

**UNITED WAY OF SOUTHERN NEVADA, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2022**

**With Summarized Comparative Information
For The Year Ended June 30, 2021**



**United Way
of Southern Nevada**

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UNITED WAY OF SOUTHERN NEVADA, INC.

JUNE 30, 2022 AND 2021

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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 Audit of the Financial Statements

Opinion

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of Southern Nevada, Inc. as of June 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Southern Nevada, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Southern Nevada, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Way of Southern Nevada, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Southern Nevada, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited United Way of Southern Nevada, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary 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* 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 schedule of expenditures of federal awards 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 December 2, 2022, 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, Inc.'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.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
December 2, 2022

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS		
	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,633,650	\$ 10,929,489
Cash and cash equivalents, restricted	741,683	896,298
Pledges receivable, net of allowance	879,306	1,090,953
Grants receivable	1,232,948	938,280
Prepaid expenses	37,742	21,961
	10,525,329	13,876,981
OTHER ASSETS		
Pledges receivable, net of current and discount	463,352	684,139
Property and equipment, net	2,284,831	2,383,377
	\$ 13,273,512	\$ 16,944,497
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Allocations payable	\$ 868,333	\$ 1,930,083
Designations and other agency obligations	635,177	556,805
Payroll and related accrual	129,058	126,801
Refundable advances	59,412	47,492
Accounts payable and other	1,250,681	989,003
Long-term debt, current	999,625	49,257
	3,942,286	3,699,441
LONG-TERM LIABILITIES		
Long-term debt, net of current maturities and bond issuance costs	-	994,920
	3,942,286	4,694,361
NET ASSETS		
Without donor restrictions	8,589,543	11,353,838
With donor restrictions	741,683	896,298
	9,331,226	12,250,136
	\$ 13,273,512	\$ 16,944,497

