

**UNITED WAY OF CENTRAL  
AND SOUTHERN UTAH**

**AUDITED FINANCIAL STATEMENTS  
AND OTHER REPORTS**

Year Ended June 30, 2022

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
AUDITED FINANCIAL STATEMENTS:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
SUPPLEMENTARY INFORMATION:	
Schedule of Expenditures of Federal Awards	14
Notes to Schedule of Expenditures of Federal Awards	15
OTHER REPORTS:	
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>	16
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required in Accordance with the Uniform Guidance	18
Schedule of Findings and Questioned Costs	21
Summary Schedule of Prior Audit Findings	22



## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
United Way of Central and Southern Utah

### **Report on Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of United Way of Central and Southern Utah (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022, 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 referred to above present fairly, in all material respects, the financial position of United Way of Central and Southern Utah as of June 30, 2022 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Central and Southern Utah 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 Central and Southern Utah's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Central and Southern Utah'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 Central and Southern Utah'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.

### ***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 is presented for purposes of additional analysis, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Report on Summarized Comparative Information***

We have previously audited United Way of Central and Southern Utah's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 5, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2022 on our consideration of United Way of Central and Southern Utah'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 Central and Southern Utah'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 Central and Southern Utah's internal control over financial reporting and compliance.

*Squire & Company, PC*

Orem, Utah  
December 8, 2022

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH**  
**STATEMENT OF FINANCIAL POSITION**

June 30, 2022, with Comparative Totals for 2021

	2022	2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 46,200	\$ 110,003
Contributions receivable, net of allowance for uncollectible contributions	387,766	372,647
Accounts and grants receivable	151,421	189,492
Inventory	11,837	137
Prepaid expenses and other current assets	40,690	31,513
Due from United Way Community Services	-	199,789
Total current assets	637,914	903,581
<b>Fixed Assets:</b>		
Building and improvements	2,569,166	2,561,956
Furniture and equipment	173,099	173,099
Accumulated depreciation	(1,640,886)	(1,557,886)
Net fixed assets	1,101,379	1,177,169
<b>Restricted Cash</b>	38,695	30,710
Total assets	<u>\$ 1,777,988</u>	<u>\$ 2,111,460</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Current portion of notes payable	\$ 51,790	\$ 391,715
Accounts payable	115,410	217,312
Due to other organizations	59,608	55,061
Accrued expenses	151,768	99,233
Deferred revenue	14,500	13,000
Total current liabilities	393,076	776,321
<b>Notes Payable, net of current portion</b>	81,788	133,380
Total liabilities	474,864	909,701
<b>Net Assets:</b>		
Without donor restrictions	581,519	573,964
With donor restrictions	721,605	627,795
Total net assets	1,303,124	1,201,759
Total liabilities and net assets	<u>\$ 1,777,988</u>	<u>\$ 2,111,460</u>

The accompanying notes are an integral part of this financial statement.

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2022, with Comparative Totals for 2021

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2022	2021
<b>Revenues and Support:</b>				
Total campaign pledges and donations	\$ 889,114	\$ 713,027	\$ 1,602,141	\$ 1,376,090
Amounts designated by donors for specific organizations	(263,261)	-	(263,261)	(209,062)
Net campaign pledges and donations	625,853	713,027	1,338,880	1,167,028
Uncollectible pledges and donations	(14,246)	-	(14,246)	(119,205)
In-kind donations	1,341,057	-	1,341,057	1,033,813
Rent	383,520	-	383,520	383,520
Grants	1,784,544	-	1,784,544	1,772,829
Interest	1	-	1	2
Support services income	218,910	-	218,910	206,488
Other	79,438	-	79,438	100,875
Net assets released from restrictions	619,217	(619,217)	-	-
Total revenues and support	5,038,294	93,810	5,132,104	4,545,350
Gain on forgiveness of PPP loan	342,200	-	342,200	-
Total revenues, support, and gains	5,380,494	93,810	5,474,304	4,545,350
<b>Allocations and Expenses:</b>				
Program services:				
EveryDay Learners (Education)	1,555,498	-	1,555,498	1,403,601
EveryDay Support (Income)	2,569,659	-	2,569,659	2,194,169
EveryDay Strong (Health)	672,510	-	672,510	717,285
Citizen review	-	-	-	2,672
Supporting services:				
Resource development	376,170	-	376,170	310,548
Management and general	199,102	-	199,102	181,943
Total allocations and expenses	5,372,939	-	5,372,939	4,810,218
<b>Change in Net Assets</b>	7,555	93,810	101,365	(264,868)
<b>Net Assets at Beginning of Year</b>	573,964	627,795	1,201,759	1,466,627
<b>Net Assets at End of Year</b>	\$ 581,519	\$ 721,605	\$ 1,303,124	\$ 1,201,759

