

**UNITED WAY OF ACADIANA, INC.**

Financial Report

Years Ended December 31, 2018 and 2017

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
United Way of Acadiana, Inc.  
Lafayette, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Acadiana, Inc. as of December 31, 2018 and 2017, 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.

## ***Emphasis of Matter***

As described in Note 19 to the financial statements, United Way of Acadiana, Inc., implemented the provisions of the Financial Accounting Standards Board's Accounting Standard Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of cash account balances and schedules of grant disbursements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019, on our consideration of United Way of Acadiana, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Acadiana, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Acadiana, Inc.'s internal control over financial reporting and compliance.

***KOLDER, SLAVEN & COMPANY, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 14, 2019

## **FINANCIAL STATEMENTS**

UNITED WAY OF ACADIANA, INC.

Statements of Financial Position  
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,355,100	\$ 1,643,358
Investments	414,365	529,935
Pledges receivable, net of allowance for doubtful accounts (\$338,609 and \$499,301 at December 31, 2018 and 2017, respectively)	1,524,384	1,430,475
Grants receivable	2,263	26,541
Other receivables	98,918	130,417
Prepaid expenses	40,494	38,143
Total current assets	<u>3,435,524</u>	<u>3,798,869</u>
Property and equipment, net of accumulated depreciation (\$1,136,754 and \$1,052,444 at December 31, 2018 and 2017, respectively)	<u>2,801,480</u>	<u>2,874,959</u>
Other assets:		
Assets restricted for endowment- Investments	<u>713,634</u>	<u>713,634</u>
Total assets	<u>\$ 6,950,638</u>	<u>\$ 7,387,462</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 66,847	\$ 41,333
Accrued liabilities	13,964	11,963
Payable to other United Ways	865,991	692,706
Payable to other organizations	104,536	218,106
Compensated absences	26,035	23,914
Deferred revenue	722,521	1,073,850
Current maturities of long-term debt	<u>22,970</u>	<u>16,217</u>
Total current liabilities	1,822,864	2,078,089
Noncurrent liabilities:		
Long-term debt, less current portion	<u>193,707</u>	<u>182,374</u>
Total liabilities	<u>2,016,571</u>	<u>2,260,463</u>
Net assets:		
Without donor restrictions	3,874,809	3,931,629
With donor restrictions	<u>1,059,258</u>	<u>1,195,370</u>
Total net assets	<u>4,934,067</u>	<u>5,126,999</u>
Total liabilities and net assets	<u>\$ 6,950,638</u>	<u>\$ 7,387,462</u>

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities  
Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Contributions and pledges	\$ 2,630,335	\$ 173,735	\$ 2,804,070
Less: donor designations	(931,948)	-	(931,948)
Less: uncollectible pledges	(91,429)	-	(91,429)
Net contributions and pledges	1,606,958	173,735	1,780,693
Grant revenue	1,614,080	921,432	2,535,512
In-kind income	237,045	-	237,045
Rental income	201,491	-	201,491
Service fees	92,863	-	92,863
Other	199,304	25,890	225,194
Interest and dividends	52,627	-	52,627
Net realized and unrealized gains (losses) on investments	(84,938)	-	(84,938)
Net assets released from restrictions	1,257,169	(1,257,169)	-
Total revenues, gains, and other support	<u>5,176,599</u>	<u>(136,112)</u>	<u>5,040,487</u>
Expenses:			
Program services-			
Community impact	2,135,863	-	2,135,863
Disaster management	75,953	-	75,953
Early Head Start	1,889,886	-	1,889,886
Other programs	287,725	-	287,725
Total program services	<u>4,389,427</u>	<u>-</u>	<u>4,389,427</u>
Supporting services-			
Management and general	314,476	-	314,476
Fundraising	529,516	-	529,516
Total supporting services	<u>843,992</u>	<u>-</u>	<u>843,992</u>
Total expenses	<u>5,233,419</u>	<u>-</u>	<u>5,233,419</u>
Change in net assets	(56,820)	(136,112)	(192,932)
Net assets, beginning of year	<u>3,931,629</u>	<u>1,195,370</u>	<u>5,126,999</u>
Net assets, end of year	<u>\$ 3,874,809</u>	<u>\$ 1,059,258</u>	<u>\$ 4,934,067</u>

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities  
Year Ended December 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Contributions and pledges	\$ 2,824,678	\$ 250,755	\$3,075,433
Less: donor designations	(909,294)	-	(909,294)
Less: uncollectible pledges	<u>(319,088)</u>	<u>-</u>	<u>(319,088)</u>
Net contributions and pledges	1,596,296	250,755	1,847,051
Grant revenue	1,597,441	1,382,328	2,979,769
In-kind income	178,723	-	178,723
Rental income	199,067	-	199,067
Service fees	103,580	-	103,580
Other	129,463	5,830	135,293
Interest and dividends	32,021	-	32,021
Net realized and unrealized gains (losses) on investments	92,103	-	92,103
Net assets released from restrictions	<u>2,046,363</u>	<u>(2,046,363)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,975,057</u>	<u>(407,450)</u>	<u>5,567,607</u>
Expenses:			
Program services-			
Community impact	2,092,690	-	2,092,690
Disaster management	1,092,636	-	1,092,636
Early Head Start	1,773,260	-	1,773,260
Other programs	<u>290,466</u>	<u>-</u>	<u>290,466</u>
Total program services	<u>5,249,052</u>	<u>-</u>	<u>5,249,052</u>
Supporting services-			
Management and general	265,979	-	265,979
Fundraising	<u>458,205</u>	<u>-</u>	<u>458,205</u>
Total supporting services	<u>724,184</u>	<u>-</u>	<u>724,184</u>
Total expenses	<u>5,973,236</u>	<u>-</u>	<u>5,973,236</u>
Change in net assets	1,821	(407,450)	(405,629)
Net assets, beginning of year	<u>3,929,808</u>	<u>1,602,820</u>	<u>5,532,628</u>
Net assets, end of year	<u>\$ 3,931,629</u>	<u>\$ 1,195,370</u>	<u>\$ 5,126,999</u>

