

*United Way of Central
Louisiana, Inc.*

Alexandria, Louisiana

December 31, 2025

United Way of Central Louisiana, Inc.

December 31, 2025

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

To the Board of Directors of
United Way of Central Louisiana, Inc.

Opinion

We have audited the accompanying financial statements of United Way of Central Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Central Louisiana, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Central Louisiana, 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 qualified 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 Louisiana, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Central Louisiana, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Central Louisiana, 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.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information in Schedules 1 through 4 on pages 20 through 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

June 17, 2026

United Way of Central Louisiana, Inc.
Statement of Financial Position
December 31, 2025

Exhibit A

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 106	\$ 85,173	\$ 85,279
Certificates of deposit	460,218	156,904	617,122
Pledges receivable (net of estimated allowance for uncollectibles of \$3,482)	-	42,667	42,667
Grants receivable	23,750	-	23,750
Total Current Assets	<u>484,074</u>	<u>284,744</u>	<u>768,818</u>
Investments - Central Louisiana Community Foundation	<u>35,637</u>	<u>-</u>	<u>35,637</u>
Total Assets	<u><u>\$ 519,711</u></u>	<u><u>\$ 284,744</u></u>	<u><u>\$ 804,455</u></u>
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	25,857	\$ -	\$ 25,857
Accrued compensated absences	4,622	-	4,622
Deposits held on behalf of others	2,422	-	2,422
Total Current Liabilities	<u>32,901</u>	<u>-</u>	<u>32,901</u>
Net Assets			
Without donor restrictions	486,810	-	486,810
With donor restrictions	-	284,744	284,744
Total Net Assets	<u>486,810</u>	<u>284,744</u>	<u>771,554</u>
Total Liabilities and Net Assets	<u><u>\$ 519,711</u></u>	<u><u>\$ 284,744</u></u>	<u><u>\$ 804,455</u></u>

The accompanying notes are an integral part of the financial statements.

United Way of Central Louisiana, Inc.
Statement of Functional Expenses
Year Ended December 31, 2025

Exhibit C
(Continued)

	Community Services			Total
	Financial Stability	Education	Health	Community Services
Salaries	\$ 232,634	\$ 38,177	\$ 12,779	\$ 283,590
Retirement and other employee benefits	51,727	8,489	2,841	63,057
Payroll taxes	19,294	3,166	1,060	23,520
Accounting and auditing fees	1,091	1,091	1,091	3,273
Advertising	1,020	-	-	1,020
Campaign events	8,204	3,511	1,950	13,665
Community investment grants	66,250	26,250	-	92,500
Conferences and meetings	1,142	7	7	1,156
Contract labor	1,500	-	-	1,500
2-1-1 contract payments	35,861	-	-	35,861
Dues and subscriptions	3,230	25	-	3,255
Insurance	117	117	117	351
Miscellaneous	-	-	-	-
Other donor designations and sponsorships	381	381	381	1,143
Printing and office supplies	5,990	321	233	6,544
Professional services	-	-	-	-
Rent	3,625	2,600	2,600	8,825
Supplies	-	798	-	798
Technology	183	183	183	549
Telephone and computer	508	371	261	1,140
Training	247	145	145	537
Travel-mileage	1,143	587	221	1,951
Utilities and janitorial	4,929	1,100	1,100	7,129
Utility and other assistance	5,868	-	-	5,868
Total Functional Expenses	\$ 444,944	\$ 87,319	\$ 24,969	\$ 557,232

The accompanying notes are an integral part of the financial statements.

United Way of Central Louisiana, Inc.
Statement of Functional Expenses
Year Ended December 31, 2025

Exhibit C
(Concluded)

	Support Services			Combined Total
	Management and General	Fundraising	Total Support Services	
Salaries	\$ 76,232	\$ 128,100	\$ 204,332	\$ 487,922
Retirement and other employee benefits	16,866	28,483	45,349	108,406
Payroll taxes	6,291	10,625	16,916	40,436
Accounting and auditing fees	35,644	3,273	38,917	42,190
Advertising	26	103	129	1,149
Campaign events	1,744	2,608	4,352	18,017
Community investment grants	-	-	-	92,500
Conferences and meetings	1,183	50	1,233	2,389
✓ Contract labor	-	-	-	1,500
2-1-1 contract payments	-	-	-	35,861
Dues and subscriptions	10,938	-	10,938	14,193
Insurance	6,371	351	6,722	7,073
Miscellaneous	1,420	-	1,420	1,420
Other donor designations and sponsorships	-	-	-	1,143
Printing and office supplies	2,907	643	3,550	10,094
Professional services	7,110	21,000	28,110	28,110
Rent	7,805	7,803	15,608	24,433
Supplies	-	1,032	1,032	1,830
Technology	7,238	549	7,787	8,336
Telephone and computer	958	3,710	4,668	5,808
Training	12,741	626	13,367	13,904
Travel-mileage	191	110	301	2,252
Utilities and janitorial	3,300	3,300	6,600	13,729
Utility and other assistance	-	-	-	5,868
Total Functional Expenses	\$ 198,965	\$ 212,366	\$ 411,331	\$ 968,563

The accompanying notes are an integral part of the financial statements.

United Way of Central Louisiana, Inc.
Statement of Cash Flows
Year Ended December 31, 2025

Exhibit D

	Without Donor Restrictions	With Donor Restrictions	Total
Cash Flows from Operating Activities			
Change in net assets	\$ (371,566)	\$ 42,464	\$ (329,102)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Unrealized (gain) loss on investments	(816)	-	(816)
Changes in operating assets and liabilities:			
Pledges receivable, net	-	(18,461)	(18,461)
Grants receivable	28,750	-	28,750
Accounts payable	(5,510)	-	(5,510)
Accrued compensated absences	88	-	88
Net Cash Provided by (Used in) Operating Activities	<u>(349,054)</u>	<u>24,003</u>	<u>(325,051)</u>
Cash Flows from Investing Activities			
Proceeds from withdrawal of certificates of deposit	50,000	-	50,000
Reinvestment of earnings, net	(25,976)	-	(25,976)
Net Cash Provided by (Used in) Investing Activities	<u>24,024</u>	<u>-</u>	<u>24,024</u>
Cash Flows from Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash	(325,030)	24,003	(301,027)
Cash, Beginning of Year	<u>325,136</u>	<u>61,170</u>	<u>386,306</u>
Cash, End of Year	<u><u>\$ 106</u></u>	<u><u>\$ 85,173</u></u>	<u><u>\$ 85,279</u></u>

Additional Required Disclosures:

1. United Way of Central Louisiana, Inc. considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.
2. No interest was paid during 2025.
3. No income taxes were paid during 2025.
4. There were no material noncash investing and financing transactions during 2025 that affected recognized assets or liabilities.