The accompanying notes are an integral part of this financial statement.

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2022, with Comparative Totals for 2021

	Program Services			Supporting Services		Totals	
	EveryDay Learners (Education)	EveryDay Support (Income)	EveryDay Strong (Health)	Resource Development	Management and General	2022	2021
Salaries, wages, and stipends	\$ 877,772	\$ 609,364	\$ 266,969	\$ 161,441	\$ 95,841	\$ 2,011,387	\$ 1,578,022
Employee benefits	126,962	74,297	39,062	29,385	38,381	308,087	282,355
Payroll taxes	59,242	40,166	16,330	11,735	7,197	134,670	100,616
Total personnel expenses	1,063,976	723,827	322,361	202,561	141,419	2,454,144	1,960,993
Agency program funding and assistance	172,997	1,324,393	207,984	125	285	1,705,784	1,544,434
Community projects	86,483	184,860	19,260	-	67	290,670	319,455
Conferences, training, and travel	15,142	9,354	6,744	3,852	122	35,214	8,468
Dues and subscriptions	5,800	3,496	1,982	24,885	13,128	49,291	53,185
Insurance	4,156	3,305	1,153	798	2,012	11,424	4,048
Interest	-	7,329	-	-	1,960	9,289	9,772
IT equipment and support	45,242	21,771	11,339	11,076	3,006	92,434	99,812
Materials and supplies	8,694	1,875	8,006	12,881	2,324	33,780	27,493
Telephone	15,053	10,074	6,001	1,155	530	32,813	44,315
Miscellaneous	4,045	1,573	707	422	320	7,067	5,627
Postage and copies	9,833	2,812	4,073	4,816	3,654	25,188	21,420
Professional services and bank charges	44,710	71,917	51,884	85,102	23,138	276,751	362,063
Rent	47,542	63,626	21,068	19,976	4,391	156,603	151,933
Repairs and maintenance	1,545	38,918	429	296	184	41,372	20,248
Travel	14,376	6,855	4,301	4,154	784	30,470	17,410
United Way Worldwide support	9,842	6,493	2,731	1,889	1,121	22,076	65,018
Utilities	3,716	7,895	1,836	1,732	390	15,569	14,993
Total before depreciation	1,553,152	2,490,373	671,859	375,720	198,835	5,289,939	4,730,687
Depreciation	2,346	79,286	651	450	267	83,000	79,531
Total functional expenses	\$ 1,555,498	\$ 2,569,659	\$ 672,510	\$ 376,170	\$ 199,102	\$ 5,372,939	\$ 4,810,218

The accompanying notes are an integral part of this financial statement.

