

**UNITED WAY OF SOUTHERN NEVADA, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2021**

**With Summarized Comparative Information
For The Year Ended June 30, 2020**



**United Way
of Southern Nevada**

HRC

UNITED WAY OF SOUTHERN NEVADA, INC.

JUNE 30, 2021 AND 2020

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-18
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 <i>GOVERNMENT AUDITING STANDARDS</i>	19-20
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	21-22
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	23
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	24
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	25-27
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	28

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, 2021, 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, 2021, 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 Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021, 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 solely 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 the effectiveness of United Way of Southern Nevada's 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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
November 10, 2021

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS		
	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,929,489	\$ 2,749,501
Cash and cash equivalents, restricted	896,298	1,054,747
Pledges receivable, net of allowance	1,090,953	2,016,974
Grants receivable	938,280	879,630
Prepaid expenses	21,961	11,330
	13,876,981	6,712,182
OTHER ASSETS		
Pledges receivable, net of current and discount	684,139	389,029
Property and equipment, net	2,383,377	2,493,259
	\$ 16,944,497	\$ 9,594,470
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Allocations payable	\$ 1,930,083	\$ 333,333
Designations and other agency obligations	556,805	818,852
Payroll and related accrual	126,801	110,105
Refundable advances	47,492	400,008
Accounts payable and other	989,003	2,052,611
Long-term debt, current	49,257	357,358
	3,699,441	4,072,267
LONG-TERM LIABILITIES		
Long-term debt, net of current maturities and bond issuance costs	994,920	1,039,906
	4,694,361	5,112,173
NET ASSETS		
Without donor restrictions	11,353,838	3,427,550
With donor restrictions	896,298	1,054,747
	12,250,136	4,482,297
	\$ 16,944,497	\$ 9,594,470

