

**UNITED WAY OF SOUTHERN NEVADA, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2023**

**With Summarized Comparative Information
For The Year Ended June 30, 2022**



**United Way
of Southern Nevada**

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UNITED WAY OF SOUTHERN NEVADA, INC.

JUNE 30, 2023 AND 2022

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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, 2023, 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, 2023, 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. 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 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, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 7, 2023

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,172,829	\$ 7,633,650
Cash and cash equivalents, restricted	838,429	741,683
Pledges receivable, net of allowance	366,852	879,306
Grants receivable	1,087,917	1,232,948
Prepaid expenses	40,626	37,742
	8,506,653	10,525,329
OTHER ASSETS		
Pledges receivable, net of current and discount	128,779	463,352
Property and equipment		
Finance lease right-of-use asset, net	63,169	-
Other property and equipment, net	2,216,255	2,284,831
	\$ 10,914,856	\$ 13,273,512
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Allocations payable	\$ 25,000	\$ 868,333
Designations and other agency obligations	677,002	635,177
Payroll and related accrual	292,583	129,058
Refundable advances	44,465	59,412
Accounts payable and other	1,131,253	1,250,681
Long-term debt, current	-	999,625
Finance lease liability, current	13,029	-
	2,183,332	3,942,286
LONG-TERM LIABILITIES		
Finance lease liability, less current maturities	50,586	-
	2,233,918	3,942,286
NET ASSETS		
Without donor restrictions	7,842,509	8,589,543
With donor restrictions	838,429	741,683
	8,680,938	9,331,226
	\$ 10,914,856	\$ 13,273,512

