

**UNITED WAY COMMUNITY SERVICES, INC.**

**AUDITED FINANCIAL STATEMENTS**

Year Ended June 30, 2024

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
AUDITED FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
OTHER REPORT:	
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>	11



## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
United Way Community Services, Inc.

### **Report on Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of United Way Community Services, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2024, 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 Community Services, Inc. as of June 30, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Community Services, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way Community Services, Inc.'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 Community Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way Community Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

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

We have previously audited United Way Community Services, Inc.'s 2023 financial statements and we expressed an unmodified opinion on those audited financial statements in our report dated January 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024 on our consideration of United Way Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way Community Services, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way Community Services, Inc.'s internal control over financial reporting and compliance.



Orem, Utah  
December 27, 2024

**UNITED WAY COMMUNITY SERVICES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 2024, with Summarized Comparative Totals for 2023

	2024	2023
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 144,200	\$ 201,982
Accounts receivable	254,306	304,300
Inventory	15,171	25,011
Due from United Way of Central and Southern Utah	174,045	188,356
Prepaid expenses	42,510	34,573
Total current assets	<u>630,232</u>	<u>754,222</u>
<b>Fixed Assets:</b>		
Furniture and equipment	57,690	44,255
Vehicles	998,197	915,641
Accumulated depreciation	<u>(819,822)</u>	<u>(744,280)</u>
Net fixed assets	<u>236,065</u>	<u>215,616</u>
Total assets	<u><u>\$ 866,297</u></u>	<u><u>\$ 969,838</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 61,831	\$ 96,746
Accrued compensated absences	<u>90,602</u>	<u>84,397</u>
Total current liabilities	152,433	181,143
<b>Net Assets Without Donor Restrictions:</b>		
Undesignated	513,864	588,695
Designated for benefits	<u>200,000</u>	<u>200,000</u>
Total net assets without donor restrictions	<u>713,864</u>	<u>788,695</u>
Total liabilities and net assets	<u><u>\$ 866,297</u></u>	<u><u>\$ 969,838</u></u>

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

**UNITED WAY COMMUNITY SERVICES, INC.****STATEMENT OF ACTIVITIES**

Year Ended June 30, 2024, with Summarized Comparative Totals for 2023

	2024	2023
<b>Net Assets Without Donor Restrictions:</b>		
Revenues and Support:		
Transportation services:		
Utah Transit Authority contract	\$ 2,353,860	\$ 2,151,636
Grants	-	129,410
Agency services	26,862	26,600
Rider fares	16,963	13,540
In-kind donations	532,739	632,166
	<u>2,930,424</u>	<u>2,953,352</u>
Total transportation services	2,930,424	2,953,352
Other	2,030	1,596
ERC refund	-	442,223
	<u>-</u>	<u>442,223</u>
Total revenues and support	2,932,454	3,397,171
Expenses:		
Program services:		
Paratransit program services	2,809,361	2,835,952
Supporting services:		
General and administrative	197,924	231,302
	<u>197,924</u>	<u>231,302</u>
Total expenses	3,007,285	3,067,254
	<u>3,007,285</u>	<u>3,067,254</u>
<b>Change in Net Assets</b>	(74,831)	329,917
<b>Net Assets at Beginning of Year</b>	788,695	458,778
	<u>788,695</u>	<u>458,778</u>
<b>Net Assets at End of Year</b>	<u>\$ 713,864</u>	<u>\$ 788,695</u>

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

**UNITED WAY COMMUNITY SERVICES, INC.****STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2024, with Summarized Comparative Totals for 2023

	Paratransit Program Services	General and Administrative	Totals	
			2024	2023
Salaries and wages	\$ 1,105,408	\$ 85,717	\$ 1,191,125	\$ 1,064,683
Employee benefits	222,616	27,653	250,269	191,287
Payroll taxes	80,406	6,253	86,659	78,456
Total personnel expenses	1,408,430	119,623	1,528,053	1,334,426
Conferences and training	7,378	-	7,378	3,367
Dues and subscriptions	268	169	437	794
Liability insurance	2,312	180	2,492	1,897
Marketing	612	-	612	4,875
Occupancy	130,860	10,176	141,036	141,024
Repairs and maintenance	3,430	266	3,696	29,209
Postage	-	-	-	360
Printing and copying	2,915	-	2,915	4,276
Professional fees	-	29,619	29,619	33,457
Rewards	3,139	-	3,139	3,065
Supplies	1,821	142	1,963	9,510
Travel and meals	1,674	1,130	2,804	3,411
Vehicle expense	779,503	-	779,503	843,431
Support services	396,006	30,794	426,800	591,800
Miscellaneous	921	375	1,296	389
Total before depreciation	2,739,269	192,474	2,931,743	3,005,291
Depreciation	70,092	5,450	75,542	61,963
Total functional expenses	<u>\$ 2,809,361</u>	<u>\$ 197,924</u>	<u>\$ 3,007,285</u>	<u>\$ 3,067,254</u>

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

**UNITED WAY COMMUNITY SERVICES, INC.**  
**STATEMENT OF CASH FLOWS**

Year Ended June 30, 2024, with Summarized Comparative Totals for 2023

	2024	2023
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (74,831)	\$ 329,917
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	75,542	61,963
In-kind donation of equipment	(66,045)	(109,347)
Changes in operating assets and liabilities:		
Accounts receivable	49,994	(19,643)
Inventory	9,840	(25,011)
Due from United Way of Central and Southern Utah	14,311	(188,356)
Prepaid expenses	(7,937)	(10,828)
Accounts payable and accrued expenses	(34,915)	68,031
Accrued compensated absences	6,205	(2,564)
Net cash provided (used) by operating activities	(27,836)	104,162
<b>Cash Flows from Investing Activities:</b>		
Purchases of fixed assets	(29,946)	(39,263)
<b>Net Change in Cash</b>	(57,782)	64,899
<b>Cash at Beginning of Year</b>	201,982	137,083
<b>Cash at End of Year</b>	\$ 144,200	\$ 201,982

**Supplemental Data:**

The Organization paid no interest or income taxes during the year ended June 30, 2024.

