

**UNITED WAY OF ACADIANA, INC.**

Financial Report

Years Ended December 31, 2017 and 2016

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## INDEPENDENT AUDITOR'S REPORT

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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, 2017 and 2016, 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, 2017 and 2016, 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.

## ***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 15, 2018, 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 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 15, 2018

## **FINANCIAL STATEMENTS**

UNITED WAY OF ACADIANA, INC.

Statements of Financial Position  
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,606,075	\$ 942,070
Pledges receivable, net of allowance for doubtful accounts (\$499,301 and \$422,315 at December 31, 2017 and 2016, respectively)	1,430,475	1,503,965
Grants receivable	26,541	21,917
Other receivables	130,417	18,139
Prepaid expenses	<u>38,143</u>	<u>41,093</u>
Total current assets	<u>3,231,651</u>	<u>2,527,184</u>
Property and equipment, net of accumulated depreciation (\$1,052,444 and \$960,965 at December 31, 2017 and 2016, respectively)	<u>2,874,959</u>	<u>2,919,237</u>
Other assets:		
Assets restricted for endowment-		
Cash and cash equivalents	37,283	53,597
Investments	<u>1,243,569</u>	<u>1,118,149</u>
Total assets restricted for endowment	<u>1,280,852</u>	<u>1,171,746</u>
Total assets	<u>\$ 7,387,462</u>	<u>\$ 6,618,167</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 41,333	\$ 39,585
Accrued liabilities	11,963	14,753
Payable to other United Ways	692,706	716,174
Payable to other organizations	218,106	127,826
Compensated absences	23,914	24,234
Deferred revenue	1,073,850	162,967
Current maturities of long-term debt	<u>16,217</u>	<u>-</u>
Total current liabilities	2,078,089	1,085,539
Noncurrent liabilities:		
Long-term debt, less current portion	<u>182,374</u>	<u>-</u>
Total liabilities	<u>2,260,463</u>	<u>1,085,539</u>
Net assets:		
Unrestricted-		
Designated for specific purposes	747,122	959,655
Undesignated	<u>1,425,025</u>	<u>1,281,123</u>
Total unrestricted net assets	2,172,147	2,240,778
Temporarily restricted	2,241,218	2,578,216
Permanently restricted	<u>713,634</u>	<u>713,634</u>
Total net assets	<u>5,126,999</u>	<u>5,532,628</u>
Total liabilities and net assets	<u>\$ 7,387,462</u>	<u>\$ 6,618,167</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>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support, revenues and reclassifications:				
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>-</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	3,178	28,843	-	32,021
Net realized and unrealized gains on investments	-	92,103	-	92,103
Net assets released from restrictions	<u>2,096,857</u>	<u>(2,096,857)</u>	<u>-</u>	<u>-</u>
Total support, revenues and reclassifications	<u>5,904,605</u>	<u>(336,998)</u>	<u>-</u>	<u>5,567,607</u>
Expenses and losses:				
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>-</u>	<u>290,466</u>
Total program services	<u>5,249,052</u>	<u>-</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>-</u>	<u>458,205</u>
Total supporting services	<u>724,184</u>	<u>-</u>	<u>-</u>	<u>724,184</u>
Total expenses	<u>5,973,236</u>	<u>-</u>	<u>-</u>	<u>5,973,236</u>
Change in net assets	(68,631)	(336,998)	-	(405,629)
Net assets, beginning of year	<u>2,240,778</u>	<u>2,578,216</u>	<u>713,634</u>	<u>5,532,628</u>
Net assets, end of year	<u>\$ 2,172,147</u>	<u>\$ 2,241,218</u>	<u>\$ 713,634</u>	<u>\$ 5,126,999</u>

