

**UNITED WAY OF CENTRAL
AND SOUTHERN UTAH**

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2023

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



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, 2023, 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, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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.

Report on Summarized Comparative Information

We have previously audited United Way of Central and Southern Utah's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2024 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
January 22, 2024

UNITED WAY OF CENTRAL AND SOUTHERN UTAH
STATEMENT OF FINANCIAL POSITION

June 30, 2023, with Comparative Totals for 2022

	2023	2022
ASSETS		
Current Assets:		
Cash	\$ -	\$ 46,200
Contributions receivable, net of allowance for uncollectible contributions	243,086	387,766
Accounts and grants receivable	403,615	151,421
Inventory	-	11,837
Prepaid expenses and other current assets	<u>26,810</u>	<u>40,690</u>
Total current assets	673,511	637,914
Fixed Assets:		
Building and improvements	2,644,469	2,569,166
Furniture and equipment	180,674	173,099
Accumulated depreciation	<u>(1,725,966)</u>	<u>(1,640,886)</u>
Net fixed assets	1,099,177	1,101,379
Operating Lease Right-of-Use Assets	62,547	-
Restricted Cash	<u>34,977</u>	<u>38,695</u>
Total assets	<u>\$ 1,870,212</u>	<u>\$ 1,777,988</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of notes payable	\$ 54,169	\$ 51,790
Current portion of operating lease liabilities	49,632	-
Accounts payable	255,917	115,410
Due to United Way Community Services	188,356	-
Due to other organizations	17,803	59,608
Accrued expenses	95,676	151,768
Deferred revenue	<u>30,455</u>	<u>14,500</u>
Total current liabilities	692,008	393,076
Operating Lease Liabilities , net of current portion	13,582	-
Notes Payable , net of current portion	<u>27,793</u>	<u>81,788</u>
Total liabilities	733,383	474,864
Net Assets:		
Without donor restrictions	501,500	581,519
With donor restrictions	<u>635,329</u>	<u>721,605</u>
Total net assets	<u>1,136,829</u>	<u>1,303,124</u>
Total liabilities and net assets	<u>\$ 1,870,212</u>	<u>\$ 1,777,988</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, 2023, with Comparative Totals for 2022

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
Revenues and Support:				
Total campaign pledges and donations	\$ 1,016,239	\$ 600,743	\$ 1,616,982	\$ 1,602,141
Amounts designated by donors for specific organizations	(178,481)	-	(178,481)	(263,261)
Net campaign pledges and donations	837,758	600,743	1,438,501	1,338,880
Uncollectible pledges and donations	(92,741)	-	(92,741)	(14,246)
In-kind donations	1,242,588	-	1,242,588	1,341,057
Rent	410,700	-	410,700	383,520
Grants	1,832,944	-	1,832,944	1,784,544
Interest	152	-	152	1
Support services income	591,800	-	591,800	218,910
Other	117,412	-	117,412	79,438
Net assets released from restrictions	687,019	(687,019)	-	-
Total revenues and support	5,627,632	(86,276)	5,541,356	5,132,104
Gain on forgiveness of PPP loan	-	-	-	342,200
Total revenues, support, and gains	5,627,632	(86,276)	5,541,356	5,474,304
Allocations and Expenses:				
Program services:				
EveryDay Learners (Education)	2,160,911	-	2,160,911	1,555,498
EveryDay Support (Income)	2,084,181	-	2,084,181	2,569,659
EveryDay Strong (Health)	816,197	-	816,197	672,510
Supporting services:				
Resource development	465,506	-	465,506	376,170
Management and general	180,856	-	180,856	199,102
Total allocations and expenses	5,707,651	-	5,707,651	5,372,939
Change in Net Assets	(80,019)	(86,276)	(166,295)	101,365
Net Assets at Beginning of Year	581,519	721,605	1,303,124	1,201,759
Net Assets at End of Year	\$ 501,500	\$ 635,329	\$ 1,136,829	\$ 1,303,124

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, 2023, with Comparative Totals for 2022