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

UNITED WAY OF ACADIANA, INC.

Statement of Functional Expenses  
Year Ended December 31, 2018

	Program Services				Total Program Services	Supporting Services			Total Expenses
	Community Impact	Disaster Management	Early Head Start	Other Programs		Management and General	Fund- Raising	Total Supporting Services	
Salaries and wages	\$ 278,579	\$ 44,611	\$ 974,784	\$ 84,779	\$1,382,753	\$213,885	\$278,192	\$ 492,077	\$1,874,830
Payroll taxes	21,753	3,567	74,374	6,816	106,510	15,496	20,409	35,905	142,415
Employee benefits	25,154	1,755	117,930	12,136	156,975	28,043	24,827	52,870	209,845
Total payroll and related expenses	<u>325,486</u>	<u>49,933</u>	<u>1,167,088</u>	<u>103,731</u>	<u>1,646,238</u>	<u>257,424</u>	<u>323,428</u>	<u>580,852</u>	<u>2,227,090</u>
Other expenses-									
Advertising	18,762	256	632	-	19,650	890	10,070	10,960	30,610
Campaign incentives	-	-	-	-	-	-	41,284	41,284	41,284
Childcare supplies	-	-	61,384	-	61,384	-	-	-	61,384
Conferences and meetings	1,856	12	14,880	914	17,662	1,563	1,482	3,045	20,707
Contract services	77,114	272	121,409	33,732	232,527	13,440	9,262	22,702	255,229
Depreciation	3,653	-	38,654	34,242	76,549	4,566	3,196	7,762	84,311
Dolly Parton Imagination Library	119,316	-	-	-	119,316	-	-	-	119,316
Dues and subscriptions	13,912	197	3,557	250	17,916	4,860	1,515	6,375	24,291
Equipment	194	-	3,420	-	3,614	8,664	1,728	10,392	14,006
Event expenses	4,459	-	-	23,696	28,155	17,904	43,119	61,023	89,178
In-kind donations	28,833	-	198,211	-	227,044	-	10,000	10,000	237,044
Indirect costs	69,800	-	56,284	-	126,084	(126,084)	-	(126,084)	-
Insurance	1,151	689	30,102	18,402	50,344	3,427	815	4,242	54,586
Interest expense	-	-	-	-	-	2,022	-	2,022	2,022
Leader in Me - Franklin Convey	790,062	-	-	-	790,062	-	-	-	790,062
Maintenance	8,853	-	58,841	26,577	94,271	17,195	3,765	20,960	115,231
Materials assistance	-	20,626	-	-	20,626	-	-	-	20,626
Miscellaneous	478	-	17,387	23,832	41,697	12,872	21,828	34,700	76,397
Occupancy expense	10,964	-	12,201	(56,349)	(33,184)	15,225	17,959	33,184	-
Postage	161	49	504	-	714	8,583	455	9,038	9,752
Printing and publications	828	7	6,533	269	7,637	7,662	14,162	21,824	29,461
Professional fees	-	-	4,975	-	4,975	48,778	-	48,778	53,753
Saving incentive program	11,713	-	-	-	11,713	-	-	-	11,713
Supplies	3,022	466	11,978	8,919	24,385	5,101	11,919	17,020	41,405
Telephone	720	780	10,585	10,968	23,053	1,920	4,360	6,280	29,333
Travel and transportation	1,968	2,034	38,675	692	43,369	5,883	4,657	10,540	53,909
United Way Worldwide dues	17,912	632	15,626	2,629	36,799	2,581	4,512	7,093	43,892
Utilities	-	-	16,960	55,221	72,181	-	-	-	72,181
Total other expenses	<u>1,185,731</u>	<u>26,020</u>	<u>722,798</u>	<u>183,994</u>	<u>2,118,543</u>	<u>57,052</u>	<u>206,088</u>	<u>263,140</u>	<u>2,381,683</u>
Grants to agencies	624,646	-	-	-	624,646	-	-	-	624,646
Total expenses	<u>\$ 2,135,863</u>	<u>\$ 75,953</u>	<u>\$ 1,889,886</u>	<u>\$ 287,725</u>	<u>\$ 4,389,427</u>	<u>\$ 314,476</u>	<u>\$ 529,516</u>	<u>\$ 843,992</u>	<u>\$ 5,233,419</u>

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

UNITED WAY OF ACADIANA, INC.