The Organization received an in-kind donation of \$66,045 representing 80 percent of the fair value of vehicles purchased during the year ended June 30, 2024.

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



**UNITED WAY COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

The financial statements of United Way Community Services, Inc. (the Organization) have been prepared on the accrual method of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Organization**

United Way Community Services, Inc. provides transportation services for disabled persons and senior citizens throughout Utah County.

**Financial Statement Presentation**

The Organization 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 Organization’s management and board of trustees.

The Organization reports a designation of nets assets without donor restrictions to reflect the estimated amount necessary to pay unemployment benefits should the Organization’s contract with the Utah Transit Authority be discontinued.

*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 the Organization’s financial statements for the year ended June 30, 2023, from which the summarized information was derived.

**Tax Status**

The Organization 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 the Organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation. Also, the Organization is not subject to state income taxes.

**UNITED WAY COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Revenue Recognition**

Revenues from grants and contracts are recognized in the period in which approved expenses are incurred or when services have been performed. No allowance for credit losses has been established. Management believes all amounts are collectable.

**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 based on estimated time and effort or square footage used. Such allocations are determined by management on an equitable basis.

**Prepaid Expenses**

Prepaid expenses consist of amounts paid for which the benefit extends beyond the current period. Prepaid expenses include insurance premiums and rent.

**Inventory**

Inventory consists of tires purchased and held for the Organization.

**Fixed Assets**

Fixed assets are carried at cost or, if donated, at fair market value at the date of donation. Depreciation is computed on a straight-line basis over three to ten 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**

The Organization has evaluated subsequent events through December 27, 2024, the date 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.

**UNITED WAY COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 – AVAILABILITY AND LIQUIDITY**

The following represents Organization’s financial assets at June 30, 2024:

Financial assets at year end:	
Cash	\$ 144,200
Accounts receivable	254,306
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Total financial assets	398,506
Less amounts not available to be used within one year:	
Net assets designated for benefits	200,000
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Financial assets available to meet general expenditures over the next twelve months	<u>\$ 198,506</u>

The Organization’s goal is generally to maintain financial assets to meet three months of operating expenses (approximately \$570,000). Operating expenses are defined by the Organization as total expenses less depreciation and in-kind expenses (see Note 3).

**NOTE 3 – CONTRIBUTED MATERIALS, EQUIPMENT, AND SERVICES**

The Organization does not have title to all of the vehicles in its use. Some of the vehicles used by the Organization are owned by Utah Transit Authority (UTA) and are not listed as assets of the Organization. Management has estimated the fair lease value of the vehicles provided to the Organization at no cost by UTA and recorded that amount as revenue and expense in the Statement of Activities. The value of these contributions was \$319,200 for the year ended June 30, 2024.

As part of the Organization’s service-provider contract with UTA, the Organization received fuel for its vehicles at no charge and recorded that amount as revenue and expense in the statement of activities. The value of the fuel received from UTA at no charge was \$147,494 for the year ended June 30, 2024.

No amounts have been reflected in the statements for donated 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 the Organization.

**NOTE 4 – ECONOMIC DEPENDENCE**

The Organization receives substantially all of its revenue from service provider contracts. Revenue from these contracts is dependent upon the funding policies of the contractors and, as such, can be adjusted at any time.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

The Organization is related to United Way of Central and Southern Utah (United Way) through common control, as one Board of Trustees governs both entities. United Way owed the Organization \$174,045 at June 30, 2024.

**UNITED WAY COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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The Board of Trustees approved a support services fee to be charged to the Organization by United Way for administrative services. The management fee amount was \$426,800 for the year ended June 30, 2024.

The Organization leases a parking lot from United Way. Lease expense was \$97,000 for the year ended June 30, 2024.

The Organization subleases a portion of the building owned by United Way and leased by Community Action Services and Food Bank. This sublease expired in December 2011, but the Organization continues to sublease office space at the same monthly rate. In addition, the Organization is assessed a portion of the rent of the building United Way occupies. Lease expense for these two office spaces was \$38,036 for the year ended June 30, 2024.

**NOTE 6 – RETIREMENT PLAN**

A defined contribution plan is provided for all qualified employees who have been with the Organization for one or more years. The Organization contributes 5 percent of qualified employees' gross earnings to the plan. In addition, the Organization matches 50 percent of the first 6 percent of employee contributions. Organization contributions were \$51,796 for the year ended June 30, 2024.

**OTHER REPORT**



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 Community Services, Inc.

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 Community Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2024.

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

In planning and performing our audit of the financial statements, we considered United Way Community Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way Community Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way Community Services, Inc.'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 Community Services, Inc.'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 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 Community Services, Inc.'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 Community Services, Inc.'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 27, 2024