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND GAINS				
Gross campaign results, current year	\$ 13,136,431	\$ 21,148	\$ 13,157,579	\$ 5,451,438
Less provision for uncollectible pledges	(217,077)	-	(217,077)	(1,046,393)
	<u>12,919,354</u>	<u>21,148</u>	<u>12,940,502</u>	<u>4,405,045</u>
Contribution and grant revenues	5,443,392	-	5,443,392	6,426,383
Program revenue	104,749	-	104,749	180,014
Rental revenue	49,100	-	49,100	65,050
Other revenue	59,711	-	59,711	86,804
In-kind donations	41,362	-	41,362	205,126
Forgiveness of PPP Loan	310,000	-	310,000	-
Net assets released from restrictions	179,597	(179,597)	-	-
	<u>19,107,265</u>	<u>(158,449)</u>	<u>18,948,816</u>	<u>11,368,422</u>
Less donor-designated pass-through, net of portion retained to offset administrative costs	(338,929)	-	(338,929)	(1,288,941)
	<u>18,768,336</u>	<u>(158,449)</u>	<u>18,609,887</u>	<u>10,079,481</u>
EXPENSES AND LOSSES				
Program services:				
Funded program allocations	2,685,993	-	2,685,993	1,782,312
Community development	627,727	-	627,727	477,563
Fiscal agent expense, other grants	5,415,435	-	5,415,435	5,979,856
	<u>8,729,155</u>	<u>-</u>	<u>8,729,155</u>	<u>8,239,731</u>
Support services:				
Management and general	990,445	-	990,445	776,168
Fundraising	1,122,448	-	1,122,448	1,397,187
	<u>2,112,893</u>	<u>-</u>	<u>2,112,893</u>	<u>2,173,355</u>
	<u>10,842,048</u>	<u>-</u>	<u>10,842,048</u>	<u>10,413,086</u>
CHANGE IN NET ASSETS	7,926,288	(158,449)	7,767,839	(333,605)
NET ASSETS, BEGINNING OF YEAR	<u>3,427,550</u>	<u>1,054,747</u>	<u>4,482,297</u>	<u>4,815,902</u>
NET ASSETS, END OF YEAR	<u>\$ 11,353,838</u>	<u>\$ 896,298</u>	<u>\$ 12,250,136</u>	<u>\$ 4,482,297</u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	2021				2020			
	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	\$ -	\$ 299,814	\$ 377,565	\$ 677,379	\$ 610,368	\$ 623,354	\$ 1,911,101	\$ 1,846,587
Professional fees	-	83,128	124,816	207,944	58,947	65,882	332,773	635,221
Education program disbursements	-	-	4,530,624	4,530,624	-	-	4,530,624	4,520,721
Office supplies and expenses	-	95,681	8,740	104,421	129,355	113,409	347,185	391,449
Bank fees	-	3	-	3	15,810	-	15,813	27,901
Occupancy and insurance	-	35,110	7,629	42,739	69,298	41,628	153,665	140,504
Printing, publications, awards	-	2,893	150	3,043	8,693	37,719	49,455	52,328
Campaign support media	-	29	1,200	1,229	27	9,859	11,115	29,986
Travel and conferences	-	6,642	3,168	9,810	5,738	8,221	23,769	97,615
Outreach event fees	-	-	-	-	-	97,753	97,753	279,492
Community event fees	-	5,781	1,500	7,281	10	7,254	14,545	24,939
Mortgage loan interest payments	-	15,691	-	15,691	14,710	18,632	49,033	50,980
Other program expenses	-	-	360,043	360,043	-	-	360,043	274,254
Depreciation and amortization	-	34,975	-	34,975	32,789	42,117	109,881	110,695
Community distribution	2,685,993	300	-	2,686,293	-	-	2,686,293	1,782,312
	<u>2,685,993</u>	<u>580,047</u>	<u>5,415,435</u>	<u>8,681,475</u>	<u>945,745</u>	<u>1,065,828</u>	<u>10,693,048</u>	<u>10,264,984</u>
National dues	-	47,680	-	47,680	44,700	56,620	149,000	148,102
	<u>\$ 2,685,993</u>	<u>\$ 627,727</u>	<u>\$ 5,415,435</u>	<u>\$ 8,729,155</u>	<u>\$ 990,445</u>	<u>\$ 1,122,448</u>	<u>\$ 10,842,048</u>	<u>\$ 10,413,086</u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 7,767,839	\$ (333,605)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	109,881	110,695
Amortization of bond issuance costs (interest)	3,574	3,574
Change in pledge allowance	(46,114)	(25,508)
Change in discount to present value	(5,024)	(2,592)
Forgiveness of PPP Loan	(310,000)	-
(Increase) decrease in operating assets		
Pledges receivable	682,050	1,523,711
Grants receivable	(58,650)	1,014,521
Prepaid expenses	(10,631)	27,260
Increase (decrease) in operating liabilities		
Allocations payable	1,596,750	-
Designations and other agency obligations	(262,047)	(343,309)
Payroll and related accrual	16,696	(21,550)
Refundable advances	(352,516)	(77,615)
Accounts payable and other	(1,063,608)	(1,286,515)
Net cash provided by operating activities	8,068,200	589,067
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(46,661)	(44,712)
Proceeds from Paycheck Protection Program Loan	-	310,000
Net cash provided by (used in) financing activities	(46,661)	265,288
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,021,539	854,355
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,804,248	2,949,893
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 11,825,787	\$ 3,804,248
SUMMARY OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 10,929,489	\$ 2,749,501
Cash and cash equivalents, restricted	896,298	1,054,747
	\$ 11,825,787	\$ 3,804,248
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	\$ 49,033	\$ 50,980

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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.

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.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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

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 1.7% and 20.8% of gross campaign pledge revenue as of June 30, 2021 and 2020, respectively. After eighteen months, 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 Advance: 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.

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).

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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

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 \$2,642 and \$10,561 for the years ended June 30, 2021 and 2020, respectively. For the year ended June 30, 2021, donated services, which consisted of pest control, computer services and data tracking services, were recorded as other grants, fundraising and management and general in the statement of functional expenses. 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.

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 10).

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, 2020 from which the summarized information was derived.