Statement of Functional Expenses  
Year Ended December 31, 2017

	Program Services					Supporting Services			
	Community Impact	Disaster Management	Early Head Start	Other Programs	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Total Expenses
Salaries and wages	\$ 317,933	\$ 91,561	\$ 951,123	\$ 113,762	\$1,474,379	\$ 189,429	\$ 240,195	\$ 429,624	\$1,904,003
Payroll taxes	24,926	7,240	72,079	8,465	112,710	12,210	17,704	29,914	142,624
Employee benefits	29,913	3,837	121,133	14,326	169,209	26,527	15,464	41,991	211,200
Total payroll and related expenses	<u>372,772</u>	<u>102,638</u>	<u>1,144,335</u>	<u>136,553</u>	<u>1,756,298</u>	<u>228,166</u>	<u>273,363</u>	<u>501,529</u>	<u>2,257,827</u>
Other expenses-									
Advertising	22,081	-	1,383	-	23,464	-	10,228	10,228	33,692
Campaign incentives	-	-	-	-	-	-	7,754	7,754	7,754
Childcare supplies	-	-	62,941	-	62,941	-	-	-	62,941
Conferences and meetings	2,444	374	16,081	1,068	19,967	29,560	1,273	30,833	50,800
Contract services	79,831	5,923	118,084	11,537	215,375	3,875	50,816	54,691	270,066
Depreciation	4,826	-	38,654	45,244	88,724	6,033	4,223	10,256	98,980
Dolly Parton Imagination Library	185,117	-	-	-	185,117	-	-	-	185,117
Dues and subscriptions	15,384	146	2,049	250	17,829	5,114	1,100	6,214	24,043
Equipment	-	-	5,403	-	5,403,000	7,660	-	7,660	13,063
Event expenses	1,825	150	-	15,556	17,531	18,518	25,373	43,891	61,422
In-kind donations	34,371	-	144,352	-	178,723	-	-	-	178,723
Indirect costs	52,293	16,429	72,548	-	141,270	(141,270)	-	(141,270)	-
Insurance	1,684	1,306	28,451	21,568	53,009	(86)	1,165	1,079	54,088
Interest expense	-	-	-	-	-	325	-	325	325
Leader in Me - Franklin Convey	583,165	-	-	-	583,165	-	-	-	583,165
Maintenance	10,662	-	34,013	16,769	61,444	16,475	2,978	19,453	80,897
Materials assistance	-	941,365	-	-	941,365	-	-	-	941,365
Miscellaneous	25	25	14,314	16,570	30,934	13,254	21,742	34,996	65,930
Occupancy expense	13,085	1,637	6,389	(47,065)	(25,954)	11,108	14,846	25,954	-
Postage	24	-	479	6	509	8,804	425	9,229	9,738
Printing and publications	1,700	238	4,852	1,357	8,147	9,686	10,914	20,600	28,747
Professional fees	-	-	5,250	187	5,437	30,216	2	30,218	35,655
Saving incentive program	21,866	-	-	-	21,866	-	-	-	21,866
Supplies	1,941	1,541	10,344	7,530	21,356	4,872	19,840	24,712	46,068
Telephone	800	600	9,141	10,027	20,568	1,920	2,160	4,080	24,648
Travel and transportation	2,527	2,835	24,857	1,383	31,602	9,623	6,341	15,964	47,566
United Way Worldwide dues	16,724	8,732	14,172	2,321	41,949	2,126	3,662	5,788	47,737
Utilities	-	-	15,168	49,605	64,773	-	-	-	64,773
Total other expenses	<u>1,052,375</u>	<u>981,301</u>	<u>628,925</u>	<u>153,913</u>	<u>2,816,514</u>	<u>37,813</u>	<u>184,842</u>	<u>222,655</u>	<u>3,039,169</u>
Grants to agencies	<u>667,543</u>	<u>8,697</u>	<u>-</u>	<u>-</u>	<u>676,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>676,240</u>
Total expenses	<u>\$ 2,092,690</u>	<u>\$ 1,092,636</u>	<u>\$ 1,773,260</u>	<u>\$ 290,466</u>	<u>\$ 5,249,052</u>	<u>\$ 265,979</u>	<u>\$ 458,205</u>	<u>\$ 724,184</u>	<u>\$ 5,973,236</u>

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

UNITED WAY OF ACADIANA, INC.

Statements of Cash Flows  
For The Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ (192,932)	\$ (405,629)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities -		
Depreciation	84,311	98,980
Net realized and unrealized gains on investments	84,938	(92,103)
Changes in assets and liabilities-		
(Increase) decrease in:		
Pledges receivable	(93,909)	73,490
Grants and other receivables	55,777	(116,902)
Prepaid expenses	(2,351)	2,950
Increase (decrease) in:		
Accounts payable	25,514	1,748
Accrued liabilities	2,001	(2,790)
Other payables	59,715	66,812
Compensated absences	2,121	(320)
Deferred revenue	(351,329)	910,883
Net cash provided (used) by operating activities	<u>(326,144)</u>	<u>537,119</u>
Cash flows from investing activities:		
Purchases of property and equipment	(10,831)	(54,701)
Purchases of assets restricted for endowment fund	(269,975)	(269,364)
Proceeds from sale of investments	300,606	236,046
Net cash provided (used) by investing activities	<u>19,800</u>	<u>(88,019)</u>
Cash flows from financing activities:		
Proceeds from notes payable	33,500	200,000
Principal payments on notes payable	(15,414)	(1,409)
Net cash provided by financing activities	<u>18,086</u>	<u>198,591</u>
Net increase (decrease) in cash and cash equivalents	(288,258)	647,691
Cash and cash equivalents, beginning of year	<u>1,643,358</u>	<u>995,667</u>
Cash and cash equivalents, end of year	<u>\$ 1,355,100</u>	<u>\$ 1,643,358</u>
Supplemental disclosure for the statements of cash flows:		
Interest paid	<u>\$ 2,022</u>	<u>\$ 325</u>