The accompanying notes are an integral part of the financial statements.

United Way of Central Louisiana, Inc.
Statement of Activities
Year Ended December 31, 2025

Exhibit B

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue			
Public support			
Contributions of cash and other financial assets	\$ 419,543	\$ 34,461	\$ 454,004
Contributions of nonfinancial assets	16,490	-	16,490
Total Public Support	<u>436,033</u>	<u>34,461</u>	<u>470,494</u>
Revenue			
Grants	87,005	45,700	132,705
Investment return, net	33,247	-	33,247
Realized gain (loss) on investments	1,699	-	1,699
Unrealized gain (loss) on investments	816	-	816
Miscellaneous income	500	-	500
Total Revenue	<u>123,267</u>	<u>45,700</u>	<u>168,967</u>
Net assets released from restrictions			
Satisfaction of purpose and time restrictions	37,697	(37,697)	-
Total Public Support and Revenue	<u>596,997</u>	<u>42,464</u>	<u>639,461</u>
Expenses			
Community services			
Financial stability	444,944	-	444,944
Education	87,319	-	87,319
Health	24,969	-	24,969
Total Community Services	<u>557,232</u>	<u>-</u>	<u>557,232</u>
Support services			
Management and general	198,965	-	198,965
Fundraising	212,366	-	212,366
Total Support Services	<u>411,331</u>	<u>-</u>	<u>411,331</u>
Total Expenses	<u>968,563</u>	<u>-</u>	<u>968,563</u>
Change in Net Assets	(371,566)	42,464	(329,102)
Net Assets, Beginning of Year	860,940	358,461	1,219,401
Prior Period Adjustment (Correction of Error)	(2,564)	(116,181)	(118,745)
Net Assets, Beginning of the Year, As Restated	<u>858,376</u>	<u>242,280</u>	<u>1,100,656</u>
Net Assets, End of Year	<u>\$ 486,810</u>	<u>\$ 284,744</u>	<u>\$ 771,554</u>

The accompanying notes are an integral part of the financial statements.

United Way of Central Louisiana, Inc.
December 31, 2025
Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

United Way of Central Louisiana, Inc. (the Organization) is a nonprofit corporation located in Alexandria, Louisiana, whose mission is to empower members of the community through access to and improvement in education, health, and financial stability, including support for member agencies. Member agencies are approved by the Organization's Board of Directors after completing prescribed application procedures.

The program goals and focus are as follows:

Financial Stability

The goals of these programs are to increase the financial mobility and socioeconomic status of individuals and families. The focus is on ALICE (Asset Limited, Income Constrained, Employed), Building Stronger Families, VITA (Volunteer Income Tax Assistance), LAPRI (Louisiana Prisoner ReEntry Initiative), 2-1-1 program, Disaster Preparedness, and Power to Care. The Organization also provides community investment grants to support agencies that align with the Organization's focus and create partnerships to improve the community.

Education

The goals of these programs are to increase the number of children that are ready to enter school and that are successful in primary grades and to increase the number of youth who gain knowledge, skills, and credentials to obtain family sustaining employment. The focus is on Read Across America and Summer of Service. The Organization also provides community investment grants to support agencies that align with the Organization's focus and create partnerships to improve the community.

Health

The goal of this program is to increase access to healthcare and improve the health of individuals and families. The focus is on SingleCare. The Organization also provides community investment grants to support agencies that align with the Organization's focus and create partnerships to improve the community.

Basis of Accounting

The financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

United Way of Central Louisiana, Inc.
December 31, 2025
Notes to Financial Statements

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions generally result from revenues generated by receiving contributions that have no donor-imposed restrictions, and from receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions. Net assets without donor restrictions are available for use at the discretion of the Organization's Board of Directors and management for general operating purposes. The Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

See Note 6 for more information on the composition of net assets without donor restrictions.

Net Assets with Donor Restrictions

Net assets with donor restrictions result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The Organization does not have any net assets with donor restrictions that are perpetual in nature.

See Note 7 for more information on the composition of net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and savings accounts in financial institutions.

United Way of Central Louisiana, Inc.
December 31, 2025
Notes to Financial Statements

Certificates of Deposit

Certificates of deposit with maturity dates greater than three months are stated at cost, which approximates market value. Certificates of deposit having a maturity date greater than one year from year-end are considered long-term assets. The organization does not have any certificates of deposit with maturity dates greater than one year.

Pledges Receivable

Pledges receivable are recognized in the period in which the promise is made to the organization. If the pledges receivable are conditional promises to give, such amounts are recognized when the conditions on which they depend are substantially met. An allowance for uncollectible pledges is set up for amounts considered uncollectible.

Investments

United Way of Central Louisiana, Inc.'s investments consist of funds on deposit with the Central Louisiana Community Foundation and are reported at their fair value in the statement of financial position. Gains and losses on investments are reported as increases or decreases in the respective net asset classes.

Furniture, Fixtures, and Equipment

United Way of Central Louisiana, Inc. follows the practice of capitalizing expenditures for furniture, fixtures, and equipment at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$1,000. Depreciation is provided for on the straight-line method over the estimated useful lives of the respective assets. The cost of maintenance and repairs is charged to expense as incurred; however, significant renewals and improvements are capitalized. Donated items, including property and equipment, are recorded at fair market value, if material and reasonably determinable, at the time of donation.

Deposits Held on Behalf of Others

Deposits held on behalf of others represent cash held in the name of United Way of Central Louisiana, Inc. in an agency capacity.

Revenue Recognition

The Organization reports public support contributions as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support and revenue that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

United Way of Central Louisiana, Inc.
December 31, 2025
Notes to Financial Statements

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Funds with donor restrictions are used to differentiate the resources whose use is restricted by donors or grantors from the resources on which donors or grantors have placed no restriction or the resources that arise as a result of the operations of the Organization for its stated purpose.

Grant revenues are recognized in the period the Organization meets the conditions for revenue recognition. Revenue associated with cost-reimbursement grants is recognized in the period the related expenses are incurred.

