

**UNITED WAY OF SOUTHERN NEVADA, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2024**

**With Summarized Comparative Information
For The Year Ended June 30, 2023**



**United Way
of Southern Nevada**

HRC

UNITED WAY OF SOUTHERN NEVADA, INC.

JUNE 30, 2024 AND 2023

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-3
STATEMENTS OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8-19
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	20-21
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	22-24
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	25
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	26
SCHEDULE OF FINDINGS AND QUESTION COSTS	27-30

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, 2024, 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, 2024, 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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, 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* and Title 45 U.S. *Code of Federal Regulations* Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS 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 November 18, 2024, 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
November 18, 2024

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,817,190	\$ 6,172,829
Cash and cash equivalents, restricted	-	838,429
Investments	992,832	-
Investments, restricted	827,631	-
Pledges receivable, net of allowance	468,603	366,852
Grants receivable	1,692,744	1,087,917
Prepaid expenses	65,659	40,626
	6,864,659	8,506,653
OTHER ASSETS		
Pledges receivable, net of current and discount	71,847	128,779
Property and equipment		
Finance lease right-of-use asset, net	49,386	63,169
Other property and equipment, net	2,156,065	2,216,255
	\$ 9,141,957	\$ 10,914,856
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Allocations payable	\$ 248,000	\$ 25,000
Designations and other agency obligations	756,860	677,002
Payroll and related accrual	174,392	292,583
Refundable advances	35,771	44,465
Accounts payable and other	1,220,741	1,131,253
Finance lease liability, current	13,492	13,029
	2,449,256	2,183,332
LONG-TERM LIABILITIES		
Finance lease liability, less current maturities	37,097	50,586
	2,486,353	2,233,918
NET ASSETS		
Without donor restrictions	5,827,973	7,842,509
With donor restrictions	827,631	838,429
	6,655,604	8,680,938
	\$ 9,141,957	\$ 10,914,856