	Program Services			Supporting Services		Totals	
	EveryDay Learners (Education)	EveryDay Support (Income)	EveryDay Strong (Health)	Resource Development	Management and General	2023	2022
Salaries, wages, and stipends	\$ 1,104,094	\$ 403,897	\$ 245,351	\$ 213,210	\$ 91,675	\$ 2,058,227	\$ 2,011,387
Employee benefits	163,622	53,583	38,462	25,572	27,763	309,002	308,087
Payroll taxes	83,576	30,315	19,026	16,056	7,520	156,493	134,670
Total personnel expenses	1,351,292	487,795	302,839	254,838	126,958	2,523,722	2,454,144
Agency program funding and assistance	135,838	1,292,195	165,698	-	-	1,593,731	1,705,784
Community projects	232,414	72,598	172,880	-	-	477,892	290,670
Conferences, training, and travel	22,052	15,139	6,879	6,270	2,618	52,958	35,214
Dues and subscriptions	15,277	6,884	4,320	32,731	1,000	60,212	49,291
Insurance	1,874	345	210	182	891	3,502	11,424
Interest	-	5,029	-	-	7,411	12,440	9,289
IT equipment and support	42,657	31,214	10,789	14,234	2,468	101,362	92,434
Materials and supplies	9,241	4,413	8,173	20,248	4,159	46,234	33,780
Telephone	23,436	8,418	6,642	2,286	949	41,731	32,813
Miscellaneous	4,577	2,201	1,103	1,114	1,198	10,193	7,067
Postage and copies	10,566	5,843	39,228	7,149	2,434	65,220	25,188
Professional services and bank charges	66,186	87,986	55,457	88,860	20,327	318,816	276,751
Rent	115,749	20,484	18,810	16,446	3,535	175,024	156,603
Repairs and maintenance	30,971	10,008	445	387	166	41,977	41,372
Travel	23,405	8,276	6,770	6,889	955	46,295	30,470
United Way Worldwide support	18,828	6,888	4,184	3,636	1,563	35,099	22,076
Utilities	10,909	1,769	1,628	1,423	434	16,163	15,569
Total before depreciation	2,115,272	2,067,485	806,055	456,693	177,066	5,622,571	5,289,939
Depreciation	45,639	16,696	10,142	8,813	3,790	85,080	83,000
Total functional expenses	\$ 2,160,911	\$ 2,084,181	\$ 816,197	\$ 465,506	\$ 180,856	\$ 5,707,651	\$ 5,372,939

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, 2023, with Comparative Totals for 2022

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	\$ (166,295)	\$ 101,365
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	85,080	83,000
Operating lease right-to-use assets	119,389	-
Gain on forgiveness of PPP loan	-	342,200
Changes in operating assets and liabilities:		
Contributions receivable	144,680	(15,119)
Accounts and grants receivable	(252,194)	38,071
Inventory	11,837	(11,700)
Prepaid expenses and other current assets	13,880	(9,177)
Accounts payable	140,507	(101,902)
Due from/to United Way Community Services	188,356	199,789
Due to other organizations	(41,805)	4,547
Accrued expenses	(56,092)	52,535
Deferred revenue	15,955	1,500
Operating lease liability	(118,722)	-
Net cash provided by operating activities	84,576	685,109
Cash Flows from Investing Activities:		
Purchases of fixed assets	(82,878)	(7,210)
Cash Flows from Financing Activities:		
Principal payments on notes payable	(51,616)	(733,717)
Net Change in Cash	(49,918)	(55,818)
Cash at Beginning of Year	84,895	140,713
Cash at End of Year	<u>\$ 34,977</u>	<u>\$ 84,895</u>
As presented on the statements of financial position:		
Cash	\$ -	\$ 46,200
Restricted cash	34,977	38,695
	<u>\$ 34,977</u>	<u>\$ 84,895</u>

Supplemental Data:

United Way paid \$12,440 in interest and no income taxes for the year ended June 30, 2023.

United Way had no noncash investing or financing activities during the year ended June 30, 2023.