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities  
Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support, revenues and reclassifications:				
Contributions and pledges	\$ 2,904,895	\$ 854,229	\$ -	\$ 3,759,124
Less: donor designations	(803,618)	(25,232)	-	(828,850)
Less: uncollectible pledges	<u>(286,088)</u>	<u>-</u>	<u>-</u>	<u>(286,088)</u>
Net contributions and pledges	1,815,189	828,997	-	2,644,186
Grant revenue	1,620,382	444,881	-	2,065,263
In-kind income	1,304,383	-	-	1,304,383
Rental income	196,633	-	-	196,633
Service fees	89,940	-	-	89,940
Other	26,745	25,835	-	52,580
Interest and dividends	890	29,760	-	30,650
Net realized and unrealized gains on investments	-	82,782	-	82,782
Net assets released from restrictions	<u>1,042,689</u>	<u>(1,042,689)</u>	<u>-</u>	<u>-</u>
Total support, revenues and reclassifications	<u>6,096,851</u>	<u>369,566</u>	<u>-</u>	<u>6,466,417</u>
Expenses and losses:				
Program services-				
Community impact	2,339,768	-	-	2,339,768
Disaster management	1,460,241	-	-	1,460,241
Early Head Start	1,791,679	-	-	1,791,679
Other programs	<u>309,187</u>	<u>-</u>	<u>-</u>	<u>309,187</u>
Total program services	<u>5,900,875</u>	<u>-</u>	<u>-</u>	<u>5,900,875</u>
Supporting services-				
Management and general	270,545	-	-	270,545
Fundraising	<u>502,716</u>	<u>-</u>	<u>-</u>	<u>502,716</u>
Total supporting services	<u>773,261</u>	<u>-</u>	<u>-</u>	<u>773,261</u>
Total expenses	<u>6,674,136</u>	<u>-</u>	<u>-</u>	<u>6,674,136</u>
Change in net assets	(577,285)	369,566	-	(207,719)
Net assets, beginning of year	<u>2,818,063</u>	<u>2,208,650</u>	<u>713,634</u>	<u>5,740,347</u>
Net assets, end of year	<u>\$ 2,240,778</u>	<u>\$ 2,578,216</u>	<u>\$ 713,634</u>	<u>\$ 5,532,628</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				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	\$ 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	-	2,419	2,419	25,883
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	662,996	5,923	118,084	11,537	798,540	3,875	50,816	54,691	853,231
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	-	-	-	-	-	7,660	-	7,660	7,660
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
Maintenance	10,662	-	34,013	15,477	60,152	16,475	2,978	19,453	79,605
Materials assistance	-	941,365	-	-	941,365	-	-	-	941,365
Miscellaneous	25	25	14,313	17,862	32,225	13,254	37,305	50,559	82,784
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	15,748	7,530	26,760	4,872	19,840	24,712	51,472
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.