Donated Services

The Organization receives contributed services from its Board members and from numerous community volunteers who assist in fundraising and the member agency allocation process. No amounts have been reflected in the financial statements for donated services, since the services are not professional in nature and, as such, do not meet the criteria for recognition as donated services under generally accepted accounting principles. The Organization pays for most services requiring specific expertise.

Contributions of Nonfinancial Assets

Payments made by United Way of Central Louisiana, Inc. to The Rapides Foundation are below the fair market value of comparable office facilities. Contributions of nonfinancial assets and rent expense of \$16,490 has been included in the statement of activities. Other contributions of nonfinancial assets may be received by the Organization from various individuals and businesses. During the year ended December 31, 2025, United Way of Central Louisiana, Inc. received donations of bikes, beds, food, and gift cards with a total fair value of \$4,285, which is not recorded as contributions of nonfinancial assets and functional expenses in the statement of activities.

Designations

Through the United Way of Central Louisiana, Inc.'s annual employer campaigns, donors can direct their gifts to a member agency or any qualified organization in the United States over which the United Way of Central Louisiana, Inc. exercises no discretion as to use due to donor instruction. In order to qualify, an organization must meet the following three criteria: (1) fully tax exempt, (2) donations are 100% tax deductible, and (3) in full compliance with The Federal Patriot Act laws. As a member of United Way Worldwide, the Organization adheres to all membership criteria including the requirements for deducting administrative fees from donor-directed pledges.

United Way of Central Louisiana, Inc.
December 31, 2025
Notes to Financial Statements

Functional Allocation of Expenses

Costs incurred by the Organization from providing various community and support services have been presented on a functional basis in the statement of functional expenses. Accordingly, costs have been allocated on a reasonable and consistent basis among the functional areas benefited. Most expenses are charged directly to program or support services based on specific identification. Salaries, benefits, and payroll taxes are allocated based on estimates of time and effort. Expenses related to more than one function are charged to program or support services using management's estimate of the activities benefited. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Fundraising and Management and General Rates

United Way Worldwide issues guidance to local United Ways under Standard M which defines the maximum allowable fundraising and management and general rates that a United Way agency should deduct from designated donor pledges. Standard M provides a calculation method which results in maximum allowable rates using a three-year average. The result of the fundraising expense formula based on United Way Worldwide's guidance for United Way of Central Louisiana, Inc. was 14.5% based on the three year period ending December 31, 2024. The rate for the year ended December 31, 2025, based on the audited financial statements and the statement of functional expenses was 45.1%. During 2025, United Way of Central Louisiana, Inc. assessed fundraising fees of 8.0% on donor designated gifts, up to a maximum cap of \$100 per gift.

The result of the management and general expense formula based on United Way Worldwide's guidance for United Way of Central Louisiana, Inc. was 18.2% based on the three year period ending December 31, 2024. The rate for the year ended December 31, 2025, based on the audited financial statements and the statement of functional expenses was 31.1%. During 2025, United Way of Central Louisiana, Inc. assessed management and general fees of 8.0% on donor designated gifts, up to a maximum cap of \$100 per gift.

Income Taxes

United Way of Central Louisiana, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable Louisiana law. The Organization is not classified as a private foundation. Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income tax expense.

For the year ended December 31, 2025, management of United Way of Central Louisiana, Inc. believes it has adequate support for all material tax positions, and that it is more likely than not, based on the technical merits, that the positions will be sustained upon examination.

All tax-exempt entities are subject to review and audit by federal, state, and other applicable agencies. Such agencies may review the taxability of unrelated business income or the qualification of the tax-exempt entity under the Internal Revenue Code and applicable state statutes. With few exceptions, United Way of Central Louisiana, Inc. is no longer subject to U.S. federal tax examinations for the years before 2022.

United Way of Central Louisiana, Inc.
December 31, 2025
Notes to Financial Statements

Advertising Costs

Advertising costs are expensed when incurred. Advertising costs charged to expense for the year ended December 31, 2025, totaled \$1,149.

Subsequent Events

Management has evaluated subsequent events through June 17, 2026, the date which the financial statements were available for use. Management's evaluation revealed no subsequent events that require adjustment to or disclosure in the financial statements.

2. Prior Period Adjustment

During the year ended December 31, 2025, management identified errors related to the recognition of certain pledges receivable, grants receivable, the related contribution and grant revenues, and accounts payable in prior periods. As a result, the accompanying financial statements have been adjusted to correct these errors.

The effect of the correction was to decrease net assets by \$118,745. The cumulative effect of these corrections on beginning net assets as of January 1, 2025 is summarized as follows:

Decrease in pledges receivable and contribution revenue	\$ 116,181
Decrease in grants receivable and grant revenue	2,500
Increase accounts payable and expenses	<u>64</u>
	118,745

3. Pledges Receivable and Campaign Summaries

Pledges receivable shown on the financial statements consist of the unpaid balance of pledges made for the 2024 and 2025 campaigns. Gross pledges receivable totaling \$46,149 is shown net of the allowance for uncollectibles of \$3,482. In the opinion of management, the allowance for uncollectibles at December 31, 2025, is considered adequate.

Campaign totals for the Fall 2025 campaign and each of the six preceding years are shown below together with the amounts uncollected/uncollectible and applicable percentages.

Year	Total Campaign Pledges	Amount Uncollected/ Uncollectible	Percent
Fall 2019 campaign	\$ 784,216	\$ 52,526	6.70
Fall 2020 campaign	595,077	22,350	3.76
Fall 2021 campaign	633,942	32,646	5.15
Fall 2022 campaign	429,409	27,031	6.29
Fall 2023 campaign	474,008	15,022	3.17
Fall 2024 campaign (in progress)	343,453	2,296	0.67
Fall 2025 campaign (in progress)	110,328	1,186	1.08

United Way of Central Louisiana, Inc.
December 31, 2025
Notes to Financial Statements

4. Investments - Central Louisiana Community Foundation

In April 2023, United Way of Central Louisiana, Inc. established a non-endowed agency fund at the Central Louisiana Community Foundation (the Foundation), by transferring \$28,945 into this fund. The fund is held by the Foundation for the purpose of administering funds as endowments for various charitable and educational purposes and organizations primarily in the Central Louisiana community. These funds are not subjected to restrictions whether by donor or otherwise, nor are they required to be held permanently or for any designated purposes other than charitable purposes within the corporate powers of United Way of Central Louisiana, Inc. The principal may be expended in whole or in part as stated in the agreement.