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND GAINS				
Gross campaign results, current year	\$ 4,808,983	\$ 120,916	\$ 4,929,899	\$ 3,596,968
Less provision for uncollectible pledges	(114,006)	-	(114,006)	(523,255)
	<u>4,694,977</u>	<u>120,916</u>	<u>4,815,893</u>	<u>3,073,713</u>
Contribution and grant revenues	7,125,623	-	7,125,623	5,750,502
Program revenue	12,301	-	12,301	175,457
Rental revenue	6,700	-	6,700	54,000
Other revenue	137,523	-	137,523	23,903
In-kind donations	463,733	-	463,733	141,554
Special events				
Special events revenue	299,721	-	299,721	53,670
Special events in-kind donations	41,920	-	41,920	58,182
Cost of direct benefits to donor	(212,509)	-	(212,509)	(104,593)
	<u>129,132</u>	<u>-</u>	<u>129,132</u>	<u>7,259</u>
Net assets released from restrictions	24,170	(24,170)	-	-
	<u>12,594,159</u>	<u>96,746</u>	<u>12,690,905</u>	<u>9,226,388</u>
Less donor-designated pass-through, net of portion retained to offset administrative costs	(475,539)	-	(475,539)	(763,694)
	<u>12,118,620</u>	<u>96,746</u>	<u>12,215,366</u>	<u>8,462,694</u>
EXPENSES AND LOSSES				
Program services:				
Funded program allocations	837,168	-	837,168	1,455,960
Community development	1,936,817	-	1,936,817	924,770
Fiscal agent expense, other grants	5,726,135	-	5,726,135	5,640,708
	<u>8,500,120</u>	<u>-</u>	<u>8,500,120</u>	<u>8,021,438</u>
Support services:				
Management and general	1,295,563	-	1,295,563	1,218,575
Fundraising	3,016,058	-	3,016,058	2,141,591
	<u>4,311,621</u>	<u>-</u>	<u>4,311,621</u>	<u>3,360,166</u>
	<u>12,811,741</u>	<u>-</u>	<u>12,811,741</u>	<u>11,381,604</u>
Loss on extinguishment of debt	53,913	-	53,913	-
	<u>12,865,654</u>	<u>-</u>	<u>12,865,654</u>	<u>11,381,604</u>
CHANGE IN NET ASSETS	(747,034)	96,746	(650,288)	(2,918,910)
NET ASSETS, BEGINNING OF YEAR	<u>8,589,543</u>	<u>741,683</u>	<u>9,331,226</u>	<u>12,250,136</u>
NET ASSETS, END OF YEAR	<u>\$ 7,842,509</u>	<u>\$ 838,429</u>	<u>\$ 8,680,938</u>	<u>\$ 9,331,226</u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	2023						2022		
	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	\$ -	\$ 888,023	\$ 329,431	\$ 1,217,454	\$ 891,726	\$ 1,915,550	\$ -	\$ 4,024,730	\$ 2,751,452
Professional fees	-	98,932	54,430	153,362	95,528	69,206	4,545	322,641	524,274
Education program disbursements	-	105,975	5,239,893	5,345,868	-	15,600	-	5,361,468	5,268,611
Office supplies and expenses	-	458,657	7,593	466,250	111,480	390,946	-	968,676	279,332
Bank fees	-	-	-	-	3,404	17,839	-	21,243	14,176
Occupancy and insurance	-	51,333	-	51,333	85,879	60,958	-	198,170	163,588
Printing, publications, awards	-	4,125	265	4,390	4,082	7,759	-	16,231	46,714
Campaign support media	-	22,217	72,721	94,938	208	188,056	386	283,588	275,814
Travel and conferences	-	53,802	21,802	75,604	27,520	168,836	-	271,960	49,668
Outreach event fees	-	-	-	-	-	-	64,648	64,648	81,532
Community event fees	-	199,315	-	199,315	8,045	38,806	-	246,166	238,351
Mortgage loan interest payments	-	-	-	-	16,656	-	-	16,656	47,524
Depreciation and amortization	-	34,399	-	34,399	32,249	42,785	-	109,433	110,979
Community distribution	837,168	-	-	837,168	-	-	-	837,168	1,461,465
Venue	-	-	-	-	-	-	142,930	142,930	40,386
	837,168	1,916,778	5,726,135	8,480,081	1,276,777	2,916,341	212,509	12,885,708	11,353,866
National dues	-	20,039	-	20,039	18,786	99,717	-	138,542	132,331
Less: costs of direct benefits to donors	-	-	-	-	-	-	(212,509)	(212,509)	(104,593)
	<u>\$ 837,168</u>	<u>\$ 1,936,817</u>	<u>\$ 5,726,135</u>	<u>\$ 8,500,120</u>	<u>\$ 1,295,563</u>	<u>\$ 3,016,058</u>	<u>\$ -</u>	<u>\$ 12,811,741</u>	<u>\$ 11,381,604</u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (650,288)	\$ (2,918,910)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	109,433	110,979
Amortization of bond issuance costs (interest)	1,191	3,574
Loss on extinguishment of debt	53,913	-
Change in pledge allowance	(226,165)	25,636
Change in discount to present value	(1,762)	(3,607)
(Increase) decrease in operating assets		
Pledges receivable	1,074,954	410,405
Grants receivable	145,031	(294,668)
Prepaid expenses	(2,884)	(15,781)
Increase (decrease) in operating liabilities		
Allocations payable	(843,333)	(1,061,750)
Designations and other agency obligations	41,825	78,372
Payroll and related accrual	163,525	2,257
Refundable advances	(14,947)	11,920
Accounts payable and other	(119,428)	261,678
Net cash used in operating activities	(268,935)	(3,389,895)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(35,115)	(12,433)
Net cash used in investing activities	(35,115)	(12,433)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(1,054,729)	(48,126)
Payments on finance lease	(5,296)	-
Net cash used in financing activities	(1,060,025)	(48,126)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,364,075)	(3,450,454)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,375,333	11,825,787
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,011,258	\$ 8,375,333
SUMMARY OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 6,172,829	\$ 7,633,650
Cash and cash equivalents, restricted	838,429	741,683
	\$ 7,011,258	\$ 8,375,333
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	\$ 16,656	\$ 47,524
NON-CASH TRANSACTIONS:		
Right-of-use assets obtained from finance lease liability	\$ 68,911	\$ -

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 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, 2023 AND 2022

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 statements of activities. Specific contributor designations are not included in revenues, gains, other support, or in funded program allocations in the statements 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, 2023 AND 2022

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 2.4% and 14.9% of gross campaign pledge revenue as of June 30, 2023 and 2022, respectively. The Organization's allowance for current pledge receivables is 32.4% and 25.6% of the gross pledge receivable balance as of June 30, 2023 and 2022, 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.