Statement of Functional Expenses  
Year Ended December 31, 2016

	Program Services				Total Program Services	Supporting Services			Total Expenses
	Community Impact	Disaster Management	Early Head Start	Other Programs		Management and General	Fund- Raising	Supporting Services	
Salaries and wages	\$ 336,446	\$ 55,361	\$ 937,257	\$ 121,276	\$ 1,450,340	\$ 196,378	\$ 287,469	\$ 483,847	\$ 1,934,187
Payroll taxes	27,360	2,392	71,526	9,220	110,498	14,342	21,493	35,835	146,333
Employee benefits	36,614	2,134	135,417	16,810	190,975	31,189	28,311	59,500	250,475
Total payroll and related expenses	<u>400,420</u>	<u>59,887</u>	<u>1,144,200</u>	<u>147,306</u>	<u>1,751,813</u>	<u>241,909</u>	<u>337,273</u>	<u>579,182</u>	<u>2,330,995</u>
Other expenses-									
Advertising	29,336	-	1,372	563	31,271	-	1,123	1,123	32,394
Childcare supplies	-	-	59,900	-	59,900	-	-	-	59,900
Conferences and meetings	1,943	315	27,839	1,975	32,072	40,655	5,276	45,931	78,003
Contract services	214,719	-	120,736	9,103	344,558	4,242	28,242	32,484	377,042
Depreciation	4,891	-	38,910	45,850	89,651	6,113	4,279	10,392	100,043
Dolly Parton Imagination Library	221,374	-	-	-	221,374	-	-	-	221,374
Dues and subscriptions	16,532	544	4,043	-	21,119	6,433	31	6,464	27,583
Equipment	-	-	-	-	-	11,154	-	11,154	11,154
Event expenses	-	1,906	-	25,152	27,058	9,871	22,112	31,983	59,041
In-kind donations	33,400	1,104,621	164,065	-	1,302,086	188	2,109	2,297	1,304,383
Indirect costs	73,533	-	67,334	-	140,867	(140,867)	-	(140,867)	-
Insurance	1,922	374	28,615	24,258	55,169	(7,123)	1,005	(6,118)	49,051
Maintenance	7,117	-	34,774	13,790	55,681	16,382	8,447	24,829	80,510
Materials assistance	-	87,896	-	-	87,896	-	-	-	87,896
Miscellaneous	110	5,554	12,265	15,875	33,804	8,298	46,446	54,744	88,548
Occupancy expense	14,437	-	6,265	(46,155)	(25,453)	10,893	14,560	25,453	-
Postage	67	-	353	9	429	8,193	1,027	9,220	9,649
Printing and publications	997	660	3,264	1,437	6,358	4,271	9,160	13,431	19,789
Professional fees	-	-	5,950	-	5,950	36,350	-	36,350	42,300
Saving incentive program	24,105	-	-	-	24,105	-	-	-	24,105
Supplies	3,551	5,212	13,577	9,262	31,602	4,709	10,934	15,643	47,245
Telephone	960	180	9,165	9,831	20,136	2,000	3,000	5,000	25,136
Travel and transportation	2,616	850	21,243	1,155	25,864	5,110	4,415	9,525	35,389
United Way Worldwide dues	15,252	2,318	11,679	2,015	31,264	1,764	3,277	5,041	36,305
Utilities	-	-	16,130	47,761	63,891	-	-	-	63,891
Total other expenses	<u>666,862</u>	<u>1,210,430</u>	<u>647,479</u>	<u>161,881</u>	<u>2,686,652</u>	<u>28,636</u>	<u>165,443</u>	<u>194,079</u>	<u>2,880,731</u>
Grants to agencies	<u>1,272,486</u>	<u>189,924</u>	<u>-</u>	<u>-</u>	<u>1,462,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,462,410</u>
Total expenses	<u>\$ 2,339,768</u>	<u>\$ 1,460,241</u>	<u>\$ 1,791,679</u>	<u>\$ 309,187</u>	<u>\$ 5,900,875</u>	<u>\$ 270,545</u>	<u>\$ 502,716</u>	<u>\$ 773,261</u>	<u>\$ 6,674,136</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ (405,629)	\$ (207,719)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities -		
Depreciation	98,980	100,043
Net realized and unrealized gains on investments	(92,103)	(82,782)
Changes in assets and liabilities-		
(Increase) decrease in:		
Pledges receivable	73,490	323,775
Grants and other receivables	(116,902)	4,712
Prepaid expenses	2,950	38,022
Increase (decrease) in:		
Accounts payable	1,748	(32,509)
Accrued liabilities	(2,790)	7,858
Other payables	66,812	(161,662)
Compensated absences	(320)	(6,952)
Deferred revenue	<u>910,883</u>	<u>(46,581)</u>
Net cash provided (used) by operating activities	<u>537,119</u>	<u>(63,795)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(54,701)	-
Purchases of assets restricted for endowment fund	(269,364)	(288,311)
Proceeds from sale of investments	<u>236,046</u>	<u>313,287</u>
Net cash provided (used) by investing activities	<u>(88,019)</u>	<u>24,976</u>
Cash flows from financing activities:		
Proceeds from notes payable	200,000	-
Principal payments on notes payable	<u>(1,409)</u>	<u>-</u>
Net cash provided by financing activities	<u>198,591</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	647,691	(38,819)
Cash and cash equivalents, beginning of year	<u>995,667</u>	<u>1,034,486</u>
Cash and cash equivalents, end of year	<u>\$ 1,643,358</u>	<u>\$ 995,667</u>
Supplemental disclosure for the statements of cash flows:		
Interest paid	<u>\$ 325</u>	<u>\$ -</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:

*Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

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

*Community Impact* – Includes grant-making, 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, Born Learning 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. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

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. In the absence of donor stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of implying a time restriction on contributions of such assets that expires over useful lives of the assets. 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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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 temporarily restricted or permanently restricted support that increases those net asset classes. 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. When a restriction expires, that is when a stipulated time restriction ends or purpose restrictions are accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

H. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited.