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.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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

Functional Expenses (continued): 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! 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 (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), Human Trafficking (to map the comprehensive needs of the community to combat human trafficking and identify the current strengths and gaps within the community), CARES Basic Needs Assistance Program and PETS (provide financial assistance for childcare to families who have experienced a financial hardship due to COVID-19 through the Childcare Assistance program).

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.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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 November 10, 2021, 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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalent	\$ 11,825,787	\$ 3,804,248
Pledges receivable, current, net of allowance	1,090,953	2,016,974
Grants receivable	<u>938,280</u>	<u>879,630</u>
	<u>13,855,020</u>	<u>6,700,852</u>
Less: Community-based Agenda Allocation		
Board of Directors (Board) designated (Note 10)	1,930,083	333,333
Less: Designations and other agency obligations	<u>556,805</u>	<u>818,852</u>
	<u>\$ 11,368,132</u>	<u>\$ 5,548,667</u>

As discussed in Note 8, the Organization is required to meet certain covenants related to long-term debt.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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 \$32,033 and \$37,640 during the years ended June 30, 2021 and 2020, 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 2.98%. Campaign pledges are due in one year.

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

	<u>2021</u>	<u>2020</u>
Pledges receivable, including designations due in less than one year	\$ 1,528,503	\$ 2,500,639
Pledges receivable due in one to five years	<u>701,161</u>	<u>411,075</u>
	2,229,664	2,911,714
Less: allowance for uncollectible pledges	437,550	483,665
Less: discount to present value	<u>17,022</u>	<u>22,046</u>
	<u>\$ 1,775,092</u>	<u>\$ 2,406,003</u>
Gross pledges due in less than one year	\$ 1,528,503	\$ 2,500,639
Less: allowance for current pledges receivable	<u>437,550</u>	<u>483,665</u>
Current receivable balance	1,090,953	2,016,974
Long-term receivable balance, net of discount	<u>684,139</u>	<u>389,029</u>
Net receivable balance	<u>\$ 1,775,092</u>	<u>\$ 2,406,003</u>

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2021	2020
Land	\$ 437,000	\$ 437,000
Building 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	1,081,639	971,757
	\$ 2,383,377	\$ 2,493,259

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 \$4,073,911 and \$4,026,338 from its single largest government grantor for the year ended June 30, 2021 and 2020, respectively, which represents 22% and 40% of total revenue and 98% and 91% of grants receivable for the year ended June 30, 2021 and 2020, respectively. During the year ended June 30, 2021, the Organization received \$10,000,000 from a single donor which represents 54% of total revenue.

NOTE 7. OPERATING LEASES

The Organization leases office equipment under various operating leases. As of June 30, 2021, future minimum lease payments under the equipment leases are as follows:

2022	\$ 5,266
2023	2,544
2024	2,544
2025	2,544
2026	2,544
Thereafter	848
	\$ 16,290

Total expense incurred for the year ended June 30, 2021 and 2020 for the above leases was \$15,898 and \$20,633, respectively.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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, 2021, the Organization's debt service coverage ratio was 86:1.00 which did meet the debt service coverage ratio requirement.

On May 2, 2020, the United Way (Borrower) qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act, from Nevada State Bank (PPP Lender), for an aggregate principal amount of approximately \$310,000 (PPP Loan). During the year ended June 30, 2021, the Organization applied for and was notified that the entire PPP Loan amount and all accrued interest had been forgiven and the Organization recognized forgiveness of loan income totaling \$310,000.