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

(1) Nature of Organization and Significant Accounting Policies

A. Organization and Purpose

United Way of Acadiana, Inc. (Organization), a nonprofit organization, was formed on October 16, 1950 pursuant to the laws of the State of Louisiana. It is a Community Impact organization serving Acadia, Lafayette, St. Martin, and Vermilion Parishes. The objective of the Organization is to improve lives by allocating financial and volunteer resources to programs and services that provide solutions to health and human services problems in communities within the service delivery region. The Organization conducts an annual fundraising campaign for funds to be distributed to grantees in the subsequent year for community investment programs. The majority of the contributions generated in these campaigns are from the above parishes. The Organization is governed by a volunteer board of directors.

B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed stipulations.

*Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that will be met, either (1) expire by incurring expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, 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.

The Organization uses the following program service categories for reporting purposes:

*Community Impact* – Includes grant-making, advocacy, agency evaluation, monitoring, research and development of internal expertise on the focus areas of Education, Earnings, and Essentials, and support for the Dolly Parton Imagination Library Program, Earn Save Succeed Program, Leader in Me Program, and the United Way Readers Program.

*Disaster Management* – Support for rebuilding efforts as part of the short term and long term recovery activities set forth by the Organization related to hurricanes, tornadoes, floods, and/or other natural disasters. Additionally, facilitates disaster preparedness and response through Volunteer Organizations Active in Disaster (VOAD).

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

*Early Head Start* – Serves 103 families with children from birth to three years of age and pregnant women residing in Vermilion Parish and Lafayette Parish, with the emphasis on the 70501, 70503, 70506, and 70507 zip code areas. The program provides high-quality early childhood education that enhances participating children’s physical, social, emotional, and intellectual development through both home-based and center-based services. The program also assists parents in moving towards self-sufficiency.

*Other Programs* – Support for system-wide programs including Multi-tenant Facility, volunteer recruitment, and referral and management.

C. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

D. Provision for Uncollectible Pledges

The provision for uncollectible pledges is computed based on a ten year average adjusted by management’s estimate of current economic factors, applied to individual campaigns, including donor designations.

E. Investments

The Organization has adopted FASB ASC subtopic 958-320, “*Not-for-Profit Entities-Investments-Debt and Equity Securities.*” Under FASB ASC Subtopic 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

F. Property and Equipment

The Organization’s capitalization policy is \$5,000 for property and equipment recorded at cost, if purchased, or at estimated fair market value if donated. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	15 - 39
Office equipment and furniture	2 - 5

G. Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. Pledges that are designated by the donor for specific beneficiaries are considered agency transactions, and are not considered contributions and thus are reduced from pledge revenue. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

H. Functional Allocation of Expenses

Expenses are summarized and categorized based on their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy, which are allocated on a square-footage basis, as well as salaries and related benefits, which are allocated on the basis of time and effort.

I. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. Accounting principles generally accepted in the United States of American require the Organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclose in the financial statements. The Organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

J. Compensated Absences

The Organization allows employees paid vacation, sick days, and personal days off, depending on job classification, length of service, and other factors. Upon separation, employees are paid for any unused vacation through the date of separation at their current rate of pay. At December 31, 2018 and 2017, the accrued compensated absences amounted to \$26,035 and \$23,914, respectively.

K. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$30,610 and \$33,692 for the years ended December 31, 2018 and 2017, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

L. Donated Materials and Services

The Organization receives a significant amount of donated materials and services from unpaid volunteers who assist in program services during the year. Some donated services are not reflected in the statement of activities because the criteria for recognition under professional standards have not been satisfied; however, these services are valuable to the Organization's programs. For the year ended December 31, 2018, the Organization had 1,089 volunteers who provided 13,494 hours of donated services valued at \$333,162. For the year ended December 31, 2017, the Organization had 4,605 volunteers who provided 25,328 hours of donated services valued at \$611,413. The value of these donated services was not reflected in the statement of activities.

Donations meeting the criteria for recognition are recorded at estimated fair value as follows:

	<u>2018</u>	<u>2017</u>
Program services:		
Community Impact-		
Professional services	\$ 28,834	\$ 34,371
Early Head Start-		
Materials	145,438	81,902
Professional services	<u>52,773</u>	<u>62,450</u>
Total program services	<u>227,045</u>	<u>178,723</u>
Supporting services:		
Fundraising-		
Materials	<u>10,000</u>	<u>-</u>
Total	<u>\$ 237,045</u>	<u>\$ 178,723</u>

M. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

N. Reclassifications

For comparative purposes, certain accounts in the prior year financial statements have been reclassified in order to conform to the presentation of the current year financial statements.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(2) Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2018, reduced by amounts not available for general use because of donor-imposed regulation.