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND GAINS				
Gross campaign results, current year	\$ 4,137,462	\$ 65,751	\$ 4,203,213	\$ 4,929,899
Less provision for uncollectible pledges	(70,294)	-	(70,294)	(114,006)
	<u>4,067,168</u>	<u>65,751</u>	<u>4,132,919</u>	<u>4,815,893</u>
Contribution and grant revenues	7,973,167	-	7,973,167	7,125,623
State appropriation revenue	1,200,000	-	1,200,000	-
Program revenue	-	-	-	12,301
Rental revenue	-	-	-	6,700
Other revenue	61,210	-	61,210	137,523
In-kind donations	238,100	-	238,100	463,733
Investment return	245,677	-	245,677	-
Special events				
Special events revenue	345,717	-	345,717	299,721
Special events in-kind donations	43,136	-	43,136	41,920
Cost of direct benefits to donor	(226,481)	-	(226,481)	(212,509)
	<u>162,372</u>	<u>-</u>	<u>162,372</u>	<u>129,132</u>
Net assets released from restrictions	76,549	(76,549)	-	-
	<u>14,024,243</u>	<u>(10,798)</u>	<u>14,013,445</u>	<u>12,690,905</u>
Less donor-designated pass-through, net of portion retained to offset administrative costs	(385,402)	-	(385,402)	(475,539)
	<u>13,638,841</u>	<u>(10,798)</u>	<u>13,628,043</u>	<u>12,215,366</u>
EXPENSES AND LOSSES				
Program services:				
Funded program allocations	2,542,832	-	2,542,832	837,168
Community development	1,519,582	-	1,519,582	1,936,817
Fiscal agent expense, other grants	7,789,478	-	7,789,478	5,726,135
	<u>11,851,892</u>	<u>-</u>	<u>11,851,892</u>	<u>8,500,120</u>
Support services:				
Management and general	1,132,057	-	1,132,057	1,295,563
Fundraising	2,669,428	-	2,669,428	3,016,058
	<u>3,801,485</u>	<u>-</u>	<u>3,801,485</u>	<u>4,311,621</u>
	<u>15,653,377</u>	<u>-</u>	<u>15,653,377</u>	<u>12,811,741</u>
Loss on extinguishment of debt	-	-	-	53,913
	<u>15,653,377</u>	<u>-</u>	<u>15,653,377</u>	<u>12,865,654</u>
CHANGE IN NET ASSETS	(2,014,536)	(10,798)	(2,025,334)	(650,288)
NET ASSETS, BEGINNING OF YEAR	<u>7,842,509</u>	<u>838,429</u>	<u>8,680,938</u>	<u>9,331,226</u>
NET ASSETS, END OF YEAR	<u>\$ 5,827,973</u>	<u>\$ 827,631</u>	<u>\$ 6,655,604</u>	<u>\$ 8,680,938</u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	2024						2023		
	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	\$ -	\$ 900,422	\$ 474,644	\$ 1,375,066	\$ 756,868	\$ 1,823,991	\$ -	\$ 3,955,925	\$ 4,024,730
Professional fees	-	92,440	336,311	428,751	73,083	140,811	16,350	658,995	322,641
Education program disbursements	-	4,200	6,691,578	6,695,778	-	20,150	-	6,715,928	5,361,468
Office supplies and expenses	-	268,878	224,058	492,936	118,556	376,690	-	988,182	968,676
Bank fees	-	-	-	-	39,081	2,885	-	41,966	21,243
Occupancy and insurance	-	35,196	8,355	43,551	57,901	64,035	-	165,487	198,170
Printing, publications, awards	-	5,775	1,600	7,375	3,090	19,786	-	30,251	16,231
Campaign support media	-	53,120	20,000	73,120	631	56,933	27,567	158,251	283,588
Travel and conferences	-	81,246	32,932	114,178	15,625	76,672	-	206,475	271,960
Outreach event fees	-	-	-	-	-	-	-	-	64,648
Community event fees	-	13,615	-	13,615	-	-	-	13,615	246,166
Interest payments	-	-	-	-	2,010	-	-	2,010	16,656
Depreciation and amortization	-	32,821	-	32,821	33,162	44,478	-	110,461	109,433
Community distribution	2,542,832	-	-	2,542,832	-	-	-	2,542,832	837,168
Venue	-	-	-	-	-	-	182,564	182,564	142,930
	2,542,832	1,487,713	7,789,478	11,820,023	1,100,007	2,626,431	226,481	15,772,942	12,885,708
National dues	-	31,869	-	31,869	32,050	42,997	-	106,916	138,542
Less: costs of direct benefits to donors	-	-	-	-	-	-	(226,481)	(226,481)	(212,509)
	<u>\$ 2,542,832</u>	<u>\$ 1,519,582</u>	<u>\$ 7,789,478</u>	<u>\$ 11,851,892</u>	<u>\$ 1,132,057</u>	<u>\$ 2,669,428</u>	<u>\$ -</u>	<u>\$ 15,653,377</u>	<u>\$ 12,811,741</u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,025,334)	\$ (650,288)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	110,461	109,433
Amortization of bond issuance costs (interest)	-	1,191
Loss on extinguishment of debt	-	53,913
Realized/unrealized gain on investments	(30,094)	-
Change in pledge allowance	(136,945)	(226,165)
Change in discount to present value	3,839	(1,762)
(Increase) decrease in operating assets		
Pledges receivable	88,287	1,074,954
Grants receivable	(604,827)	145,031
Prepaid expenses	(25,033)	(2,884)
Increase (decrease) in operating liabilities		
Allocations payable	223,000	(843,333)
Designations and other agency obligations	79,858	41,825
Payroll and related accrual	(118,191)	163,525
Refundable advances	(8,694)	(14,947)
Accounts payable and other	89,488	(119,428)
Net cash used in operating activities	<u>(2,354,185)</u>	<u>(268,935)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,790,369)	-
Purchases of property and equipment	(36,488)	(35,115)
Net cash used in investing activities	<u>(1,826,857)</u>	<u>(35,115)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	-	(1,054,729)
Payments on finance lease	(13,026)	(5,296)
Net cash used in financing activities	<u>(13,026)</u>	<u>(1,060,025)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,194,068)	(1,364,075)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,011,258</u>	<u>8,375,333</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,817,190</u>	<u>\$ 7,011,258</u>
SUMMARY OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 2,817,190	\$ 6,172,829
Cash and cash equivalents, restricted	-	838,429
	<u>\$ 2,817,190</u>	<u>\$ 7,011,258</u>
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	<u>\$ 2,010</u>	<u>\$ 16,656</u>
NON-CASH TRANSACTIONS:		
Right-of-use assets obtained from finance lease liability	<u>\$ -</u>	<u>\$ 68,911</u>