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, 2022, 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 uncollectable contributions is estimated based on historical collection experience. The allowance for uncollectable

UNITED WAY OF CENTRAL AND SOUTHERN UTAH

NOTES TO THE FINANCIAL STATEMENTS

contributions was \$100,000 at June 30, 2023. Contributions receivable not received from the prior year's campaign are netted against designated contributions of the prior year's campaign not received as uncollectable contributions. Uncollectable contributions were \$92,741 for the year ended June 30, 2023.

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.

Recent Accounting Pronouncement

United Way adopted ASU No. 2016-02, *Leases* (Topic 842), as of July 1, 2022 using the modified retrospective approach. The modified retrospective approach provides a method for recording existing leases at the application date.

The adoption of the new standard had a material impact on United Way's statement of financial position but did not have an impact in the United Way's statements of income or cash flows. The most significant impact was the recognition of operating lease right-of-use assets and operating lease liabilities. Adoption of the new standard resulted in the recording of operating lease right-to-use assets and operating lease liability of \$181,936 as of July 1, 2022.

United Way has elected to account for leases as short-term leases if the lease has a term of 12 months or less and does not include an option to purchase the underlying asset that United Way is reasonably certain to exercise. Short-term lease expense is recognized on a straight-line basis over the lease term.

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

Subsequent Events

United Way evaluated subsequent events through January 22, 2024, 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.

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.

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, 2023:

Financial assets at year end:	
Cash	\$ -
Contributions receivable, net of allowance	243,086
Accounts and grants receivable	<u>403,615</u>
Total financial assets	646,701
Less amounts not available to be used within one year:	
Net assets with donor restrictions	635,329
Less net assets with donor restrictions to be met in less than a year	<u>(635,329)</u>
	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 646,701</u>

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

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). To purchase and remodel the building, United Way borrowed \$1,203,691 (see Note 6) and entered into a lease agreement with CAS.

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:

<u>Year Ending June 30,</u>	<u>Rent Amount</u>	<u>Rent Credit</u>	<u>Net Rent Amount</u>
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, 2023. This line of credit bears interest at an index plus 4.5 percent (7.02 percent at June 30, 2023), requires monthly interest-only payments, and matures January 2024.

NOTE 6 – NOTES PAYABLE

United Way assumed debt to purchase and remodel the building occupied by CAS and others (see Note 4). Notes payable at June 30, 2023 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	\$ 43,559
Note payable to a bank, interest at 4.5 percent, monthly payments of \$2,213, due December 2024, secured by building	<u>38,403</u>
	81,962
Less current portion	<u>(54,169)</u>
Long-term portion	<u><u>\$ 27,793</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 June 30,</u>	
2024	\$ 54,169
2025	<u>27,793</u>
	<u>\$ 81,962</u>

NOTE 7 – LEASES

United Way has entered into leases for office space. Lease maturities were calculated as the initial lease term and all options to extend management estimated to be reasonably certain to exercise at lease commencement. United Way’s leases mature from 4 to 24 months with an interest rate of 4 percent. Required monthly lease payments range from \$1,123 to \$9,321.

These leases provide United Way with the right to use office space for a period of time. Operating lease expense was \$106,331 for the year ended June 30, 2023. The operating lease weighted-average remaining lease term was 1.03 years and weighted-average discount rate was 4 percent at June 30, 2023.

Future minimum operating lease payments are as follows:

<u>Year Ending June 30,</u>	
2024	\$ 50,760
2025	<u>13,878</u>
	64,638
Amount representing interest	<u>(1,424)</u>
Present value of minimum lease payments	<u>\$ 63,214</u>

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	\$ 61,908
60th Anniversary events	69,846
Other	<u>160,489</u>
	292,243
Subject to the passage of time:	
Contributions receivable, unavailable until received	<u>343,086</u>
	<u>\$ 635,329</u>

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

Net assets released from restrictions during the year ended June 30, 2023 were for the following:

Satisfaction of purpose restrictions:	
South Franklin Community Center programs	\$ 92,689
Help Me Grow	20,000
Other	<u>86,564</u>
	199,253
Passage of time:	
Contributions receivable	<u>487,766</u>
	<u>\$ 687,019</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 entities. United Way owed UWCS \$188,356 at June 30, 2023.