Leases: The Organization leases equipment under various terms under finance lease arrangements. The Organization determines if an arrangement is a lease at inception. Finance leases are included in finance lease right-of-use (ROU) assets and finance lease liabilities on the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Organization's leases do not provide an implicit rate, a risk-free rate is used based on information available at the commencement date in determining present value of lease payments. The finance lease ROU assets also includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023 AND 2022

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

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

Impairment of Long-Lived Assets: The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The 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).

Donated Goods and Services: Donated services are recognized as contributions in accordance with FASB ASC 958-605 and subsections if the services (a) create or enhance nonfinancial assets or (b) requires specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

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 statements 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.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023 AND 2022

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

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, 2022, 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.

The following expenses were allocated based on a combination of the time study allocation method and a direct cost basis: payroll and related, professional fees, office supplies and expenses, occupancy and insurance, printing, publications, awards, campaign support media, travel and conferences, outreach event fees, community event fees, depreciation and amortization, venue and national dues.

The following expenses were allocated on a direct cost basis: education program disbursements, bank fees, mortgage loan interest payments and community distribution.

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.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023 AND 2022

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

Functional Expenses (continued):

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 organizations, 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.

New Accounting Pronouncement: In February 2016, the Financial Accounting Standards Board (FASB) issued guidance [Accounting Standards Codification (ASC) 842, *Leases*] to increase transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for their existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023 AND 2022

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

New Accounting Pronouncement (continued):

As a result of the adoption of the new lease accounting guidance, the Organization was not a party to any leasing agreements and no entries were recorded at the date of adoption. The Organization entered into new finance leases in February 2023 (Note 6).

Subsequent Events: Subsequent events have been evaluated through November 7, 2023, 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, 2023 and 2022 are as follows:

	2023	2022
Cash and cash equivalents	\$ 7,011,258	\$ 8,375,333
Pledges receivable, current, net of allowance	366,852	879,306
Grants receivable	1,087,917	1,232,948
	8,466,027	10,487,587
Less: Community-based Agenda Allocation		
Board of Directors (Board) designated (Note 10)	25,000	868,333
Less: Designations and other agency obligations	677,002	635,177
	\$ 7,764,025	\$ 8,984,077

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 \$80,552 and \$36,583 during the years ended June 30, 2023 and 2022, respectively.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023 AND 2022

NOTE 4. PLEDGES RECEIVABLE

Pledges receivable from the Organization's annual pledge campaign are due within one year. The Organization also has long-term pledges from its naming gift pledge drive. The naming gift pledge drive began during the year ended June 30, 2015. Under this program, donors receive a plaque with their name on it based on the size of the donation 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 1.96%.

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

	<u>2023</u>	<u>2022</u>
Pledges receivable, including designations due in less than one year	\$ 603,873	\$ 1,342,492
Pledges receivable due in one to five years	<u>140,432</u>	<u>476,767</u>
	744,305	1,819,259
Less: allowance for uncollectible pledges	237,021	463,186
Less: discount to present value	<u>11,653</u>	<u>13,415</u>
	<u>\$ 495,631</u>	<u>\$ 1,342,658</u>
Gross pledges due in less than one year	\$ 603,873	\$ 1,342,492
Less: allowance for current pledges receivable	<u>237,021</u>	<u>463,186</u>
Current receivable balance	366,852	879,306
Long-term receivable balance, net of discount	<u>128,779</u>	<u>463,352</u>
Net receivable balance	<u>\$ 495,631</u>	<u>\$ 1,342,658</u>

NOTE 5. PROPERTY AND EQUIPMENT

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

	<u>2023</u>	<u>2022</u>
Land	\$ 437,000	\$ 437,000
Building and improvements	2,539,381	2,539,381
Furniture, fixtures and equipment	<u>366,273</u>	<u>331,159</u>
	3,342,654	3,307,540
Less: accumulated depreciation	<u>1,126,399</u>	<u>1,022,709</u>
	<u>\$ 2,216,255</u>	<u>\$ 2,284,831</u>

NOTE 6. LEASES

The Organization leases office equipment under various finance leases which expire at various dates through 2028. As of June 30, 2023, assets recorded under finance leases were \$68,911 and accumulated amortization associated with the finance leases was \$5,742.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023 AND 2022

NOTE 6. LEASES (CONTINUED)

Total finance lease costs include interest expense of \$969 and amortization expense of \$5,743 for a total of \$6,712 as of June 30, 2023. The weighted average remaining lease term is 4.6 years and the weighted average discount rate is 3.5% as of June 30, 2023.