See notes to financial statements

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

Nature of Activities: United Way of Southern Nevada, Inc. (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, 2024 AND 2023

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, 2024 AND 2023

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 6) are susceptible to revision in the near term.

Pledges Receivable: Annual campaign pledge contributions consist of unconditional promises to give by donors (Note 6). 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 6). Using these criteria, the provision was determined to be 1.7% and 2.4% of gross campaign pledge revenue as of June 30, 2024 and 2023, respectively. The Organization's allowance for current pledge receivables is 15.6% and 32.4% of the gross pledge receivable balance as of June 30, 2024 and 2023, respectively. After eighteen months, uncollected campaign pledges are written off for the annual pledge campaign.

Property and Equipment: Property and equipment (Note 7) 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, 2024 AND 2023

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, 2024 AND 2023

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, 2023, 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 and national dues.

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

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.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

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

Functional Expenses (continued): 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. UWSN administers Project REACH, an energy assistance program supporting low-income older adults; the Emergency Food and Shelter Program, a federally-funded program ensuring the availability of mass shelter, rent assistance, temporary shelter, food assistance, and utility payment assistance to residents in Southern Nevada; and a series of corporate Crisis Funds, an emergency assistance program to support workers facing a life, medical, or related crisis.

Other Grants include a variety of federal and private grants, including: Nevada Ready! Which provide high quality early education throughout Southern Nevada, Neighborhood Network is a peer-focused professional development opportunity for home-based childcare providers that includes peer networking and support, CPR and First Aid Training, Sponsored Field Trips, Professional Development, and Parent Engagement Workshops. In 2023-2024, Neighborhood Network ensured over 250 home-based childcare providers had access to key supportive resources, learning opportunities, and professional networking, and Antiterrorism & Emergency Assistance Program, which supports victim's services in wake of the Route 91 Harvest Festival tragedy.

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

Recently Adopted Accounting Guidance: In June 2016, the FASB issued guidance FASB ASC Topic 326, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments* (ASU 2016-13) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Currently, the Organization does not have any financial assets that are subject to the guidance in FASB ASC 326. The Organization adopted this standard effective July 1, 2023.

Subsequent Events: Subsequent events have been evaluated through November 18, 2024, which is the date the financial statements were available to be issued.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

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, 2024 and 2023 are as follows:

	2024	2023
Cash and cash equivalents	\$ 2,817,190	\$ 7,011,258
Investments	1,820,463	-
Pledges receivable, current, net of allowance	468,603	366,852
Grants receivable	1,692,744	1,087,917
	6,799,000	8,466,027
Less: Community-based Agenda Allocation		
Board of Directors (Board) designated (Note 10)	248,000	25,000
Less: Designations and other agency obligations	756,860	677,002
	\$ 5,794,140	\$ 7,764,025

NOTE 3. INVESTMENTS

Investments are stated at their fair market value and related gains and losses on investments are reported as increases or decreases in net assets without donor restrictions. The following is a summary of investments at June 30,:

	2024	2023
Mutual funds	\$ 1,820,463	\$ -

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

NOTE 4. FAIR VALUE MEASUREMENTS

In accordance with FASB ASC, the following are quantitative disclosures about the fair value measurements of assets. Fair value measurements are categorized on three levels:

Level 1: Quoted market prices in active markets for identical assets.