Financial assets, at year-end	\$4,108,664
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions-	
Restricted by donors in perpetuity	(713,634)
Restricted by donors with purpose restrictions	(2,023,534)
Board designations-	
Operating reserve	(307,918)
Specific programs	<u>(987,181)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 76,397</u>

The Organization has \$76,397 of financial assets available within 1 year of the statement of financial position date to meet cash needs for general expenditures consisting of pledges receivable of \$63,379, grants receivable of \$2,263, and other receivables of \$10,755. As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligation become due.

(3) Pledges Receivable

Pledges receivable are due within a year from the date of the contribution. The annual campaign pledges receivable for the years ended December 31, 2018 and 2017 consists of the following:

December 31, 2018:		
2018 Campaign	\$1,594,283	
Less: allowance for uncollectible pledges	<u>(152,977)</u>	\$1,441,306
2017 Campaign	255,210	
Less: allowance for uncollectible pledges	<u>(185,632)</u>	69,578
2013 Campaign	13,500	
Less: allowance for uncollectible pledges	<u>-</u>	<u>13,500</u>
		<u>\$1,524,384</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

December 31, 2017:

2017 Campaign	\$1,551,744	
Less: allowance for uncollectible pledges	<u>(210,647)</u>	\$ 1,341,097
2016 Campaign	364,532	
Less: allowance for uncollectible pledges	<u>(288,654)</u>	75,878
2013 Campaign	13,500	
Less: allowance for uncollectible pledges	<u>-</u>	13,500
		<u>\$ 1,430,475</u>

(4) Investments

Investments are carried at fair value based on quoted market prices in active markets (all Level 1 Measurements) and consist of the following at December 31, 2018 and 2017:

<u>Investment Type</u>	<u>2018</u>	<u>2017</u>
Equities	\$ 696,333	\$ 850,198
Corporate and government bonds	<u>431,666</u>	<u>393,371</u>
	<u>\$ 1,127,999</u>	<u>\$ 1,243,569</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2018 and 2017:

December 31, 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 52,627	\$ -	\$ 52,627
Net realized gains	36,617	-	36,617
Net unrealized losses	<u>(121,554)</u>	<u>-</u>	<u>(121,554)</u>
Total return on investments	<u>\$ (32,310)</u>	<u>\$ -</u>	<u>\$ (32,310)</u>

December 31, 2017:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 32,021	\$ -	\$ 32,021
Net realized gains	46,182	-	46,182
Net unrealized gains	<u>45,921</u>	<u>-</u>	<u>45,921</u>
Total return on investments	<u>\$ 124,124</u>	<u>\$ -</u>	<u>\$ 124,124</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(5) Donor-Restricted Endowments

The Organization's endowment consists of three funds established for specific purposes. These funds are donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

*Interpretation of Relevant Law* - The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

*Investment Return Objectives, Risk Parameters and Strategies* - The Organization has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2018, the Organization did not have underwater endowments.

Endowment net asset composition by type of fund as of December 31, 2018 and 2017 is as follows:

December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 437,183	\$ -	\$ 437,183
Donor-restricted endowment funds	-	713,634	713,634
Total funds	<u>\$ 437,183</u>	<u>\$ 713,634</u>	<u>\$ 1,150,817</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

December 31, 2017:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 567,218	\$ -	\$ 567,218
Donor-restricted endowment funds	-	713,634	713,634
Total funds	<u>\$ 567,218</u>	<u>\$ 713,634</u>	<u>\$ 1,280,852</u>

Changes in endowment net assets for the years ended December 31, 2018 and 2017 are as follows:

December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 567,218	\$ 713,634	\$ 1,280,852
Distributions	(63,200)	-	(63,200)
Investment income (net of fees)	18,102	-	18,102
Net unrealized/realized gain (loss)	(84,937)	-	(84,937)
Endowment net assets, end of year	<u>\$ 437,183</u>	<u>\$ 713,634</u>	<u>\$ 1,150,817</u>

December 31, 2017:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 458,112	\$ 713,634	\$ 1,171,746
Distributions	(2,000)	-	(2,000)
Investment income (net of fees)	19,003	-	19,003
Net unrealized/realized gain (loss)	92,103	-	92,103
Endowment net assets, end of year	<u>\$ 567,218</u>	<u>\$ 713,634</u>	<u>\$ 1,280,852</u>

(6) Property and Equipment

Property and equipment consist of the following as of December 31, 2018 and 2017:

	2018	2017
Land	\$ 585,000	\$ 585,000
Building and improvements	3,111,860	3,101,029
Office furniture and equipment	<u>241,374</u>	<u>241,374</u>
Total property and equipment	3,938,234	3,927,403
Less accumulated depreciation	<u>(1,136,754)</u>	<u>(1,052,444)</u>
Property and equipment, net	<u>\$ 2,801,480</u>	<u>\$ 2,874,959</u>

Total depreciation expense for the years ended December 31, 2018 and 2017 was \$84,311 and \$98,980, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