Future minimum lease payments under the finance lease are as follows:

2024		\$ 15,036
2025		15,036
2026		15,036
2027		15,036
2028		<u>8,771</u>
Total future minimum lease payments		\$ 68,915
Less amount representing imputed interest		<u>(5,300)</u>
		<u>\$ 63,615</u>

Total expense incurred for the year ended June 30, 2023 and 2022 was \$6,265 and \$17,694, 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.

The Organization receives a significant amount of its revenue from grants. The Organization received \$5,470,775 and \$5,247,587 from its single largest government grantor for the year ended June 30, 2023 and 2022, respectively, which represents 45% and 62% of total revenue and 94% and 96% of grants receivable for the year ended June 30, 2023 and 2022, respectively.

NOTE 8. LONG-TERM DEBT

In 2011 the Organization entered into a loan with Wells Fargo to finance the purchase of 5830 W. Flamingo Road in Las Vegas, Nevada. In December 2015, the loan was refinanced through Public Finance Authority Revenue Bonds for \$1,344,000 and Wells Fargo subsequently purchased this loan. The loan was amortized over 22 years and had 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 loan was paid off in November 2022 for \$1,040,140.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023 AND 2022

NOTE 9. BOND ISSUANCE COSTS

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

	<u>2023</u>	<u>2022</u>
Bond issuance costs	\$ -	\$ 78,337
Less accumulated amortization	<u>-</u>	<u>23,233</u>
Unamortized bond issuance costs	<u>\$ -</u>	<u>\$ 55,104</u>

Amortization (interest) expense was \$1,191 and \$3,574 for the year ended June 30, 2023 and 2022, respectively.

NOTE 10. NET ASSETS

With Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Better Life for Families	\$ 2,210	\$ 2,210
City of North Las Vegas projects	6,050	7,680
Community Assessment	5,000	5,000
Community Investment Account Leadership Checkbook	96,443	30,824
Homeless Trust program	80,658	103,158
Kids and Cops program	85,684	85,684
Latinos Unidos	277	277
Project REACH	516,980	500,270
Women United	45,127	6,540
Young Philanthropists	<u>-</u>	<u>40</u>
	<u>\$ 838,429</u>	<u>\$ 741,683</u>

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	<u>\$ 838,429</u>	<u>\$ 741,683</u>

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023 AND 2022

NOTE 10. NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time for the years ended June 30,:

	<u>2023</u>	<u>2022</u>
Emergency Assistance and Community Needs Program	\$ -	\$ 38,280
Latinos Unidos	-	558
Project REACH	-	37,627
Women United	-	109,971
Homeless Trust	22,500	-
City of North Las Vegas projects	1,630	-
Young Philanthropists	<u>40</u>	<u>-</u>
	<u>\$ 24,170</u>	<u>\$ 186,436</u>

Board Designated

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

	<u>2023</u>	<u>2022</u>
Community-based Agenda Allocation	<u>\$ 25,000</u>	<u>\$ 868,333</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 \$62,500 and \$104,538 for the years ended June 30, 2023 and 2022, respectively.

NOTE 12. IN-KIND CONTRIBUTIONS

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

<u>Category</u>	<u>Usage</u>	<u>2023</u>	<u>2022</u>
Community event fees	Community Development	\$ -	\$ 125,854
Campaign support media	Community Development	15,000	15,000
Office supplies and expenses	Community Development	322,687	-
Professional fees	Community Development	-	700
Professional fees	Fundraising	560	-
Office supplies and expenses	Fundraising	125,486	-
Special events, outreach event fees	Golf special event	<u>41,920</u>	<u>58,182</u>
		<u>\$ 505,653</u>	<u>\$ 199,736</u>

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023 AND 2022

NOTE 12. IN-KIND CONTRIBUTIONS (CONTINUED)

Community event fees, campaign support media, office supplies, and special outreach event fees 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.