United Way of Central Louisiana, Inc. may request distribution of all or part of the principal it contributes to the fund. The Board of the Foundation will grant such a request if it concludes that such a distribution is consistent with the charitable purposes of the Foundation, which may be deferred for up to 90 days in order to permit orderly and timely liquidation of assets to meet the request. If the Foundation ceases to be a qualified charitable organization or if the Foundation proposes to dissolve, the assets of the fund shall be distributed to United Way of Central Louisiana, Inc. At that time if United Way of Central Louisiana, Inc. is not then a qualified charitable organization, the Foundation shall distribute the assets of the fund in a manner and to any organization serving the Central Louisiana community that satisfy the requirements of a qualified charitable organization and serve purposes similar to those of the United Way of Central Louisiana, Inc. The investments are presented in the financial statements at fair value of \$35,637 at December 31, 2025, as reported by the Central Louisiana Community Foundation.

United Way of Central Louisiana, Inc. is required to disclose estimated fair value for all financial instruments and non-financial instruments measured at fair value on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining the fair value, the Organization uses Level 2 as their valuation approach. Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

United Way of Central Louisiana, Inc.
December 31, 2025
Notes to Financial Statements

United Way of Central Louisiana, Inc. uses the appropriate valuation technique based on the available inputs to measure the fair value of its investments.

Description	Cost	Total 12/31/25	Fair Value Measurement at Reporting Date Using		
			Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments -					
Central Louisiana					
Community Foundation	\$ 34,820	\$ 35,637	\$ -	\$ 35,637	\$ -

5. Furniture, Fixtures, and Equipment

	Recorded Value	Accumulated Depreciation	Net
Furniture, fixtures, and equipment	\$ 47,851	\$ 47,851	\$ -

There is no depreciation expense for the year ended December 31, 2025.

6. Net Assets Without Donor Restrictions

The Organization's net assets without donor restrictions at the end of the year totaled \$486,810. Of this amount, \$100,000 was Board designated to be used for community investment in 2026. The remaining balance of \$386,810 represents undesignated net assets.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

Purpose Restrictions	
Financial success center	\$ 7,999
Financial stability roundtable	99
Hope House literacy program	9,000
Disaster relief	72,311
Volunteer Income Tax Assistance Program (VITA)	105,616
Asset Limited, Income Constrained, Employed Program (ALICE)	28,270
Cleanup event	2,120
Venture grant program	10,000
Financial empowerment	5,000
Early education	798
Spark for Good	700
LAPRI	164
Time Restrictions	
Campaign contributions pledged for future years	42,667
	<u>\$ 284,744</u>

United Way of Central Louisiana, Inc.
December 31, 2025
Notes to Financial Statements

8. Office Facilities

United Way of Central Louisiana, Inc. entered into an agreement with The Rapides Foundation for use of office facilities effective January 1, 2018, consisting of monthly payments for rental and janitorial expenses. There has been no written agreement since 2018 and the monthly payments have not changed. The monthly payments for the year ended December 31, 2025, were \$996. Total amount paid in 2025 was \$11,947.

9. Retirement Plan

United Way of Central Louisiana, Inc. has a non-contributory defined contribution retirement plan available to all eligible employees after two years of employment. The Organization contributes 6% of eligible participant compensation into a Flexible Annuity Plan. Upon eligibility, employees may also choose to contribute through payroll deduction into a separate but optional Tax-Deferred Annuity (TDA). Organizational contributions to the Flexible Annuity Plan for the year ended December 31, 2025, totaled \$13,981.

10. Commitments

United Way of Central Louisiana, Inc. conducts employer campaigns to raise support for community investment each year beginning in June and concluding by January of the following year. Campaign funds are distributed to participating agencies beginning on January 1 as final pledges are collected at the conclusion of the campaign. Allocations payable to agencies for the year ended December 31, 2026, based on the 2025 campaign are estimated to total \$100,000. The Organization considers allocations payable to be conditional promises to give. Accordingly, no amounts have been recognized on the accompanying statement of financial position or activities as of and for the year ended December 31, 2025.

11. Significant Concentrations

Credit Risk

Cash and certificates of deposit are deposited with financial institutions in the Central Louisiana area. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. There is no uninsured cash at December 31, 2025.

The Organization does not maintain collateral for its receivables. Credit risk with respect to pledges receivable is subject to the inherent nature of such receivables, however, is limited due to the large number of donors comprising the Organization's donor base.

Support Risk

United Way of Central Louisiana, Inc. relies primarily on voluntarily contributed support from companies and individuals in the Central Louisiana area. Declines in the economic condition of the area could significantly affect the Organization's ability to reach campaign goals, provide community services, and to provide continued support to its member agencies.

United Way of Central Louisiana, Inc.
December 31, 2025
Notes to Financial Statements

12. Liquidity and Availability of Financial Assets

The following reflects United Way of Central Louisiana, Inc.'s financial assets as of December 31, 2025, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

	<u>2025</u>
Financial assets:	
Cash	\$ 85,279
Certificates of deposit	617,122
Pledges receivable, net, collected in less than one year	42,667
Grants receivable, net, collected in less than one year	23,750
Investments – Central Louisiana Community Foundation	<u>35,637</u>
Financial assets at year-end	<u>804,455</u>
Less those unavailable for general expenditure within one year, due to:	
Restricted by donors with purpose restrictions	(242,077)
Restricted by donors with time restrictions	(42,667)
Financial assets held for others	<u>(2,422)</u>
Total amount unavailable for general expenditure within one year	<u>(287,166)</u>
Amounts unavailable to management without Board's approval:	
Board designated for community investment	<u>(100,000)</u>
Total amount unavailable to management without Board's approval	<u>(100,000)</u>
Total financial assets available to meet cash needs for general expenditures within one year	\$ 417,289

The Organization must maintain sufficient resources to meet responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Organization also has a policy to invest cash in excess of daily requirements in short term investments such as certificates of deposit and money market accounts. In addition, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient revenues, and by utilizing donor-restricted resources from current and prior years' campaign contributions and grant funds.

13. Related Party Transactions

United Way of Central Louisiana, Inc. pays affiliated dues to the United Way Worldwide and the Louisiana Association of United Ways. Total dues paid for the year ended December 31, 2025 were \$12,472 and are included in dues and subscriptions expense.