Certain land and buildings, with a carrying amount of \$1,406,245 were acquired with funds received under a grant contract with the U.S. Department of Health and Human Services for an Early Head Start Expansion Program. Under federal guidelines, the real property shall be used for the originally authorized purpose as long as needed for that purpose or other federally sponsored projects or programs that have purposes consistent with those authorized for support by the Federal awarding agency. When the real property is no longer needed for federally supported programs or projects, the entity shall request disposition instructions from the agency. Depending on the outcome of the disposition, the entity may be required to compensate the awarding agency for the federal portion of the current fair market value of the property. This real property is included in the Organization's property and equipment, net of accumulated depreciation in the statement of financial position at a book value of \$1,153,610 and \$1,192,264, which represents the carrying amount less accumulated depreciation of \$252,635 and \$213,981 at December 31, 2018 and 2017, respectively. Depreciation expense for the years ended December 31, 2018 and 2017 was \$38,654 and \$38,654, respectively.

(7) Deferred Revenue

The Organization reports deferred revenues on the statement of financial position. Deferred revenues arise when the Organization receives resources before it has a legal claim to them. In subsequent periods, when the Organization has a legal claim to the resources, the liability for deferred revenue is removed from the statement of financial position and the revenue is recognized. The Organization had deferred revenue in the amount of \$722,521 and \$1,073,850 for the years ended December 31, 2018 and 2017, respectively.

(8) Long-term Debt

Long-term debt at December 31, 2018 consist of the following:

On June 1, 2017, the organization entered into a \$83,500 note payable, maturing on June 1, 2032, monthly payments of \$578 including interest of 2.625%, secured by a multiple indebtedness mortgage.	\$ 77,177
On December 14, 2017, the organization entered into a \$150,000 non-interest note payable, maturing on May 16, 2023, and monthly payments of \$1,500 (60% of the principal amount). Absent an event of default, payment of all monthly principal payments in the amounts set forth above will be deemed to have paid in full. The remaining 40% of the principal balance will be forgiven.	<u>139,500</u>
	216,677
Less current portion	<u>(22,970)</u>
Long-term debt	<u>\$ 193,707</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

Scheduled maturities of long-term debt as of December 31, 2018 are as follows:

<u>Years ending December 31:</u>	
2019	\$ 23,102
2020	23,237
2021	23,376
2022	73,019
2023	5,666
Thereafter	<u>45,307</u>
Total	<u>\$ 193,707</u>

(9) Net Assets without Donor Restrictions

The following represents net assets without donor restrictions for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Designated by the Board-		
Reserve Fund	\$ 307,918	\$ 307,123
PACT Allocations/Agency Contracts	549,998	439,999
Endowment Fund Earnings:		
Community Fund	253,175	290,960
Operational Fund	77,252	128,329
UNOCAL Venture Grant Fund	<u>106,756</u>	<u>147,929</u>
	1,295,099	1,314,340
Undesignated	<u>2,579,710</u>	<u>2,617,289</u>
	<u>\$ 3,874,809</u>	<u>\$ 3,931,629</u>

(10) Net Assets Released from Donor Restrictions

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by donors during the fiscal years ended December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Purpose restrictions accomplished:		
Adopt a School	\$ 2,109	\$ 4,136
Earn, Save, Succeed	190,900	210,461
Leader in Me	948,081	731,990
Stuff the Bus	19,031	10,536
UW Readers	21,728	23,626
Hurricane and Disaster Relief Contributions	13,268	89,481
Disaster Response - 2016 Flood	<u>62,052</u>	<u>976,133</u>
Total	<u>\$ 1,257,169</u>	<u>\$ 2,046,363</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(11) Net Assets with Donor Restrictions

The following represents net assets with donor restrictions for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Subject to expenditure for specified purpose:		
Adopt a School	\$ 148	\$ 2,257
Bank On	13,196	13,196
Earn, Save, Succeed	37,662	31,863
Leader in Me	137,105	265,027
Partners in Early Childhood Education	150	150
Stuff the Bus	12,282	1,708
UW Readers	-	21,624
Hurricane and Disaster Relief Contributions	68,796	68,100
Disaster Response - 2016 Flood	75,343	76,869
Hurricane Harvey	942	942
Subject to spending policy and appropriation:		
Investments in perpetuity-		
Community Fund	243,289	243,289
Operational Fund	230,345	230,345
UNOCAL Venture Grant Fund	<u>240,000</u>	<u>240,000</u>
Total net assets with donor restrictions	<u>\$1,059,258</u>	<u>\$1,195,370</u>

(12) Retirement Benefits

The Organization implemented a Simple IRA plan beginning January 2005 for its employees. The Organization will match up to 3% of eligible employee's salary. For the years ending December 31, 2018 and 2017, the Organization made contributions in the amount of \$29,590 and \$32,460, respectively.