Level 2: Inputs other than quoted prices within Level 1; for example, quoted prices for similar assets.

Level 3: Significant unobservable inputs for the assets.

The Organization's only assets maintained at fair value were its investments during the year ended June 30, 2024. The Organization did not have any assets maintained at fair value for the year ended June 30, 2023. The following table provides fair value measurement information for investments as of June 30, 2024:

	Level 1	Total
Mutual funds	<u>\$ 1,820,463</u>	<u>\$ 1,820,463</u>

NOTE 5. 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 \$66,940 and \$80,552 during the years ended June 30, 2024 and 2023, respectively.

NOTE 6. 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 5.25%.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

NOTE 6. PLEDGES RECEIVABLE (CONTINUED)

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

	<u>2024</u>	<u>2023</u>
Pledges receivable, including designations due in less than one year	\$ 568,679	\$ 603,873
Pledges receivable due in one to five years	<u>87,341</u>	<u>140,432</u>
	656,020	744,305
Less: allowance for uncollectible pledges	100,076	237,021
Less: discount to present value	<u>15,494</u>	<u>11,653</u>
	<u>\$ 540,450</u>	<u>\$ 495,631</u>
Gross pledges due in less than one year	\$ 568,679	\$ 603,873
Less: allowance for current pledges receivable	<u>100,076</u>	<u>237,021</u>
Current receivable balance	468,603	366,852
Long-term receivable balance, net of discount	<u>71,847</u>	<u>128,779</u>
Net receivable balance	<u>\$ 540,450</u>	<u>\$ 495,631</u>

NOTE 7. PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>
Land	\$ 437,000	\$ 437,000
Building and improvements	2,571,068	2,539,381
Furniture, fixtures and equipment	<u>370,957</u>	<u>366,273</u>
	3,379,025	3,342,654
Less: accumulated depreciation	<u>1,222,960</u>	<u>1,126,399</u>
	<u>\$ 2,156,065</u>	<u>\$ 2,216,255</u>

NOTE 8. LEASES

The Organization leases office equipment under various finance leases which expire at various dates through 2028. As of June 30, 2024 and 2023, assets recorded under finance leases were \$68,911 and \$68,911, respectively and accumulated amortization associated with the finance leases was \$19,525 and \$5,742, respectively.

Total finance lease costs included interest expense of \$2,007 and amortization expense of \$13,782 for a total of \$15,789 as of June 30, 2024. The weighted average remaining lease term is 3.6 years and the weighted average discount rate is 3.5% as of June 30, 2024.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

NOTE 8. LEASES (CONTINUED)

Total finance lease costs included 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 was 4.6 years and the weighted average discount rate was 3.5% as of June 30, 2023.

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

2025	\$ 15,036
2026	15,036
2027	15,036
2028	<u>8,774</u>
Total future minimum lease payments	53,882
Less amount representing imputed interest	<u>3,293</u>
	50,589
Less current portion	<u>13,492</u>
Long-term finance lease liabilities	<u>\$ 37,097</u>

Total expense incurred for the years ended June 30, 2024 and 2023 was \$6,265 and was \$6,265, respectively.

NOTE 9. 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 \$7,334,154 and \$5,470,775 from its single largest government grantor for the years ended June 30, 2024 and 2023, respectively, which represents 54% and 45% of total revenue and 97% and 94% of grants receivable for the years ended June 30, 2024 and 2023, respectively.