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH**  
**STATEMENT OF CASH FLOWS**

Year Ended June 30, 2022, with Comparative Totals for 2021

	2022	2021
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 101,365	\$ (264,868)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	83,000	79,531
Gain on forgiveness of PPP loan	(342,200)	-
Changes in operating assets and liabilities:		
Contributions receivable	(15,119)	86,589
Accounts and grants receivable	38,071	(134,281)
Inventory	(11,700)	4,200
Prepaid expenses and other current assets	(9,177)	(9,925)
Due from United Way Community Services	199,789	250,753
Accounts payable	(101,902)	128,885
Due to other organizations	4,547	(14,765)
Accrued expenses	52,535	15,479
Deferred revenue	1,500	6,500
	<u>709</u>	<u>148,098</u>
Net cash provided by operating activities	709	148,098
<b>Cash Flows from Investing Activities:</b>		
Purchases of fixed assets	(7,210)	(180,365)
<b>Cash Flows from Financing Activities:</b>		
Principal payments on notes payable	<u>(49,317)</u>	<u>(47,123)</u>
<b>Net Change in Cash</b>	(55,818)	(79,390)
<b>Cash at Beginning of Year</b>	<u>140,713</u>	<u>220,103</u>
<b>Cash at End of Year</b>	<u>\$ 84,895</u>	<u>\$ 140,713</u>
As presented on the statements of financial position:		
Cash	\$ 46,200	\$ 110,003
Restricted cash	<u>38,695</u>	<u>30,710</u>
	<u>\$ 84,895</u>	<u>\$ 140,713</u>

**Supplemental Data:**

United Way paid \$9,289 in interest and no income taxes for the year ended June 30, 2022.

United Way had no noncash investing or financing activities during the year ended June 30, 2022.

The accompanying notes are an integral part of this financial statement.

## **UNITED WAY OF CENTRAL AND SOUTHERN UTAH NOTES TO THE FINANCIAL STATEMENTS**

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of United Way of Central and Southern Utah (United Way) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### **Organization**

The primary objective of United Way is to increase the organized capacity of people to care for one another. This is done through campaigns for donations that are managed and distributed to nonprofit agencies affiliated with United Way.

#### **Financial Statement Presentation**

United Way reports information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of United Way’s management and board of trustees.

*Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

#### **Summarized Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with United Way’s financial statements for the year ended June 30, 2021, from which the summarized information was derived.

#### **Tax Status**

United Way is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to United Way are tax deductible to donors under Section 170 of the IRC. United Way is not classified as a private foundation. Also, United Way is not subject to state income taxes.

#### **Revenue Recognition**

Contributions receivable are recorded as unrestricted support when the unconditional promise to give is made. All contributions receivable are due within one year. The allowance for uncollectible contributions is estimated based on historical collection experience. The allowance for uncollectible

## **UNITED WAY OF CENTRAL AND SOUTHERN UTAH**

### **NOTES TO THE FINANCIAL STATEMENTS**

---

contributions was \$100,000 at June 30, 2022. Contributions receivable not received from the prior year's campaign are netted against designated contributions of the prior year's campaign not received as uncollectible contributions. Uncollectible contributions were \$14,246 for the year ended June 30, 2022.

#### **Allocation of Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Directly identifiable expenses are charged to program and other activities and indirect expenses are allocated to one or more program or supporting functions based on estimated time and effort or square footage used. Such allocations are determined by management on an equitable basis. Management and general expenses include those expenses that are not directly identifiable with any specific program, but provide overall support and direction of United Way.

#### **Inventory**

Inventory consists of prepaid store cards held to distribute to qualifying individuals or to United Way partner agencies.

#### **Fixed Assets**

Fixed assets are stated at cost or, if donated, at fair value as of the donation date. Fixed assets are depreciated using the straight-line method, with useful lives as follows:

Building and improvements	5 to 40 years
Furniture and equipment	3 to 10 years

#### **Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Subsequent Events**

United Way evaluated subsequent events through December 8, 2022, the date which the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

#### **NOTE 2 – FUNCTIONAL EXPENSES**

The statement of activities reflects expenses by functional area. The following is a description of the functional areas:

*EveryDay Learners (Education)* – includes funding of internal and community partners' programs that provide free home visitations to first-time parents, provide basic necessities, and support early intervention programs.

*EveryDay Support (Income)* – includes funding of internal and community partners' programs that help build financially stable families by assisting with income tax preparation, utilities assistance, job skills training, adult literacy programs and more.