Supplementary Information

**United Way of Central Louisiana, Inc.
Community Investment Grants
Year Ended December 31, 2025**

Schedule 1

<u>Agency/Program</u>	<u>Amount</u>
American Red Cross	\$ 11,000
Big Brothers Big Sisters of Southwest Louisiana	3,000
Boy Scouts of America Louisiana Purchase Council	7,500
Central LA AIDS Support Services (CLASS)	5,000
Children's Advocacy Network	15,000
Faith House	9,000
Grant Parish School Board	10,000
Hope House of Central Louisiana	10,000
Rapides Parish School Board	7,000
Volunteers of America	5,000
YWCA of Alexandria-Pineville	10,000
Total Allocations and Designations to Partner Agencies	<u>\$ 92,500</u>

See independent auditor's report.

United Way of Central Louisiana, Inc.
Schedule of Grant Revenue
Year Ended December 31, 2025

		Schedule 2
<u>Grantor</u>	<u>Program/Purpose</u>	<u>Amount</u>
Louisiana Department of Public Safety and Corrections	Louisiana Prisoner Reentry Initiative (LAPRI)	\$ 30,000
Capital One Bank	VITA and financial literacy	25,000
Walmart Foundation	Spark for Good	700
Louisiana Association of United Ways	3 empowerment coaches	59,505
Louisiana Association of United Ways	Membership Thrive	2,500
Entergy	Super Tax Day/VITA	15,000
Total Grant Revenue		<u>\$ 132,705</u>

See independent auditor's report.

**United Way of Central Louisiana, Inc.
Projected Community Investment Grants
Year Ended December 31, 2025**

Schedule 3

Pending a successful campaign and procurement of other funding, the year ending December 31, 2026, community investment grants will be as follows:

Agency/Program	Amount
American Red Cross	\$ 12,500
Boy Scouts of America Louisiana Purchase Council	10,000
Central LA AIDS Support Services (CLASS)	10,000
Children's Advocacy Network	15,000
Faith House	12,500
Girl Scouts of Louisiana Pines to the Gulf	10,000
Grant Parish School Board	10,000
Hope House of Central Louisiana	10,000
YWCA of Alexandria-Pineville	10,000
Total Projected Community Investment Grants	\$ 100,000

See independent auditor's report.

**United Way of Central Louisiana, Inc.
Schedule of Compensation, Benefits and
Other Payments to Agency Head or
Chief Executive Officer
Year Ended December 31, 2025**

Schedule 4

Agency Head Names: Michelle Purl (until August 26, 2025)
Cindy Cespiva (September 10, 2025 – December 31, 2025)

No public funds were used to make payments to agency heads during the year ended December 31, 2025.

See independent auditor's report.

**Communication of Significant Deficiencies
and Material Weaknesses**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

June 17, 2026

To the Board of Directors of
United Way of Central Louisiana, Inc.

In planning and performing our audit of the financial statements of United Way of Central Louisiana, Inc. (the Organization) as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the United Way of Central Louisiana, Inc.'s system of 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in United Way of Central Louisiana, Inc.'s internal control to be material weaknesses:

Pledges Receivable and Contribution Income

Criteria: Accounting standards require unconditional promises to give to be reported as a receivable and contribution income in the period the promise is received. As payments are received, the receivable is reduced.

Condition and Context: For the year ended December 31, 2025, a receivable was recorded for every receipt regardless of a promise to give.

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
Kayla G. Holloway, C.P.A.

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PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Cause and Effect: Accounting personnel did not follow proper accounting standards for reporting unconditional promises to give resulting in numerous journal entry adjustments to pledges receivable and contribution income.

Recommendation: We recommend that unconditional promises to give be recorded properly in the financial statements.

Management's Response: See Management's Corrective Action Plan

Pledges Receivable Subsidiary Ledgers

Criteria: Management is responsible for maintaining complete and accurate accounting records and supporting documentation for significant account balances. A detailed subsidiary ledger for pledges receivable should be maintained and periodically reconciled to the general ledger to ensure the accuracy and completeness of recorded balances.

Condition and Context: During our audit, we noted that the Organization's bookkeeping firm records monthly journal entries to pledges receivable based on summary reports. Upon request, management was unable to provide a detailed pledges receivable report that reconciled to the general ledger. Multiple requests were made during the audit process for supporting detail; however, it became evident that only summary-level reports were being maintained. As a result, the Organization experienced significant difficulty recreating a detailed pledges receivable listing for audit purposes.

Cause and Effect: The Organization and its bookkeeping firm have not established procedures to maintain a detailed subsidiary ledger of outstanding pledges receivable and reconcile that ledger to the general ledger on a regular basis. Without a detailed pledges receivable subsidiary ledger, management's ability to monitor outstanding pledges and verify the accuracy and completeness of the receivable balance is diminished. In addition, the lack of supporting documentation increases the risk that errors or omissions in pledges receivable and contribution revenue may not be detected timely and may impair the auditability of these account balances.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Recommendation: We recommend that management implement procedures to maintain a detailed pledges receivable subsidiary ledger that includes donor-level information and supports the recorded balance. The subsidiary ledger should be reconciled to the general ledger on a monthly basis, and documentation supporting all reconciliation items should be retained.

Management's Response: See Management's Corrective Action Plan

Restricted Contribution Management – VITA Program

Criteria: Organizations receiving donor-restricted contributions should periodically evaluate whether restricted resources are being utilized in a manner consistent with donor intent and program objectives. Effective stewardship includes monitoring restricted fund balances and assessing whether funding levels are aligned with anticipated program expenditures.

Condition and Context: The Organization continues to receive approximately \$40,000 annually in donor-restricted contributions designated for the Volunteer Income Tax Assistance (VITA) Program. During our audit, we noted that annual program expenditures have averaged approximately \$20,000 over the past five years. As a result, restricted resources have accumulated faster than they are being utilized. The VITA Program's restricted net assets increased from \$94,205 at the beginning of the fiscal year to \$105,616 at year-end.

Cause and Effect: The Organization has continued to accept annual restricted contributions for the VITA Program at levels that exceed the program's historical spending requirements. A formal process has not been established to periodically evaluate the adequacy of accumulated restricted resources relative to future program needs. Restricted net assets continue to grow each year, resulting in resources being held for an extended period before being used for their intended purpose. Excessive accumulation of restricted balances may create challenges in demonstrating effective stewardship of donor funds and may limit opportunities to direct future contributions toward other organizational priorities.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Recommendation: We recommend that management and the Board periodically review the VITA Program's accumulated restricted fund balance and projected funding needs. Based on this review, the Organization should consider discussing future funding levels with donors, seeking donor approval to broaden the allowable use of existing restricted funds where appropriate, or developing a plan to utilize accumulated resources in furtherance of the program's mission and objectives.