Required principal payments on the bonds payable are as follows for the year ended June 30, 2021:

2022	\$ 49,257
2023	51,232
2024	53,286
2025	55,422
2026	57,645
Thereafter	<u>836,014</u>
	1,102,856
Less current portion	<u>49,257</u>
	1,053,599
Net of current portion	1,053,599
Less bond issuance costs	<u>58,679</u>
	<u>\$ 994,920</u>

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

NOTE 9. BOND ISSUANCE COSTS

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

	<u>2021</u>	<u>2020</u>
Bond issuance costs	\$ 78,337	\$ 78,337
Less accumulated amortization	<u>19,658</u>	<u>16,084</u>
Unamortized bond issuance costs	<u>\$ 58,679</u>	<u>\$ 62,253</u>

Amortization (interest) expense was \$3,574 for the year ended June 30, 2021 and 2020. Future estimated amortization for this asset is as follows:

2022	\$ 3,574
2023	3,574
2024	3,574
2025	3,574
2026	3,574
Thereafter	<u>40,809</u>
	<u>\$ 58,679</u>

NOTE 10. NET ASSETS

With Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
Emergency Assistance and Community Needs Program	\$ 38,280	\$ 94,016
Project REACH	537,897	525,057
Kids and Cops program	85,684	85,684
Homeless Trust program	103,158	102,408
Better Life for Families	2,210	2,210
Community Assessment	5,000	5,000
Women United	116,511	240,372
Latinos Unidos	835	-
City of North Las Vegas projects	<u>6,723</u>	<u>-</u>
Net receivable balance	<u>\$ 896,298</u>	<u>\$ 1,054,747</u>

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

NOTE 10. NET ASSETS (CONTINUED)

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

	2021	2020
Cash and cash equivalents	\$ <u>896,298</u>	\$ <u>1,054,747</u>

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 June 30,:

	2021	2020
Community Investment Account Leadership		
Checkbook	\$ -	\$ 91,090
Project REACH	-	102,361
Capacity building and technology	-	489,212
Emergency Assistance and Community Needs Program	55,736	-
Women United	<u>123,861</u>	<u>-</u>
Net receivable balance	\$ <u>179,597</u>	\$ <u>682,663</u>

Board Designated

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

	2021	2020
Community-based Agenda Allocation	\$ <u>1,930,083</u>	\$ <u>333,333</u>

NOTE 11. 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 \$35,284 and \$92,817 for the years ended June 30, 2021 and 2020, respectively.

NOTE 12. LINE OF CREDIT

The Organization had a revolving line of credit for \$300,000 which expired on April 11, 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, 2021 and 2020.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

NOTE 13. RISKS AND UNCERTAINTIES

As of November 10, 2021, 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), which comprise the statement of financial position as of June 30, 2021, 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 November 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Southern Nevada Inc.’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 the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Southern Nevada Inc.’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*.

United Way of Southern Nevada's Response to Findings

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
November 10, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited United Way of Southern Nevada Inc.’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of United Way of Southern Nevada, Inc.’s major federal programs for the year ended June 30, 2021. United Way of Southern Nevada, Inc.’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of United Way of Southern Nevada, Inc.’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about United Way of Southern Nevada, Inc.’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of United Way of Southern Nevada, Inc.’s compliance.

Opinion on Each Major Federal Program

In our opinion, United Way of Southern Nevada, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.



Report on Internal Control Over Compliance

Management of United Way of Southern Nevada, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered United Way of Southern Nevada, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of United Way of Southern Nevada, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
November 10, 2021

UNITED WAY OF SOUTHERN NEVADA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Grantor Agency	Program Title	Assistance Listing Number	Pass-Through Identifying Number	Expenditures	Pass-Through to Subrecipients
Passed through State of Nevada: U.S. Department of Justice	Antiterrorism and Emergency Assistance Program	16.321	2019-V7-GX-001	\$ 218,126	\$ -
Passed through United Way World Wide: U.S. Department of Homeland Security	Emergency Food and Shelter	97.024	LOR ID: 586800-010	37,000	-
Passed through United Way World Wide: U.S. Department of Homeland Security	COVID-19 Emergency Food and Shelter	97.024	CARES-5868-00 010 E1	<u>14,503</u>	<u>-</u>
				<u>51,503</u>	<u>-</u>
Passed through Clark County: U.S. Department of the Treasury	COVID-19 Coronavirus Relief Fund	20.019		683,406	668,352
Passed through State of Nevada: U.S. Department of the Treasury	COVID-19 Coronavirus Relief Fund	20.019		<u>10,000</u>	<u>-</u>
				<u>693,406</u>	<u>668,352</u>
				<u>\$ 963,035</u>	<u>\$ 668,352</u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of United Way of Southern Nevada, Inc., under programs of the federal government for the year ended June 30, 2021. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of United Way of Southern Nevada, Inc., it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of United Way of Southern Nevada, Inc.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATES