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

*EveryDay Strong (Health)* – includes funding of internal and community partners’ programs that help create a healthier Utah County through promoting health education and preventative care, reducing child abuse and domestic violence, and providing access to critical healthcare services.

*Citizen Review* – includes the entire community review of United Way funded community programs that are producing measurable outcomes that show long-lasting change. Also, includes recruitment and training of volunteers and communication with agencies regarding funding.

*Resource Development* – includes recruitment, training, employee meetings, mailings, brochures, pledge cards, promotional materials, company visits, or other activities related to the raising of funds.

*Management and General* – includes board meetings, executive direction and planning, personnel and office management, accounting and bookkeeping, and file maintenance.

**NOTE 3 – AVAILABILITY AND LIQUIDITY**

The following represents United Way’s financial assets at June 30, 2022:

Financial assets at year end:	
Cash	\$ 84,895
Contributions receivable, net of allowance	387,766
Accounts and grants receivable	<u>151,421</u>
Total financial assets	624,082
Less amounts not available to be used within one year:	
Net assets with donor restrictions	721,605
Less net assets with donor restrictions to be met in less than a year	<u>(721,605)</u>
	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 624,082</u>

United Way’s goal is generally to maintain financial assets to meet three months of operating expenses (approximately \$800,000). Operating expenses are defined by United Way as total expenses less depreciation and in-kind expenses (see Note 3). United Way has established a \$100,000 line of credit (see Note 5) to assist with cash flow needs.

**NOTE 4 – BUILDING ACQUISITION AND LEASE**

During the fiscal year ended June 30, 2001, a building was purchased, remodeled, and leased to Community Action Services (CAS) and others. To purchase and remodel the building, United Way borrowed \$1,203,691 and entered into a lease agreement with CAS.

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

During 2019, this lease agreement with CAS was renegotiated. CAS now rents only the portion of the building it occupies with no sublessees. The agreement obligates CAS to pay United Way \$23,100 per month. The term of the lease is 5 years ending June 2024 with two five-year extensions. United Way agrees to award a monthly rent credit of \$15,100 to CAS for as long as CAS continues to provide services to the community. This rent credit is reported as an expense included in “agency program funding and assistance”.

Lease revenue for the remaining lease term is as follows:

Year Ending June 30,	Rent Amount	Rent Credit	Net Rent Amount
2023	\$ 277,200	\$ (181,200)	\$ 96,000
2024	277,200	(181,200)	96,000

**NOTE 5 – LINE OF CREDIT**

United Way has established a \$100,000 line of credit. No amount was outstanding on this line of credit at June 30, 2022. This line of credit bears interest at an index plus 4.5 percent (7.02 percent at June 30, 2022), requires monthly interest-only payments, and matures January 2023.

**NOTE 6 – NOTES PAYABLE**

United Way assumed debt to purchase and remodel the building occupied by CAS and others (see Note 4).

In addition, United Way received loan proceeds of \$342,200 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, provides for loans to qualifying businesses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes (including payroll, benefits, rent and utilities) and maintains its payroll levels.

United Way used the loan proceeds for purposes consistent with the PPP and the loan was forgiven during the year ended June 30, 2022.

Notes payable at June 30, 2022 consisted of the following:

Note payable to a bank, interest at 4.5 percent, monthly payments of \$2,509, due December 2024, secured by building	\$ 70,990
Note payable to a bank, interest at 4.5 percent, monthly payments of \$2,213, due December 2024, secured by building	<u>62,588</u>
	133,578
Less current portion	<u>(51,790)</u>
Long-term portion	<u><u>\$ 81,788</u></u>

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

A summary of principal debt requirements to maturity for notes payable is as follows:

<u>Year Ending</u> <u>June 30,</u>	
2023	\$ 51,790
2024	54,169
2025	<u>27,619</u>
	<u>\$ 133,578</u>

**NOTE 7 – OPERATING LEASES**

United Way entered into a 15-year lease agreement expiring October 2023 for office space with a monthly lease payment of \$7,144. The monthly lease payment is subject to a 3 percent annual increase.