Management's Response: See Management's Corrective Action Plan

Credit Card Purchases

Criteria: The Organization's internal control policies and sound business practices require that expenditures be properly authorized prior to purchase, supported by adequate documentation, and reviewed to ensure that transactions are valid, accurately recorded, and incurred for organizational purposes. Supporting documentation should include approved purchase orders or other evidence of authorization and original receipts that agree to the amounts charged.

Condition and Context: In our test of six (6) credit card statements that included a total of one hundred thirty-four (134) transactions for the year ended December 31, 2025, we noted sixty-seven (67) transactions had no purchase order or any other evidence of approval, nineteen (19) transactions had no receipt, eight (8) transactions included purchase orders that were dated after the purchase date or purchase orders that were not approved, and one (1) transaction included a receipt that did not match the charge on the credit card statement.

Cause and Effect: The exceptions appear to result from inadequate monitoring and enforcement of the Organization's purchasing and credit card procedures. Without consistent adherence to approval and documentation requirements, management's ability to verify that expenditures are properly authorized and incurred for valid organizational purposes is diminished. As a result, the risk of unauthorized purchases, improper expenditures, inaccurate financial reporting, and undetected errors or irregularities is increased.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Recommendation: We recommend that management strengthen controls over credit card expenditures by requiring documented approval prior to purchase, maintaining complete supporting documentation for all transactions, and ensuring that purchase orders are properly approved before purchases are made. In addition, management should perform periodic reviews of credit card activity to verify compliance with established policies and promptly investigate and resolve any exceptions.

Management's Response: See Management's Corrective Action Plan

Grant Revenue Reconciliation

Criteria: Management is responsible for maintaining accurate and complete accounting records and implementing controls to ensure that grant revenue is properly recorded in the general ledger. This includes maintaining a detailed grant revenue schedule that identifies individual grants, amounts received or earned, and periodic reconciliation of the schedule to the general ledger.

Condition and Context: During our audit of the financial statements for the year ended December 31, 2025, we noted that grant revenue totaling \$23,333 had been recorded twice in the general ledger, resulting in an overstatement of grant revenue. We also noted that the Organization was not maintaining a detailed grant revenue schedule that could be reconciled to the general ledger to verify the completeness and accuracy of grant revenue recorded during the year.

Cause and Effect: The duplicate recording occurred because the Organization does not maintain a comprehensive grant revenue tracking schedule and does not perform periodic reconciliations between grant records and the general ledger. As a result, errors in recording grant revenue may not be identified and corrected on a timely basis. This increases the risk of material misstatements in the financial statements and may result in inaccurate reporting of grant activity to management, the Board of Directors, and funding agencies.

Recommendation: We recommend that management establish and maintain a detailed grant revenue schedule that includes grantor name, award amount, grant period, amounts recognized as revenue, amounts received, and any remaining balances. The schedule should be reconciled to the general ledger on a regular basis, with all differences investigated and resolved promptly. Implementing these procedures will strengthen internal controls over financial reporting and help ensure that grant revenue is recorded accurately and completely.

Management's Response: See Management's Corrective Action Plan



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Inadequate Year-end Closing Procedures

Criteria: Organizations should establish and follow formal year-end closing procedures to ensure that accounting records are finalized prior to the commencement of the annual audit. Once management has provided the trial balance and supporting accounting records for audit purposes, the accounting records should be closed and protected from further changes unless adjustments are properly documented, reviewed, and communicated to the auditors.

Condition and Context: Audit fieldwork for the year ended December 31, 2025 commenced on April 22, 2026. At the start of fieldwork, management provided the trial balance, detailed general ledger, and other requested audit documentation. During the course of the audit, however, the Organization continued to make changes to its accounting records and did not formally close its books. As a result, the auditors received three separate versions of the trial balance before the bookkeeping firm ultimately restricted access and locked the accounting records to prevent additional changes.

Cause and Effect: The Organization has not implemented formal year-end closing procedures that require accounting records to be finalized and reviewed before being provided to the auditors. In addition, there appears to be inadequate coordination between management and the bookkeeping firm regarding the timing of closing entries and the finalization of accounting records. Continued modifications to accounting records during the audit process increase the risk of errors, omissions, and inconsistencies in financial reporting. Multiple versions of the trial balance create inefficiencies in the audit process, increase the likelihood that supporting schedules and reconciliations will not agree to the final accounting records, and may result in additional audit time and costs.

Recommendation: We recommend that management establish and document formal year-end closing procedures that include completion of all reconciliations, review of significant accounts, preparation and approval of closing entries, and formal closure of the accounting records prior to the start of the annual audit. Any subsequent adjustments should be subject to management review, adequately documented, and promptly communicated to the auditors to ensure that all parties are working from the same set of finalized accounting records.

Management's Response: See Management's Corrective Action Plan



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

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. We consider the following deficiencies in United Way of Central Louisiana, Inc.'s internal control to be significant deficiencies:

Certificates of Deposit Reconciliations

Criteria: Certificate of deposit balances recorded in the general ledger should be reconciled periodically to balances reported by financial institutions. Accrued interest earned but not yet received should be recorded separately as interest receivable to ensure that cash and investment balances are accurately stated and properly classified.

Condition and Context: During our confirmation of certificate of deposit balances as of December 31, 2025, we noted one certificate of deposit balance recorded in the accounting records exceeded the balance confirmed by the financial institution by \$3,133. Based on our review and discussions with management, the difference appears to be attributable to accrued interest being added directly to the certificate of deposit balance rather than being recorded separately as accrued interest receivable.

Cause and Effect: The discrepancy appears to have resulted from a lack of procedures to reconcile certificate of deposit balances to bank confirmations and properly classify accrued interest. As a result, investment balances may be overstated and accrued interest receivable understated, potentially leading to inaccurate financial reporting and misclassification of assets.

Recommendation: We recommend that management implement procedures to reconcile all certificate of deposit balances to financial institution statements and confirmations on a periodic basis. In addition, accrued interest earned but not yet received should be recorded in a separate accrued interest receivable account to ensure proper classification and accurate presentation of investments and related receivables in the financial statements.

Management's Response: See Management's Corrective Action Plan



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Investment Account Fees

Criteria: Generally accepted accounting principles (GAAP) require investment return to be reported net of external and direct internal investment expenses. Investment management fees should be reported as a reduction of investment return rather than as operating expenses such as bank charges.