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND GAINS				
Gross campaign results, current year	\$ 3,565,147	\$ 31,821	\$ 3,596,968	\$ 13,157,579
Less provision for uncollectible pledges	(523,255)	-	(523,255)	(217,077)
	<u>3,041,892</u>	<u>31,821</u>	<u>3,073,713</u>	<u>12,940,502</u>
Contribution and grant revenues	5,750,502	-	5,750,502	5,443,392
Program revenue	175,457	-	175,457	104,749
Rental revenue	54,000	-	54,000	49,100
Other revenue	23,903	-	23,903	59,711
In-kind donations	141,554	-	141,554	41,362
Special events				
Special events revenue	53,670	-	53,670	-
Special events in-kind donations	58,182	-	58,182	-
Cost of direct benefits to donor	(104,593)	-	(104,593)	-
	<u>7,259</u>	<u>-</u>	<u>7,259</u>	<u>-</u>
Forgiveness of PPP Loan	-	-	-	310,000
Net assets released from restrictions	186,436	(186,436)	-	-
	<u>9,381,003</u>	<u>(154,615)</u>	<u>9,226,388</u>	<u>18,948,816</u>
Less donor-designated pass-through, net of portion retained to offset administrative costs	(763,694)	-	(763,694)	(338,929)
	<u>8,617,309</u>	<u>(154,615)</u>	<u>8,462,694</u>	<u>18,609,887</u>
EXPENSES AND LOSSES				
Program services:				
Funded program allocations	1,455,960	-	1,455,960	2,685,993
Community development	924,770	-	924,770	627,727
Fiscal agent expense, other grants	5,640,708	-	5,640,708	5,415,435
	<u>8,021,438</u>	<u>-</u>	<u>8,021,438</u>	<u>8,729,155</u>
Support services:				
Management and general	1,218,575	-	1,218,575	990,445
Fundraising	2,141,591	-	2,141,591	1,122,448
	<u>3,360,166</u>	<u>-</u>	<u>3,360,166</u>	<u>2,112,893</u>
	<u>11,381,604</u>	<u>-</u>	<u>11,381,604</u>	<u>10,842,048</u>
CHANGE IN NET ASSETS	(2,764,295)	(154,615)	(2,918,910)	7,767,839
NET ASSETS, BEGINNING OF YEAR	<u>11,353,838</u>	<u>896,298</u>	<u>12,250,136</u>	<u>4,482,297</u>
NET ASSETS, END OF YEAR	<u>\$ 8,589,543</u>	<u>\$ 741,683</u>	<u>\$ 9,331,226</u>	<u>\$ 12,250,136</u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	2022						2021		
	Program Services				Supporting Services		Special Event	Total all	Total all
	Funded Program	Community	Other	Total Program	Management	Fundraising	Direct Benefits	Functions	Functions
	Allocations	Development	Grants		and General		to Donors		
Payroll and related	\$ -	\$ 391,733	\$ 238,524	\$ 630,257	\$ 644,285	\$ 1,476,910	\$ -	\$ 2,751,452	\$ 1,911,101
Professional fees	-	111,111	105,079	216,190	244,943	63,141	-	524,274	332,773
Education program disbursements	-	351	5,268,260	5,268,611	-	-	-	5,268,611	4,530,624
Office supplies and expenses	-	78,121	11,297	89,418	97,738	92,176	-	279,332	347,185
Bank fees	-	-	-	-	14,176	-	-	14,176	15,813
Occupancy and insurance	-	42,255	11,443	53,698	64,981	44,909	-	163,588	153,665
Printing, publications, awards	-	4,906	-	4,906	19,337	22,471	-	46,714	49,455
Campaign support media	-	17,514	2,085	19,599	2,741	252,261	1,213	275,814	11,115
Travel and conferences	-	17,395	1,233	18,628	11,795	19,245	-	49,668	23,769
Outreach event fees	-	-	-	-	4,256	14,282	62,994	81,532	97,753
Community event fees	-	163,232	2,787	166,019	27,467	44,865	-	238,351	14,545
Mortgage loan interest payments	-	15,208	-	15,208	14,257	18,059	-	47,524	49,033
Other program expenses	-	-	-	-	-	-	-	-	360,043
Depreciation and amortization	-	35,093	-	35,093	32,900	42,986	-	110,979	109,881
Community distribution	1,455,960	5,505	-	1,461,465	-	-	-	1,461,465	2,686,293
Venue	-	-	-	-	-	-	40,386	40,386	-
	1,455,960	882,424	5,640,708	7,979,092	1,178,876	2,091,305	104,593	11,353,866	10,693,048
National dues	-	42,346	-	42,346	39,699	50,286	-	132,331	149,000
Less: costs of direct benefits to donors	-	-	-	-	-	-	(104,593)	(104,593)	-
	<u>\$ 1,455,960</u>	<u>\$ 924,770</u>	<u>\$ 5,640,708</u>	<u>\$ 8,021,438</u>	<u>\$ 1,218,575</u>	<u>\$ 2,141,591</u>	<u>\$ -</u>	<u>\$ 11,381,604</u>	<u>\$ 10,842,048</u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,918,910)	\$ 7,767,839
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	110,979	109,881
Amortization of bond issuance costs (interest)	3,574	3,574
Change in pledge allowance	25,636	(46,114)
Change in discount to present value	(3,607)	(5,024)
Forgiveness of PPP Loan	-	(310,000)
(Increase) decrease in operating assets		
Pledges receivable	410,405	682,050
Grants receivable	(294,668)	(58,650)
Prepaid expenses	(15,781)	(10,631)
Increase (decrease) in operating liabilities		
Allocations payable	(1,061,750)	1,596,750
Designations and other agency obligations	78,372	(262,047)
Payroll and related accrual	2,257	16,696
Refundable advances	11,920	(352,516)
Accounts payable and other	261,678	(1,063,608)
	<u>(3,389,895)</u>	<u>8,068,200</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(12,433)</u>	<u>-</u>
Net cash used in investing activities	<u>(12,433)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	<u>(48,126)</u>	<u>(46,661)</u>
Net cash used in financing activities	<u>(48,126)</u>	<u>(46,661)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,450,454)	8,021,539
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>11,825,787</u>	<u>3,804,248</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 8,375,333</u></u>	<u><u>\$ 11,825,787</u></u>
SUMMARY OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 7,633,650	\$ 10,929,489
Cash and cash equivalents, restricted	<u>741,683</u>	<u>896,298</u>
	<u><u>\$ 8,375,333</u></u>	<u><u>\$ 11,825,787</u></u>
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	<u><u>\$ 47,524</u></u>	<u><u>\$ 49,033</u></u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 1,100 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, 2022 AND 2021

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, 2022 AND 2021

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 14.9% and 1.7% of gross campaign pledge revenue as of June 30, 2022 and 2021, 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-nine 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, 2022 AND 2021

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 \$700 and \$2,642 for the years ended June 30, 2022 and 2021, respectively. For the year ended June 30, 2022, donated services, which consisted of consulting services. 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.

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, 2021 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, 2022 AND 2021

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! (providing high quality early education throughout Southern Nevada), Snell & Wilmer (providing resources to improve the quality of home-based childcare), Neighborhood Lift (providing case management to families with school age children that are homeless or at risk for homelessness), 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).