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

NOTE 10. NET ASSETS

With Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Better Life for Families	\$ 2,210	\$ 2,210
City of North Las Vegas projects	5,151	6,050
Community Assessment	5,000	5,000
Community Investment Account Leadership Checkbook	20,793	96,443
Emergency Assistance and Community Needs Program	1,290	-
Homeless Trust program	85,658	80,658
Kids and Cops program	85,684	85,684
Latinos Unidos	277	277
Project REACH	537,971	516,980
Women United	78,804	45,127
Young Leaders Society	<u>4,793</u>	<u>-</u>
	<u>\$ 827,631</u>	<u>\$ 838,429</u>

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ -	\$ 838,429
Investments	<u>827,631</u>	<u>-</u>
	<u>\$ 827,631</u>	<u>\$ 838,429</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,:

	<u>2024</u>	<u>2023</u>
Homeless Trust	\$ -	\$ 22,500
City of North Las Vegas projects	899	1,630
Young Philanthropists	-	40
Community Investment Account Leadership Checkbook	<u>75,650</u>	<u>-</u>
	<u>\$ 76,549</u>	<u>\$ 24,170</u>

UNITED WAY OF SOUTHERN NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

NOTE 10. NET ASSETS (CONTINUED)

Board Designated

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

	2024	2023
Community-based Agenda Allocation	\$ <u>248,000</u>	\$ <u>25,000</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 \$120,687 and \$62,500 for the years ended June 30, 2024 and 2023, respectively.

NOTE 12. IN-KIND CONTRIBUTIONS

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

Category	Usage	2024	2023
Campaign support media	Community Development	\$ 30,000	\$ 15,000
Office supplies and expenses	Community Development	178,710	322,687
Professional fees	Fundraising	-	560
Office supplies and expenses	Fundraising	29,390	125,486
Special events, outreach event fees	Golf special event, Women's luncheon event	43,136	41,920
		\$ 281,236	\$ 505,653

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.

NOTE 13. LINE OF CREDIT

The Organization entered into a \$1.5 million line of credit agreement in December 2023. The interest rate on the line of credit is calculated as the sum of the daily Secured Overnight Financing Rate (SOFR) plus 2%. Accrued interest is due and payable on the first day of each month beginning in January 1, 2024. The outstanding balance and any accrued but unpaid interest shall be due and payable on the expiration date which is December 19, 2024. There was no outstanding balance on the line of credit as of June 30, 2024.

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) (Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2024.

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 internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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
November 18, 2024

**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, 2024. 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, 2024.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on United Way of Southern Nevada, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. United Way of Southern Nevada, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on The Organization's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
November 18, 2024

UNITED WAY OF SOUTHERN NEVADA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

<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>
U.S. Department of Justice Passed through State of Nevada	Antiterrorism and Emergency Assistance Program (AEAP)	16.321	2019-V7-GX-001	\$ 160,655	\$ -
U.S. Department of Homeland Security Passed through United Way World Wide	Emergency Food and Shelter National Board Program	97.024	LOR ID: 586800-010	27,773	-
U.S. Department of the Treasury Passed through State of Nevada	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	21027A21	1,648,360	1,613,749
U.S. Department of Health and Human Services	Programs that Improve Self-Sufficiency for LEP Communities	93.493		441,892	-
				<u>\$ 2,278,680</u>	<u>\$ 1,613,749</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, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal award activity of United Way of Southern Nevada, Inc. (Organization) under programs of the federal government for the year ended June 30, 2024. 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) and Title 45 U.S. *Code of Federal Regulations* Part 75, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for HHS Awards* (Uniform Guidance). Because this schedule only presents a select portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of the Organization.

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 allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATES

The Organization has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**UNITED WAY OF SOUTHERN NEVADA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

4. No instances of material weaknesses and one significant deficiency related to the audit of 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.
5. The auditor's report on compliance for the Organization expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR 200.516(a) are included in this schedule.
7. The program tested as a major program was the U.S. Department of Treasury, COVID-19 Coronavirus State and Local Fiscal Recovery Funds, Assistance Listing Number 21.027.
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The Organization did not qualify as a low-risk auditee.

FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2024-001 Internal Controls Systems and Compliance Over Subrecipient Monitoring – U.S. Department of Treasury, COVID-19 Coronavirus State and Local Fiscal Recovery Funds, Passed Through the State of Nevada Department of Education

Criteria: In accordance with 2 CFR 200.332(a)(1), the auditee must maintain a system of internal control to ensure information related to federal awards is clearly identified to the subrecipient at the time of the subaward and if any data elements change, include the changes in a subsequent subaward modification.