Condition and Context: During our audit of the financial statements for the year ended December 31, 2025, we noted that investment management fees were recorded and reported as bank charges expense within operating expenses. As a result, investment income and related investment expenses were presented separately rather than reporting investment return net of investment management fees.

Cause and Effect: The Organization's accounting personnel were not aware of the financial reporting requirement to present investment return net of related investment management fees. Reporting investment management fees as bank charges expense may result in financial statement presentation that is not in accordance with GAAP. In addition, operating expenses may be overstated and investment return may be overstated, potentially affecting management's analysis of investment performance and operating cost.

Recommendation: We recommend that management implement procedures to identify investment-related fees and record them as a reduction of investment return. In addition, management should review financial statement presentation annually to ensure investment income and related expenses are reported in accordance with applicable accounting standards.

Management's Response: See Management's Corrective Action Plan

Old Outstanding Checks

Criteria: Sound internal control practices require bank reconciliations to be reviewed regularly and reconciling items, including outstanding checks, to be investigated and resolved in a timely manner. In addition, state unclaimed property laws may require long-outstanding checks to be remitted to the appropriate governmental authority after the applicable dormancy period.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Condition and Context: During our audit procedures, we reviewed the operating bank account reconciliation and noted a number of old outstanding checks. Specifically, ten (10) outstanding checks totaling \$6,076 had remained outstanding for one year or longer, and an additional six (6) outstanding checks totaling \$9,600 had remained outstanding for periods ranging from six to eleven months.

Cause and Effect: The condition appears to result from the lack of a formal process to periodically review and investigate aged outstanding checks. As a result, disbursements that have not cleared the bank may represent lost checks, duplicate liabilities, or amounts subject to unclaimed property requirements. Failure to resolve outstanding checks timely can result in inaccurate cash balances, misstated liabilities, and potential noncompliance with applicable unclaimed property regulations.

Recommendation: We recommend that management establish procedures to review outstanding checks on a monthly basis and investigate all checks that remain outstanding beyond a reasonable period. Management should contact payees regarding stale-dated checks, void and reissue checks when appropriate, and comply with applicable unclaimed property requirements for checks that remain unclaimed after the statutory dormancy period.

Management's Response: See Management's Corrective Action Plan

Check and Journal Entry Numbers

Criteria: Sequentially numbered checks and journal entries are crucial for efficient record keeping, fraud prevention, and streamlined reconciliation processes. The consecutive numbering provides a clear, chronological order for each transaction, making it easier to track checks and journal entries and identify any missing or duplicate items.

Condition and Context: For the year ended December 31, 2025, checks and journal entries were not numbered in sequential order by date. We also noted duplicate check numbers recorded in the general ledger.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Cause and Effect: The Organization has not established or consistently enforced procedures to monitor the assignment and use of sequential check numbers and journal entry numbers. Additionally, accounting personnel are not periodically reviewing transaction sequences to identify gaps, duplicates, or other irregularities. Failure to maintain unique and sequential numbering reduces the effectiveness of internal controls over financial reporting and cash disbursements. This condition increases the risk that transactions may be omitted, duplicated, improperly recorded, or processed without timely detection, and it impairs the Organization's ability to maintain a complete audit trail.

Recommendation: We recommend that management implement procedures to ensure all checks and journal entries are assigned unique, sequential numbers and that periodic reviews be performed to identify and investigate missing, duplicate, or out-of-sequence numbers. Such procedures will strengthen internal controls, improve accountability, and enhance the reliability of the Organization's accounting records.

Management's Response: See Management's Corrective Action Plan

Community Investment Grants

Criteria: The Organization awards grants to various entities in the Central Louisiana region each year according to board approved designations. Adequate controls should be in place to ensure these payments are properly authorized, accurately recorded, and not duplicated.

Condition and Context: For the year ended December 31, 2025, the Organization disbursed \$2,500 more in community impact grants than the board's approved designations.

Cause and Effect: Failure to review actual spending against budgeted amounts resulted in duplicate payments.

Recommendation: We recommend that the Organization monitor payments against board designations to ensure that payments don't exceed authorized amounts.

Management's Response: See Management's Corrective Action Plan



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Form 1099 Reporting Compliance

Criteria: The Internal Revenue Code requires organizations to issue Form 1099-NEC and/or Form 1099-MISC, as applicable, to report certain payments made to nonemployees and other vendors. Organizations should maintain procedures to identify reportable payments throughout the year, obtain completed Form W-9s from vendors, and ensure all required information returns are accurately prepared and filed by the applicable deadlines.

Condition and Context: During our audit, we noted that the Organization did not maintain adequate procedures to identify and track payments subject to Form 1099 reporting requirements. As a result, certain vendors who received reportable payments during the year were not issued the required Forms 1099. In addition, the Organization did not maintain sufficient documentation to demonstrate that a comprehensive review of vendor payments had been performed to ensure compliance with federal information reporting requirements.

Cause and Effect: This condition appears to be the result of inadequate monitoring and review procedures over vendor payments and information return reporting requirements. Failure to properly issue required Forms 1099 may subject the Organization to penalties and interest assessed by the Internal Revenue Service and could increase the risk of noncompliance with federal tax regulations.

Recommendation: We recommend that management establish formal procedures to ensure compliance with Form 1099 reporting requirements. Such procedures should include obtaining and maintaining Form W-9 documentation for all applicable vendors, periodically reviewing vendor payment activity throughout the year, identifying reportable transactions, and performing a final review prior to filing information returns. Management should also consider preparing and filing any delinquent forms 1099, if applicable.

Management's Response: See Management's Corrective Action Plan



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Check Signature Policy

Criteria: According to the Organization's Internal Financial Policies and Procedures Manual, all checks in excess of \$2,500 require two authorized signatures.

Condition and Context: During our testing of cash disbursements, we identified one (1) check in the amount of \$2,988 that was issued with only one authorized signature. This check exceeded the Organization's established threshold requiring dual signatures.

Cause and Effect: Circumventing dual-signature controls weakens the Organization's control environment. It increases the risk of unauthorized disbursements, misappropriation of assets, and undetected errors or fraud.

Recommendation: We recommend management reinforce compliance with the dual-signature requirement for disbursements over \$2,500. Periodic monitoring of compliance with this policy should also be performed.

