

The Organization leases office equipment under various operating leases. As of June 30, 2020, future minimum lease payments under the equipment leases are as follows:

2021	$ 13,416
2022	2,934
	$ 16,350

Total expense incurred for the year ended June 30, 2020 and 2019 for the above leases was $20,633 and $21,553, respectively.

NOTE 8. LONG-TERM DEBT

In 2011 the Organization entered into a loan with Wells Fargo to finance the purchase of 5830 W. Flamingo Road in Las Vegas, Nevada. In December 2015, the loan was refinanced through Public Finance Authority Revenue Bonds for $1,344,000 and Wells Fargo subsequently purchased this loan. The loan is amortized over 22 years and has a balloon payment due on December 1, 2022. Through March 2018, the interest rate was 3.24% with a monthly payment of $7,188. Effective April 2018, the interest rate increased to 3.94% resulting in an increase in the monthly payment to $7,643.

The lender requires the Organization to keep proper books of record in accordance with generally accepted accounting principles in the United States of America, furnish audited financial statements within 120 days of the end of the fiscal year, furnish semi-annual unaudited financial statements with 90 days after each December 31 and June 30, submit an annual budget within 90 days of the close of the fiscal year, and maintain a debt service coverage ratio of 1.25:1.00 as of the last day of the fiscal year. For the year ended June 30, 2020, the Organization's debt service coverage ratio was -1.87:1.00 which did not meet the debt service coverage ratio requirement. The Organization also did not meet its covenant requirement to provide semi-annual unaudited financial statements within 90 days of June 30, 2020. Wells Fargo has communicated its intention to waive both of these covenant requirements for the year ended June 30, 2020.

On May 2, 2020, the United Way (the "Borrower") qualified for and received a loan pursuant to the Paycheck Protection Program (PPP), a program implemented by the U.S. Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the "PPP Lender"), for an aggregate principal amount of approximately $310,000 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the SBA. The principal and accrued interest of the PPP Loan is subject to forgiveness under the PPP upon United Way's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the PPP, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by United Way. United Way intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, United Way will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing the earlier of (1) the date that SBA remits the Borrower's loan forgiveness amount to the Lender or (2) 10 months after the end of the Borrower's loan forgiveness period of 24-weeks, principal and interest payments will be required through the maturity date of May 2, 2022. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

United Way has accounted for the PPP loan as a financial liability in accordance with FASB ASC 470 and accrued interest in accordance with the interest method under FASB ASC 835-30. The loan will be recognized as revenue when loan forgiveness is provided by the SBA.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Required principal payments on the bonds payable and PPP Loan are as follows for the year ended June 30, 2020:

2021	$	357,358
2022		49,257
2023		51,232
2024		53,286
2025		55,423
Thereafter		892,961
		1,459,517
Less: curent portion		357,358
Net of current porton		1,102,159
Less: bond issuance costs		62,253
	$	1,039,906

NOTE 9. BOND ISSUANCE COSTS

Bond issuance costs consisted of the following as of June 30,:

	2020		2019	
Bond issuance costs	$	78,337	$	78,337
Less: accumulated amortization		16,084		12,510
Unamortized bond issuance costs	$	62,253	$	65,827

Amortization (interest) expense was $3,574 for the years ended June 30, 2020 and 2019. Future estimated amortization for this asset is as follows:

2021	$	3,574
2022		3,574
2023		3,574
2024		3,574
2025		3,574
Thereafter		44,383
	$	62,253

NOTE 10. LINE OF CREDIT

The Organization has a revolving line of credit for $300,000 which expires on February 10, 2021. Interest accrues on the unpaid outstanding principal balance at the greater of a floating rate equal to the Prime Rate plus 1.250%. The line of credit is collateralized by the Organization's Wells Fargo savings account. The line of credit had a $0 balance for the years ended June 30, 2020 and 2019.

NOTE 11. NET ASSETS

With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30,:

	2020	2019
Community Investment Account Leadership Checkbook	$ -	$ 91,090
Emergency Assistance and Community Needs program	94,016	-
Project REACH	525,057	627,418
Capacity building and technology	-	489,212
Kids and Cops program	85,684	85,684
Homeless Trust program	102,408	97,908
Better Life for Families	2,210	2,210
Community Assessment	5,000	5,000
Women's Leadership Council	240,372	180,384
	$ 1,054,747	$ 1,578,906

Net assets with donor restrictions consist of the following as of June 30,:

	2020	2019
Cash and cash equivalents	$ 1,054,747	$ 867,322
Pledges receivable	-	711,584
	$ 1,054,747	$ 1,578,906

NOTE 11. NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time for the years ended June30,:

	2020	2019
Community Investment Account Leadership Checkbook	$ 91,090	$ 44,700
Project REACH	102,361	151,190
Capacity building and technology	489,212	20,000
	$ 682,663	$ 215,890

Board Designated

The Board has designated net assets without donor restrictions for the following purposes at June 30,:

	2020	2019
Community-based Agenda allocation	$ 333,333	$ 333,333

NOTE 12. RELATED PARTIES

The Organization's Board of Directors' members are active in both the oversight of the Organization and its various fundraising events. Contributions received from Board of Directors members were approximately $92,817 and $126,131 for the years ended June 30, 2020 and 2019, respectively.

NOTE 13. SUBSEQUENT EVENTS

As of December 22, 2020, the date these financial statements were available to be issued, in connection with the Coronavirus (COVID-19) pandemic, there have been significant global, federal, state, and local developments. As a result of this worldwide pandemic, which is driving economic uncertainty, the Organization may experience volatility that may impact results and/or impede general operations. The Organization continues to monitor this unprecedented situation and evaluate the impact of this pandemic on their results.

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 Southern Nevada, Inc.
Las Vegas, Nevada

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 Southern Nevada, Inc. (a nonprofit organization) (United Way), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way's internal control over financial reporting (internal control) to determine 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 United Way of Southern Nevada Inc.'s (the Organization) 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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way'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 determination of financial statement amounts. 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*.

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.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
December 22, 2020