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.

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.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

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

New Accounting Pronouncement

During the year ended June 30, 2022, the Organization adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021 and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization included its implementation of the standard in Note 12.

Subsequent Events: Subsequent events have been evaluated through December 2, 2022, 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, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 8,375,333	\$ 11,825,787
Pledges receivable, current, net of allowance	879,306	1,090,953
Grants receivable	<u>1,232,948</u>	<u>938,280</u>
	<u>10,487,587</u>	<u>13,855,020</u>
Less: Community-based Agenda Allocation		
Board of Directors (Board) designated (Note 10)	868,333	1,930,083
Less: Designations and other agency obligations	<u>635,177</u>	<u>556,805</u>
	<u>\$ 8,984,077</u>	<u>\$ 11,368,132</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, 2022 AND 2021

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 \$36,583 and \$32,033 during the years ended June 30, 2022 and 2021, 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 3.01%. Campaign pledges are due in one year.

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

	<u>2022</u>	<u>2021</u>
Pledges receivable, including designations due in less than one year	\$ 1,342,492	\$ 1,528,503
Pledges receivable due in one to five years	<u>476,767</u>	<u>701,161</u>
	1,819,259	2,229,664
Less: allowance for uncollectible pledges	463,186	437,550
Less: discount to present value	<u>13,415</u>	<u>17,022</u>
	<u>\$ 1,342,658</u>	<u>\$ 1,775,092</u>
Gross pledges due in less than one year	\$ 1,342,492	\$ 1,528,503
Less: allowance for current pledges receivable	<u>463,186</u>	<u>437,550</u>
Current receivable balance	879,306	1,090,953
Long-term receivable balance, net of discount	<u>463,352</u>	<u>684,139</u>
Net receivable balance	<u>\$ 1,342,658</u>	<u>\$ 1,775,092</u>

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2022	2021
Land	\$ 437,000	\$ 437,000
Building and improvements	2,539,381	2,545,232
Furniture, fixtures and equipment	331,159	482,784
	3,307,540	3,465,016
Less: accumulated depreciation	1,022,709	1,081,639
	\$ 2,284,831	\$ 2,383,377

NOTE 6. LEASES

The Organization leases office equipment under various operating leases. As of June 30, 2022, future minimum lease payments are as follows:

	Operating Leases
2023	\$ 2,544
2024	2,544
2025	2,544
2026	2,544
2027	848
	\$ 11,024

Total expense incurred for the year ended June 30, 2022 and 2021 for the above leases was \$17,694 and \$15,898, respectively.

NOTE 7. 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.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 7. CONCENTRATIONS (CONTINUED)

The Organization receives a significant amount of its revenue from grants. The Organization received \$5,247,587 and \$4,073,911 from its single largest government grantor for the year ended June 30, 2022 and 2021, respectively, which represents 62% and 22% of total revenue and 96% and 98% of grants receivable for the year ended June 30, 2022 and 2021, 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 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, 2022, the Organization's debt service coverage ratio was (30.00):1.00, which did not meet the debt service coverage ratio requirement, however, at June 30, 2022 the Organization had intended to and subsequently did pay the outstanding balance on the loan as discussed in Note 13. As the Organization communicated its intention to pay off the loan to Wells Fargo as of June 30, 2022, no remedy under the loan agreement was pursued for the Organization not meeting the covenant requirements.

Required principal payments on the bonds payable are as follows for the year ended June 30, 2022:

2023	\$ 1,054,729
Less bond issuance costs	<u>55,104</u>
	<u>\$ 999,625</u>

NOTE 9. BOND ISSUANCE COSTS

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

	<u>2022</u>	<u>2021</u>
Bond issuance costs	\$ 78,337	\$ 78,337
Less accumulated amortization	<u>23,233</u>	<u>19,658</u>
Unamortized bond issuance costs	<u>\$ 55,104</u>	<u>\$ 58,679</u>

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 9. BOND ISSUANCE COSTS (CONTINUED)

Amortization (interest) expense was \$3,574 for the year ended June 30, 2022 and 2021. Future estimated amortization for this asset is as follows:

2023	\$ <u>55,104</u>
------	------------------

NOTE 10. NET ASSETS

With Donor Restrictions

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

	2022	2021
Better Life for Families	\$ 2,210	\$ 2,210
City of North Las Vegas projects	7,680	6,723
Community Assessment	5,000	5,000
Community Investment Account Leadership Checkbook	30,824	-
Emergency Assistance and Community Needs Program	-	38,280
Homeless Trust program	103,158	103,158
Kids and Cops program	85,684	85,684
Latinos Unidos	277	835
Project REACH	500,270	537,897
Women United	6,540	116,511
Young Philanthropists	40	-
	<u>\$ 741,683</u>	<u>\$ 896,298</u>