Management's Response: See Management's Corrective Action Plan

Failure to Evaluate and Record Allowance for Uncollectible Pledges Receivable

Criteria: Generally accepted accounting principles (GAAP) require organizations to evaluate accounts and pledges receivable at each reporting date and record an allowance for amounts that are not expected to be collected. Management is responsible for assessing collectability based on historical experience, donor payment history, aging of receivables, and other relevant factors to ensure that receivables are stated at their net realizable value.

Condition and Context: During our audit of the financial statements for the year ended December 31, 2025, we noted that the Organization had not performed an evaluation of the collectability of its outstanding pledges receivable and had not established an allowance for uncollectible amounts. As a result, management could not provide documentation supporting the collectability of all outstanding pledge balances or demonstrate that an allowance was unnecessary.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Cause and Effect: The condition appears to have resulted from the absence of a formal process to periodically review outstanding pledges receivable, assess collectability, and document management's conclusions regarding the need for an allowance for doubtful accounts. Failure to evaluate and record an allowance for uncollectible pledges receivable may result in receivables and net assets being overstated in the financial statements. In addition, management and the Board of Directors may not have accurate information regarding the amount of pledges expected to be collected and available for future operations and programs.

Recommendation: We recommend that management implement procedures to evaluate the collectability of pledges receivable at least annually. The evaluation should consider the age of outstanding balances, donor payment history, communication with donors, and other relevant factors. Management should document its analysis and record an allowance for uncollectible pledges receivable when necessary to ensure that receivables are reported at their net realizable value in accordance with GAAP.

Management's Response: See Management's Corrective Action Plan

This communication is intended solely for the information and use of management, the Board of Directors, and the OPEX Committee of United Way of Central Louisiana, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Payne, Moore & Herrington, LLP

Payne, Moore, & Herrington, LLP
Alexandria, Louisiana



United Way of Central Louisiana, Inc.

Alexandria, Louisiana

For the Year Ended December 31, 2025

June 2026

Management Response with Corrective Action Plan

Management of United Way of Central Louisiana, Inc. respectfully submits the following responses and corrective action plans. Significant corrective actions have been implemented since new management started in February 2026, with additional enhancements underway.

MATERIAL WEAKNESSES	Corrective Action	Implementation Timeline
Finding		
Pledges Receivable & Contribution Income	Formal GAAP-compliant revenue recognition policies are in place to ensure pledges are recorded at commitment. Monthly pledge rollforward reconciliations are completed, reviewed, and approved by management to ensure completeness, accuracy, and proper documentation.	Implemented Q1 2026; ongoing monthly
Pledges Receivable Subsidiary Ledger	A detailed donor-level subsidiary ledger is maintained to track commitments, payments, and outstanding balances. This ledger is reconciled monthly to the general ledger with all discrepancies investigated and resolved in a timely manner.	Implemented Q2 2026; ongoing monthly
Restricted Contribution Management	Management reviewed restricted balances and confirmed funds were used	Partially completed Q1–Q2 2026; ongoing through 2026

consistent with donor intent. Donor letters have been obtained to allow us to release restrictions where applicable, with additional confirmations in process. Quarterly monitoring procedures now ensure proper classification, timely release, and full documentation.

Credit Card Purchases

Management has strengthened controls over credit card use by clearly separating general operating purchases from executive-level expenses.

Implemented Q2 2026;
ongoing monthly

For general credit card activity, purchases require approval in advance and must include complete supporting documentation. These transactions are reviewed and approved monthly by management.

For executive expenses such as travel or time-sensitive needs, pre-approval may not always be practical. In these cases, all transactions must include receipts and a clear business purpose, and monthly statements are reviewed and approved by the Treasurer or a member of the Board Chairperson to ensure independent oversight.

All credit card activity is reviewed regularly, and any missing documentation or exceptions are promptly addressed.

Grant Revenue Reconciliation

A centralized grant tracking system captures all grant activity and is reconciled monthly to the general ledger. Discrepancies are investigated prior to financial reporting to ensure accuracy and prevent duplication. Clarified clear definitions are in place for pledge funding, program funding, and grant funding for consistency of coding.

Implemented Q2 2026; ongoing monthly

Inadequate Year-End Closing Procedures

Formal month-end and year-end close procedures have been implemented, including reconciliations, management review, and documented approval. Accounting records are formally closed and restricted from unauthorized changes.

Implemented Q2 2026; fully effective FY2026 close

SIGNIFICANT DEFICIENCIES

Finding

Corrective Action

Implementation Timeline

Certificates of Deposit Reconciliations

Monthly reconciliations are performed with accrued interest recorded separately to ensure proper classification. All reconciliations are reviewed by management.

Implemented Q2 2026; ongoing monthly

Investment Account Fees	Investment management fees are recorded as a reduction of investment return, and financial reporting is reviewed for GAAP compliance.	Implemented Q2 2026
Old Outstanding Checks	Outstanding checks are reviewed monthly, and items over 90 days are investigated and resolved in accordance with policy and regulatory requirements.	Implemented Q2 2026; ongoing monthly
Check and Journal Entry Numbers	Sequential numbering controls have been implemented with regular monitoring to identify and resolve any discrepancies.	Implemented Q2 2026
Community Investment Grants	The \$2,500 overpayment in 2025 occurred because a check that should have been written at the end of 2024 was not paid until 2025, but the amount had been approved by the Board in the prior year. Grant payments are verified against Board-approved allocations prior to disbursement, with ongoing monitoring to prevent overpayment.	Implemented Q1 2026; ongoing
1099 Reporting Compliance	Procedures have been implemented to collect W-9s and track reportable vendor payments throughout the year. Delinquent Forms 1099 will be prepared and filed in July 2026, and an annual compliance review process	Implemented Q2 2026; ongoing annual

has been established.

Check Signature Policy	Dual-signature requirements have been reinforced, and compliance is monitored regularly to ensure adherence.	Implemented Q2 2026
Failure to Evaluate and Record Allowance for Uncollectable Pledges Receivable	A monthly calculation process is implemented to assess collectability and record allowances based on aging and historical trends.	Monthly calculation was implemented Q1 2026 with annual review

Management recognizes that these findings primarily reflect prior-period conditions and control deficiencies. Since February 2026, significant corrective actions have been implemented to strengthen internal controls, improve financial reporting processes, and enhance oversight.

Management is committed to ongoing monitoring, continuous improvement, and full compliance with applicable accounting standards and regulatory requirements to ensure accountability and stewardship of organizational resources.

Respectfully submitted by:

Lafe Jones
President & Chief Executive Officer
United Way of Central Louisiana, Inc.