United Way of Southern Nevada, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. PASS-THROUGH AWARDS

United Way of Southern Nevada, Inc. received certain federal financial assistance from pass-through awards of the pass-through entities listed on the schedule of expenditures of federal awards.

UNITED WAY OF SOUTHERN NEVADA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. The auditor's report expresses an unmodified opinion on the financial statements of United Way of Southern Nevada, Inc.
2. Two significant deficiencies related to the audit of the financial statements, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of United Way of Southern Nevada, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

Federal Awards

1. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
2. The auditor's report on compliance for United Way of Southern Nevada, Inc. expresses an unmodified opinion.
3. There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
4. The program tested as a major program was the U.S. Department of the Treasury, Assistance Listing Number 20.019, Coronavirus Relief Fund.
5. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
6. United Way of Southern Nevada, Inc. qualifies as a low-risk auditee.

FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENT AUDIT

2021-001: Adjustments to Financial Statements

Criteria: Financial statements are required to be fairly stated in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition: Adjustments were discovered and required to be posted to the accounting records in order for the financial statements to be in accordance with generally accepted accounting principles.

Context: General ledger balances presented for audit were not reconciled and in accordance with U.S. GAAP.

UNITED WAY OF SOUTHERN NEVADA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2021

FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENT AUDIT (CONTINUED)

2021-001: Adjustments to Financial Statements (Continued)

Effect: Adjustments to reconciled general ledger balances were required.

Cause: Internal controls that include review of account reconciliations were not consistently applied, resulting in adjustments in accounts to be presented in accordance with U.S. GAAP.

Recommendation: We recommend that management design and implement a system whereby all general ledger balances are reviewed prior to being submitted for audit to ensure recognition in accordance with U.S. GAAP.

Views of Responsible Officials: Management concurs with the recommendation and has begun taking corrective action. This includes strict adherence to deadlines identified in the closing schedule to allow ample time for management review and approval prior to submission. We have hired independent consultants, specializing in non-profit, to scrutinize the policies, procedures, systems, and controls to provide guidance for improvement.

2021-002 Completeness of the Schedule of Expenditures of Federal Awards (SEFA)

Criteria: In accordance with 2 CFR 200.510, the auditee must prepare a schedule of expenditures of federal awards which must include the total federal awards expended.

Condition: Expenditures relating to the period were omitted from the schedule of expenditures of federal awards.

Context: Management failed to identify expenditures as expended from federal awards in the proper period and, therefore, these expenditures were not included on the schedule of expenditures of federal awards. The SEFA schedule was understated by \$68,585.

Effect: Improper identification of federal expenditures could result in an improper determination relating to the necessity of a Single Audit and/or a major program determination.

Cause: The design and implementation of internal controls over the recognition of the expenditures of federal awards was not effective.

Recommendation: We recommend that management design and implement a system whereby federal grant expenditures are consistently tracked and identifiable in the general ledger and that the tracking mechanism applied to each transaction is verified and reviewed by management on an ongoing basis.

Views of Responsible Officials: Management concurs with the recommendation and believes that the unprecedented volume of funds provided by the federal government in the 2021 fiscal year contributed to this condition. In addition to management's response at 2021-001, the schedule of expenditures of federal awards will be maintained as updates occur and at a minimum of one time per quarter. Quarterly the file will be reconciled and maintained in Teams.

UNITED WAY OF SOUTHERN NEVADA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2021

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

**UNITED WAY OF SOUTHERN NEVADA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2021**

PRIOR YEAR FINDINGS - FINANCIAL STATEMENT AUDIT

None.

PRIOR YEAR FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.