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

	2022	2021
Cash and cash equivalents	<u>\$ 741,683</u>	<u>\$ 896,298</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,:

	2022	2021
Emergency Assistance and Community Needs Program	\$ 38,280	\$ 55,736
Latinos Unidos	558	-
Project REACH	37,627	-
Women United	109,971	123,861
	<u>\$ 186,436</u>	<u>\$ 179,597</u>

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 10. NET ASSETS (CONTINUED)

Board Designated

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

	2022	2021
Community-based Agenda Allocation	\$ 868,333	\$ 1,930,083

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 \$104,538 and \$35,284 for the years ended June 30, 2022 and 2021, respectively.

NOTE 12. IN-KIND CONTRIBUTIONS

The Organization's in-kind contributions consisted of the following as of June 30,:

Category	Usage	2022	2021
Community event fees	Community Development	\$ 125,854	\$ -
Campaign support media	Community Development	15,000	-
Professional fees	Community Development	700	-
Special events, other program expenses	Golf special event	58,182	-
Outreach event fees	Fundraising	-	31,805
Occupancy and insurance	Management and General	-	817
Office supplies and expenses	Management and General	-	1,824
Pledge receivable		-	6,916
		\$ 199,736	\$ 41,362

Community event fees, campaign support media, outreach event fees, occupancy and insurance expense, office supplies, special event other program expenses and the pledge receivable were all valued at the estimated purchase price for similar items. Professional fees were valued using standard hourly rates of the company providing the donated services. All donated services and goods were utilized by the Organization.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE 13. SUBSEQUENT EVENT

The Organization made a payment of \$1,040,140 to Wells Fargo on November 25, 2022 as consideration in full for the remaining balance on the Organization's loan payable (Note 8).

The Organization entered into a 60-month capital lease for three copiers in August 2022 and one copier in September 2022. The value of the capitalized items will be recorded as assets and amortization of assets held under capital leases will be included in depreciation expense.

Future minimum lease payments under these leases are as follows:

	<u>Capital Leases</u>
2023	\$ 12,530
2024	15,036
2025	15,036
2026	15,036
2027	15,036
Thereafter	<u>2,506</u>
	<u><u>\$ 75,180</u></u>

**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, 2022, 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 2, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 2, 2022

**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

Opinion on Each Major Federal Program

We have audited United Way of Southern Nevada Inc.’s compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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; and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of United Way of Southern Nevada Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of United Way of Southern Nevada Inc.’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to United Way of Southern Nevada Inc.’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Way of Southern Nevada Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about United Way of Southern Nevada Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding United Way of Southern Nevada Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of United Way of Southern Nevada Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 United Way of Southern Nevada Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
December 2, 2022

UNITED WAY OF SOUTHERN NEVADA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Grantor Agency</u>	<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
Passed through State of Nevada: U.S. Department of Justice	Antiterrorism and Emergency Assistance Program	16.321	2019-V7-GX-001	\$ 227,774	\$ -
Passed through United Way World Wide: U.S. Department of Homeland Security	Emergency Food and Shelter	97.024	LOR ID: 586800-010	30,834	-
Passed through United Way World Wide: U.S. Department of Homeland Security	COVID-19 Emergency Food and Shelter	97.024	LOR ID: 586800-010	<u>43,861</u>	<u>-</u>
				<u>74,695</u>	<u>-</u>
Passed through State of Nevada: U.S. Department of the Education	COVID-19 Governor's Emergency Education Relief Fund	84.425C		<u>1,829,553</u>	<u>1,733,150</u>
				<u>\$ 2,132,022</u>	<u>\$ 1,733,150</u>

See notes to schedule of expenditures of federal awards

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. 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, 2022

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. No instances of material weaknesses or significant deficiencies related to the audit of the financial statements 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 Education, Governor's Emergency Education Relief Fund, Assistance Listing Number 84.425C.
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

None.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

UNITED WAY OF SOUTHERN NEVADA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2022

PRIOR YEAR FINDINGS - 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.

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.

Current status: Corrective action has been implemented.

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.

UNITED WAY OF SOUTHERN NEVADA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
JUNE 30, 2022

PRIOR YEAR FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)

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

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.

Current status: Corrective action has been implemented.

PRIOR YEAR FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.