UNITED WAY OF SOUTHERN NEVADA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT
(CONTINUED)**

2024-001 Internal Controls Systems and Compliance Over Subrecipient Monitoring – U.S. Department of Treasury, COVID-19 Coronavirus State and Local Fiscal Recovery Funds, Passed Through the State of Nevada Department of Education (Continued)

Condition: The Organization receives funding for the Nevada Ready! program through the State of Nevada and the amount of funding provided by federal and state sources changes annually. The Organization did not identify that certain information required to be communicated for federally sourced awards was missing from the information provided to subrecipients for subawards they received during the year.

Context: Nineteen preschool centers did not receive notification that the funding they received included funds that were federally sourced and additional information required to be communicated related to the federal funding was not provided.

Cause: The design and implementation of internal controls over subrecipient monitoring was not effective.

Effect: Not communicating the inclusion of federal funding in a subaward and all related requirements in a subaward to subrecipients could result in the subrecipients not complying with federal regulations.

Recommendation: We recommend management design and implement a system of internal controls whereby every subaward that includes federal funding be clearly identified to the subrecipient as a federal subaward and include all data elements required to be provided to the subrecipient at the time of the subaward and if any of the data elements change, include the changes in a subsequent subaward modification.

Views of Responsible Officials and Planned Corrective Action: We appreciate the identification of this compliance issue and are committed to addressing the finding with a robust corrective action plan. The following steps outline the measures we will take to ensure compliance with federal requirements for subrecipient monitoring under 2 CFR 200.332, effective June 30, 2024, and related guidance:

1. Implementation of Updated Grant Award Communication Procedures

Future Grants to Centers:

- We will estimate the amount of federal funds included in each grant and include this amount in the agreement at the time of award issuance.
- Agreements will be updated to clearly delineate the specific requirements for both federal and state funds.
- Each Center will acknowledge their responsibilities and obligations for federal and state funds, with detailed requirements provided for both funding sources.

UNITED WAY OF SOUTHERN NEVADA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT
(CONTINUED)**

Annual Notifications:

- A statement will be provided to each Center annually, clearly notifying them of the amount of federal funding included in their subaward.

2. Prioritization of FY24 Subrecipients

- Upon receipt of these findings, immediate focus was placed on Nonprofit Centers, and we confirmed that none received more than \$749,999 in federal awards (either directly as a recipient or indirectly as a subrecipient) in aggregate for all its projects during the fiscal year.
- A statement will be provided to each Center annually, clearly notifying them of the amount of federal funding included in their subaward.
- The corrective actions will be implemented by January 31, 2025.

3. FY25 Proactive Measures

- Notifications of federal requirements and the Q1 statement for FY25 will be distributed by January 31, 2025.
- We conducted an initial high-level overview of these updated requirements at the Director Training on November 15, 2024.
- A comprehensive training session will follow in January 2025 to ensure all subrecipients fully understand their obligations under Uniform Guidance, including subaward identification and compliance monitoring.

4. Alignment with 2 CFR 200.332 Requirements for Pass-Through Entities

In compliance with the updated requirements for pass-through entities under 2 CFR 200.332:

- Each subaward will be clearly identified as a federal subaward and include all required data elements at the time of issuance. Any subsequent changes will be communicated through a formal subaward modification process.
- Indirect cost rate requirements under 2 CFR 200.332 (i) will be explicitly addressed. Specifically:

If the subrecipient has an approved federally recognized indirect cost rate, it will be honored.

**UNITED WAY OF SOUTHERN NEVADA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024**

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT
(CONTINUED)**

If no approved rate exists, we will collaborate with the subrecipient to determine an appropriate rate. This may include using a previously negotiated rate between the subrecipient and another pass-through entity, without requiring additional justification from the subrecipient.

Current Status: Corrective action has been implemented.