United Way entered into a 3-year lease agreement expiring June 2025 for office space with a monthly lease payment of \$1,090. The monthly lease is subject to a 3 percent annual increase.

Total rent expense was \$106,331 for the year ended June 30, 2022. The minimum annual lease payments on the office space leases are estimated to be as follows:

<u>Year Ending</u> <u>June 30,</u>	
2023	\$ 123,853
2024	50,760
2025	13,878

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted as follows:

Subject to expenditure for specified purposes:	
South Franklin Community Center programs	\$ 117,325
Help Me Grow	20,000
Other	<u>96,514</u>
	233,839
Subject to the passage of time:	
Contributions receivable, unavailable until received	<u>487,766</u>
	<u>\$ 721,605</u>

**NOTE 9 – RELATED PARTY TRANSACTIONS**

United Way is related to United Way Community Services (UWCS) through common control, as one board of trustees governs both agencies. UWCS owed United Way \$0 at June 30, 2022.

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

United Way charged UWCS a support services fee of \$218,910 for the year ended June 30, 2022. The board of trustees intends to continue charging UWCS this fee for administrative services provided.

United Way leases a parking lot to UWCS for \$6,460 per month. UWCS also leases a portion of a building owned by United Way for \$2,400 per month. Total rent received was \$106,320 for the year ended June 30, 2022.

**NOTE 10 – RETIREMENT PLAN**

A defined contribution plan is provided for all full-time employees who have been with United Way for one or more years. United Way contributes 5 percent of qualified employees' gross earnings to the plan. In addition, United Way matches 50 percent of the first 6 percent of employee contributions. United Way contributions amounted to \$65,929 for the year ended June 30, 2022.

**NOTE 11 – CONTRIBUTED MATERIALS, EQUIPMENT, AND SERVICES**

Contributed materials and equipment are reflected as in-kind donations in the accompanying financial statements at their estimated values at date of receipt. No amounts have been reflected in the statements for contributed services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to United Way.

**NOTE 12 – SUPPORT SERVICES**

United Way's Resource Development and Management and General functions as a percentage of total gross revenue for the year ended June 30, 2022 is as follows:

Resource Development	7.0%
Management and General	3.7%

These percentages are calculated by dividing the Resource Development and Management and General functions by total gross revenue. Total gross revenue is calculated as follows for the year ended June 30, 2022:

Total revenue and support	\$ 5,132,104
Uncollectible contributions	14,246
Amounts designated by donors for specific organizations	<u>263,261</u>
Total gross revenue	<u><u>\$ 5,409,611</u></u>

**SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2022

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2022

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Receivable at 6/30/21	Receipts	Expenditures	Receivable at 6/30/22
<b>U.S. Department of Housing and Urban Development:</b>						
Direct:						
Continuum of Care Program	14.267		\$ 7,574	\$ 54,499	\$ 52,019	\$ 5,094
Passed through Mountainland Association of Governments:						
<i>CDBG - Entitlement Grants Cluster:</i>						
Community Development Block Grants/Entitlement Grants	14.218	n/a	59,100	64,692	5,592	-
Passed through Provo City:						
<i>CDBG - Entitlement Grants Cluster:</i>						
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	2020-UWUC_ 211_CDBG-CV	9,492	9,492	-	-
Community Development Block Grants/Entitlement Grants	14.218	n/a	37,811	62,629	24,818	-
Passed through Utah County:						
<i>CDBG - Entitlement Grants Cluster:</i>						
Community Development Block Grants/Entitlement Grants	14.218	n/a	-	2,694	23,240	20,546
Total CDBG - Entitlement Grants Cluster			106,403	139,507	53,650	20,546
Total U.S. Department of Housing and Urban Development			113,977	194,006	105,669	25,640
<b>U.S. Department of the Treasury:</b>						
Passed Through Community Action Partnership of Utah:						
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	n/a	-	4,396	4,396	-
Passed Through Five County Association of Governments:						
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	n/a	-	11,952	17,295	5,343
Total U.S. Department of the Treasury			-	16,348	21,691	5,343
<b>U.S. Department of Education:</b>						
Passed Through Utah Department of Health:						
Special Education Grants for Children and Families	84.181	216036	-	89,157	92,295	3,138
<b>U.S. Department of Health and Human Services:</b>						
Passed through Brigham Young University:						
Activities to Support State, Tribal, Local, and Territorial Health						
Department Response to Public Health or Healthcare Crises	93.391	21-0570	-	11,416	13,458	2,042
Passed Through Utah Department of Health:						
Maternal and Child Health Federal Consolidated Programs						
Maternal, Infant, and Early Childhood Home Visiting Grant	93.110	176183	10,907	14,692	3,785	-
	93.870	216297/226328	4,471	15,934	19,803	8,340
Passed Through Utah Department of Workforce Services:						
Temporary Assistance for Needy Families						
<i>CCDF Cluster:</i>	93.558	21DWS0008	22,371	59,916	41,992	4,447
Child Care and Development Block Grant	93.575	18DWS0135	6,803	279,736	340,982	68,049
Total U.S. Department of Health and Human Services			44,552	381,694	420,020	82,878
<b>Corporation for National and Community Service:</b>						
Direct:						
AmeriCorps	94.006		-	239,895	239,895	-
Total federal awards			\$ 158,529	\$ 921,100	\$ 879,570	\$ 116,999

See accompanying notes to the schedule of expenditures of federal awards.

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

---

**NOTE A – GENERAL**

The schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of United Way of Central and Southern Utah (United Way). All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the Schedule.

**NOTE B – BASIS OF ACCOUNTING**

The Schedule is presented using the accrual basis of accounting (GAAP).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

United Way has not elected to use the 10-percent de minimus indirect cost rate.

**NOTE C – SUBRECIPIENTS OF FEDERAL AWARD PROGRAMS**

United Way did not provide federal award funding to any subrecipient during the year ended June 30, 2022.

## **OTHER REPORTS**



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*

Board of Trustees  
United Way of Central and Southern Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Central and Southern Utah (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2022.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered United Way of Central and Southern Utah'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 Central and Southern Utah's internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Central and Southern Utah's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether United Way of Central and Southern Utah'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 United Way of Central and Southern Utah's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Central and Southern Utah's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Squire & Company, PC". The signature is written in a cursive, flowing style.

Orem, Utah  
December 8, 2022



Independent Auditor's Report on Compliance for Each Major Federal  
Program and on Internal Control Over Compliance Required in  
Accordance with the Uniform Guidance

Board of Trustees  
United Way of Central and Southern Utah

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Program***

We have audited United Way of Central and Southern Utah's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of United Way of Central and Southern Utah's major federal programs for the year ended June 30, 2022. United Way of Central and Southern Utah'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 Central and Southern Utah complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (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 Central and Southern Utah and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 Central and Southern Utah'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 Central and Southern Utah's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether the noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Way of Central and Southern Utah'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 GAAS, *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 one 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 substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the United Way's compliance with the requirements of each federal program as a whole.

In performing an audit in accordance with GAAS, *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 Central and Southern Utah'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 Central and Southern Utah'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 Central and Southern Utah'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, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

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

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

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

*Squire & Company, PC*

Orem, Utah  
December 8, 2022

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022**

---

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major federal programs:	
Material weakness identified	No
Significant deficiency identified	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

**Identification of Major Federal Programs**

Name of Federal Program (CFDA Number)

*CCDF Cluster:*

    Child Care and Development Block Grant (93.575)  
    Maternal, Infant, and Early Childhood Home Visiting Grant (93.870)

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

---

No findings were reported.