United Way charged UWCS a support services fee of \$591,800 for the year ended June 30, 2023. The board of trustees intends to continue charging UWCS this fee for administrative services provided.

United Way leases a parking lot to UWCS for \$8,083 per month. UWCS also leases a portion of a building owned by United Way for \$3,042 per month and is assessed a portion of the rent of the building United Way occupies. Total rent received was \$135,024 for the year ended June 30, 2023.

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 \$47,440 for the year ended June 30, 2023.

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, 2023 is as follows:

Resource Development	8.0%
Management and General	3.1%

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

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, 2023:

Total revenue and support	\$ 5,541,356
Uncollectible contributions	92,741
Amounts designated by donors for specific organizations	<u>178,481</u>
Total gross revenue	<u><u>\$ 5,812,578</u></u>

**UNITED WAY OF CENTRAL
AND SOUTHERN UTAH**

COMPLIANCE REPORTS

Year Ended June 30, 2023

TABLE OF CONTENTS

	Page
Schedule of Expenditures of Federal Awards	1
Notes to Schedule of Expenditures of Federal Awards	2
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>	3
Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5
Schedule of Findings and Questioned Costs	8
Summary Schedule of Prior Audit Findings	9

UNITED WAY OF CENTRAL AND SOUTHERN UTAH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Receivable at 6/30/22	Receipts	Expenditures	Receivable at 6/30/23
U.S. Department of Housing and Urban Development:						
Direct:						
Continuum of Care Program	14.267		\$ 5,094	\$ 56,658	\$ 59,406	\$ 7,842
Passed through Orem City:						
<i>CDBG - Entitlement Grants Cluster:</i>						
Community Development Block Grants/Entitlement Grants	14.218	n/a	-	7,000	7,000	-
Passed through Utah County:						
<i>CDBG - Entitlement Grants Cluster:</i>						
Community Development Block Grants/Entitlement Grants	14.218	n/a	20,546	38,241	38,495	20,800
Total CDBG - Entitlement Grants Cluster			20,546	45,241	45,495	20,800
Total U.S. Department of Housing and Urban Development			25,640	101,899	104,901	28,642
U.S. Department of the Treasury:						
Passed Through Five County Association of Governments:						
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	n/a	5,343	27,049	24,854	3,148
U.S. Department of Education:						
Passed Through Utah Department of Health:						
Special Education Grants for Children and Families	84.181	216036	3,138	67,998	89,633	24,773
U.S. Department of Health and Human Services:						
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	2,042	21,456	21,542	2,128
Passed Through Utah Department of Health:						
Maternal and Child Health Federal Consolidated Programs						
Maternal, Infant, and Early Childhood Home Visiting Grant	93.110	176183	-	1,750	2,250	500
	93.870	216297/226328	8,340	28,719	24,316	3,937
Passed Through Utah Department of Workforce Services:						
Temporary Assistance for Needy Families						
	93.558	21DWS0008	4,447	27,933	37,682	14,196
<i>CCDF Cluster:</i>						
COVID-19 Child Care and Development Block Grant	93.575	18DWS0135	68,049	527,585	553,775	94,239
Total U.S. Department of Health and Human Services			82,878	607,443	639,565	115,000
Corporation for National and Community Service:						
Direct:						
AmeriCorps	94.006		-	72,186	72,186	-
Total federal awards			\$ 116,999	\$ 876,575	\$ 931,139	\$ 171,563

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, 2023.



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, 2023, 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 January 22, 2024.

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
January 22, 2024



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by 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, 2023. 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, 2023.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of United Way of Central and Southern Utah as of and for the year ended June 30, 2023, and the related notes to the financial statements. We issued our report there on dated January 22, 2024, which contained an unmodified opinion on those financial statements. 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.

Squire & Company, PC

Orem, Utah
January 22, 2024

**UNITED WAY OF CENTRAL AND SOUTHERN UTAH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023**

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 (Assistance Listing Number)

CCDF Cluster:
Child Care and Development Block Grant (93.575)

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

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.