(13) Fair Value Measurements

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of inputs used to measure fair value are as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

- b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- c. Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Organization in estimating fair values of financial instruments:

- a. The carrying amount reported in the statement of financial position for the following approximates fair value due to the short maturities of these instruments: cash, receivables, and payables.
- b. The fair value for investment securities are based on quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2018 and 2017:

Investment Type	December 31, 2018			
	Total	Level 1	Level 2	Level 3
Equities	\$ 696,333	\$ 696,333	\$ -	\$ -
Corporate and government bonds	431,666	431,666	-	-
	<u>\$1,127,999</u>	<u>\$1,127,999</u>	<u>\$ -</u>	<u>\$ -</u>

  

Investment Type	December 31, 2017			
	Total	Level 1	Level 2	Level 3
Equities	\$ 850,198	\$ 850,198	\$ -	\$ -
Corporate and government bonds	393,371	393,371	-	-
	<u>\$1,243,569</u>	<u>\$1,243,569</u>	<u>\$ -</u>	<u>\$ -</u>

(14) Concentration of Credit Risk

The Organization maintains cash balances at financial institutions, which at times may exceed federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2018 and 2017, the Organization's cash balances exceeded FDIC coverage by \$855,360 and \$1,287,135, respectively.

(15) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(16) Risk Management

The Organization is exposed to risks of loss in the areas of health care, general liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements have not exceeded insurance coverage the past three years.

(17) Compensation, Benefits, and Other Payments to Agency Head

The Organization's agency head did not receive any compensation, benefits, or other payments from public funds for the year ended December 31, 2018.

(18) New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-9, Revenue from Contracts with Customers (Topic 606). This guidance is a comprehensive new revenue recognition standard that will supersede substantially all existing revenue recognition guidance. The new standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be more entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under existing guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. On July 9, 2015, the FASB agreed to delay the effective date of the standard by one year. Therefore, the new standard will be effective for annual periods beginning after December 31, 2018 and is not expected to have a significant impact on the Organization's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Organization is evaluating the potential impact of the amendment on the Organization's financial statements.

The FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments, which made the following changes that may affect the Organization: Debt Prepayment or Debt Extinguishment Costs: Cash payments for debt prepayment or debt extinguishment costs should be classified as cash flows for financing activities. The amendments in this ASU will be effective for entities other than public business entities for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Organization does not expect the guidance to have a material impact on its financial statements.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(19) Change in Accounting Pronouncement

The Financial Accounting Standards Board issued Accounting Standards Update No. 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14) in August 2016. The Organization has changed the presentation of its financial statements accordingly, applying the changes retrospectively to beginning net assets presented. The new standard changed the following aspects of the Organization's financial statements: temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class named net assets with donor restrictions; the unrestricted net asset class has been changed to net assets without donor restrictions; and the financial statements include a new disclosure relative to the liquidity and availability of resources.

The adoption of ASU 2016-14 had the following effect on previously reported net assets.

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted-		
Designated for specific purposes	\$ 747,122	\$ -
Undesignated	1,425,025	-
Temporarily restricted	2,241,218	-
Permanently restricted	713,634	-
Net assets without donor restrictions-		
Designated for specific purposes	-	1,314,340
Undesignated	-	2,617,289
Net assets with donor restrictions	-	1,195,370
	\$5,126,999	\$5,126,999

(20) Subsequent Event Review

The Organization's management has evaluated subsequent events through June 14, 2019, the date which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

UNITED WAY OF ACADIANA, INC.

Schedules of Cash Account Balances  
 Years Ended December 31, 2018 and 2017

	<u>Type</u>	<u>2018</u>	<u>2017</u>
Iberia Bank (Operating Account)	Checking Account	\$ 266,724	\$ 204,077
Chase (Reserve Account)	Checking Account	276,207	275,767
Whitney National Bank (CFC Account)	Checking Account	5,073	5,073
Iberia Bank (Hurricane Fund/Leader In Me)	Checking Account	752,568	67,048
Iberia Bank (Reserve Fund)	Checking Account	31,711	1,039,027
Morgan Stanley (Stock Fund)	Money Market	<u>-</u>	<u>15,083</u>
Total Cash and Cash Equivalents in Current Assets		1,332,283	1,606,075
Cash Restricted for Endowment Fund: Summit Financial (Endowment Fund)	Money Market	<u>22,817</u>	<u>37,283</u>
Total Cash and Cash Equivalents		<u>\$ 1,355,100</u>	<u>\$ 1,643,358</u>

UNITED WAY OF ACADIANA, INC.

Schedules of Grant Disbursements  
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
232-HELP/Louisiana 211	\$ -	\$ 90,000
Acadia Council on Aging	11,250	2,925
Acadiana Outreach Center	9,438	7,650
Acadiana Symphony Association	-	9,180
American Red Cross	75,000	87,500
ASSIST Agency	2,643	5,962
Big Brothers Big Sisters of Acadiana	24,790	38,625
Boys & Girls Clubs of Acadiana	41,880	65,250
Catholic Services of Acadiana	66,480	63,265
Central Rayne Kindergarten	-	2,310
Empowering the Community for Excellence	6,419	10,000
Evangeline Area Boy Scouts	14,933	23,265
Faith House, Inc.	28,694	42,997
Family Service Division Program - 16th Judicial District Attorney	15,886	24,750
Foodnet	8,203	10,250
Girl Scouts of Louisiana - Pines to the Gulf (GSLPG)	-	5,063
Hearts of Hope	16,725	22,725
Junior Achievement of Acadiana	-	2,951
Lafayette Parish School Board - Student Services	50,000	-
Lafayette Strong	-	2,697
LAUW (pass through to 232-Help/LA 211)	125,945	43,600
Leader.org	19,250	1,600
Martin Petitjean Elementary School	-	1,925
New Hope Community Development of Acadiana	5,054	7,875
Ross Elementary School	-	4,650
Second Harvest Food Bank	14,519	24,750
Special Olympics Louisiana	-	4,500
St. Martin Council on Aging	-	2,925
St Martin Parish Access to Care	37,579	13,500
The Family Tree	22,575	10,125
VITA, Inc.	27,383	43,425
Total	<u>\$ 624,646</u>	<u>\$ 676,240</u>

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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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*

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\* A Professional Accounting Corporation

To the Board of Directors of  
United Way of Acadiana, Inc.  
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the United Way of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018, 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 June 14, 2019.

## Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the United Way of Acadiana, Inc.'s (Organization) internal control over financial reporting (internal control) to determine the 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 United Way of Acadiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suited for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 14, 2019

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

\* A Professional Accounting Corporation

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To the Board of Directors of  
United Way of Acadiana, Inc.  
Lafayette, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited United Way of Acadiana, Inc.'s (Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2018. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2018.

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

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 14, 2019

UNITED WAY OF ACADIANA, INC.

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-through Identifying Number	CFDA Number	Expenditures
U. S. Department of Treasury:			
Direct Program -			
Volunteer Income Tax Assistance	N/A	21.009	\$ 53,000
U.S. Department of Health and Human Services:			
Direct Program -			
Head Start*	N/A	93.600	<u>1,560,000</u>
Total Direct Awards			1,613,000
U.S. Department of Agriculture:			
Passed through Louisiana Department of Education			
Child and Adult Care Food Program	Unknown	10.558	<u>54,081</u>
Total Federal Awards			<u>\$1,667,081</u>

\* Indicates major program

UNITED WAY OF ACADIANA, INC.  
Lafayette, Louisiana

Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2018

(1) General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of United Way of Acadiana, Inc. (a nonprofit organization). United Way of Acadiana, Inc.'s reporting entity is defined in Note 1 to the financial statements for the year ended December 31, 2018. All federal financial assistance received directly from federal agencies is included in the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to United Way of Acadiana, Inc.'s financial statements for the year ended December 31, 2018. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

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

UNITED WAY OF ACADIANA, INC.  
Lafayette, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2018

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of United Way of Acadiana, Inc. were prepared in accordance with GAAP.
2. There were no significant deficiencies in internal control over financial reporting that were disclosed during the audit of the financial statements. There were no material weaknesses reported.
3. No instances of noncompliance material to the financial statements of United Way of Acadiana, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies in internal control over the major federal award program disclosed during the audit. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award program for United Way of Acadiana, Inc. expresses an unmodified opinion on the major federal program.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.
7. The program tested as a major program was: Head Start (93.600).
8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. United Way of Acadiana, Inc. was determined to be a low-risk auditee.

Part II. Findings – Financial Statements Audit:

Internal Control Findings –

There were no internal control findings for the year ended December 31, 2018.

Compliance Findings –

There were no compliance findings for the year ended December 31, 2018.

UNITED WAY OF ACADIANA, INC.  
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2018

Part III. Findings and questioned costs – Major Federal Award Program Audit:

Internal Control Findings -

There are no findings that are required to be reported under the above guidance.

Compliance Findings -

There are no findings that are required to be reported under the above guidance.

UNITED WAY OF ACADIANA, INC.  
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2018

Part I. Current Year Findings and Management's Corrective Action Plan

A. Compliance Findings-

There are no findings to report under this section.

B. Internal Control Findings-

There are no findings to report under this section.

Part II. Prior Year Findings

A. Compliance Findings-

There are no findings to report under this section.

B. Internal Control Findings-

There are no findings to report under this section.

**UNITED WAY OF ACADIANA, INC.**

Lafayette, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2018

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

\* A Professional Accounting Corporation

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To the Board of Directors of  
United Way of Acadiana, Inc.  
Lafayette, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by United Way of Acadiana, Inc. (Organization) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Organization's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. We obtained the Organization's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the Organization does not have any written policies and procedures), as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts**, including receiving, recording, and preparing deposits.
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Organization's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Board (or Finance Committee, if applicable)**

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- 2. We obtained and reviewed the board/committee minutes for the fiscal period, and:
  - a) Reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the Organization's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, reported whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, reported whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Bank Reconciliations**

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- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### *Collections*

---

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

*Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)*

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8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Credit Cards/Debit Cards/Fuel Cards/P-Cards*

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11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

#### ***Travel and Expense Reimbursement***

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14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### ***Contracts***

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15. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

### *Payroll and Personnel*

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16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. We obtained from management a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### *Other*

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20. We inquired of management whether the Organization had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and reported whether the Organization reported the misappropriation to the legislative auditor and the district attorney of the parish in which the Organization is domiciled.
21. We observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Exceptions:**

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No exceptions were found as a result of applying the required procedures listed above except:

**Credit Cards/Debit Cards/Fuel Cards/P-Cards:**

1. The Organization's February 2018 credit card statement selected for testing did not have written documentation of approval by someone other than the card holder.

*Management's response:* In July 2018, the Organization revised their credit card procedure to require the Chief Executive Officer and Vice President of Finance to approve/sign all credit card statements with the Board Treasurer being an alternate when necessary.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 14, 2019