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. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Accounting Standards Codification 740(ASC 740) requires that a tax position be recognized or derecognized based on a "more than not" threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Organization has evaluated its tax positions and determined that it does not have any uncertain tax positions that meet the requirements of ASC 740.

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, 2017 and 2016, the accrued compensated absences amounted to \$23,914 and \$24,234, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

K. 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, 2017, the Organization had 4,605 volunteers who provided 25,328 hours of donated services valued at \$611,413. For the year ended December 31, 2016, the Organization had 2,329 volunteers who provided 18,353 hours of donated services valued at \$432,397. 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>2017</u>	<u>2016</u>
Program services:		
Community Impact-		
Professional services	\$ 34,371	\$ 33,400
Disaster Management-		
Materials	-	1,104,621
Early Head Start-		
Materials	81,902	93,716
Professional services	<u>62,450</u>	<u>70,349</u>
Total program services	<u>178,723</u>	<u>1,302,086</u>
Supporting services:		
Management and general-		
Materials	-	188
Fundraising-		
Materials	<u>-</u>	<u>2,109</u>
Total supporting services	<u>-</u>	<u>2,297</u>
Total	<u>\$ 178,723</u>	<u>\$ 1,304,383</u>

L. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$25,883 and \$32,394 for the years ended December 31, 2017 and 2016, respectively.

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.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(2) 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, 2017 and 2016 consists of the following:

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>
December 31, 2016:		
2016 Campaign	\$ 1,552,928	
Less: allowance for uncollectible pledges	<u>(208,113)</u>	\$ 1,344,815
2015 Campaign	359,852	
Less: allowance for uncollectible pledges	<u>(214,202)</u>	145,650
2013 Campaign	13,500	
Less: allowance for uncollectible pledges	<u>-</u>	13,500
		<u>\$ 1,503,965</u>

(3) 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, 2017 and 2016:

Investment Type	December 31, 2017		December 31, 2016	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 582,788	\$ 850,198	\$ 532,128	\$ 756,986
Corporate and government bonds	<u>387,656</u>	<u>393,371</u>	<u>363,551</u>	<u>361,163</u>
	<u>\$ 970,444</u>	<u>\$ 1,243,569</u>	<u>\$ 895,679</u>	<u>\$ 1,118,149</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2017 and 2016:

December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$ 3,178	\$ 28,843	\$ -	\$ 32,021
Net realized gains	-	46,182	-	46,182
Net unrealized gains	-	45,921	-	45,921
Total return on investments	<u>\$ 3,178</u>	<u>\$ 120,946</u>	<u>\$ -</u>	<u>\$ 124,124</u>

December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$ 890	\$ 29,760	\$ -	\$ 30,650
Net realized gains	-	28,601	-	28,601
Net unrealized gains	-	54,181	-	54,181
Total return on investments	<u>\$ 890</u>	<u>\$ 112,542</u>	<u>\$ -</u>	<u>\$ 113,432</u>

(4) Donor Designated Endowments

The Organization's endowment consists of three funds established for a variety of 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.

The Organization classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

*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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund: (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.

Donor-restricted endowment funds consist of the following as of December 31, 2017 and 2016:

December 31, 2017:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 567,218</u>	<u>\$ 713,634</u>	<u>\$ 1,280,852</u>

December 31, 2016:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 458,112</u>	<u>\$ 713,634</u>	<u>\$ 1,171,746</u>

Changes in endowment net assets for the years ended December 31, 2017 and 2016 were as follows:

December 31, 2017:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
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)	<u>92,103</u>	<u>-</u>	<u>92,103</u>
Endowment net assets, end of year	<u>\$ 567,218</u>	<u>\$ 713,634</u>	<u>\$ 1,280,852</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

December 31, 2016:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 381,469	\$ 713,634	\$ 1,095,103
Distributions	(25,000)	-	(25,000)
Investment income (net of fees)	18,861	-	18,861
Net unrealized/realized gain (loss)	<u>82,782</u>	<u>-</u>	<u>82,782</u>
Endowment net assets, end of year	<u>\$ 458,112</u>	<u>\$ 713,634</u>	<u>\$ 1,171,746</u>

(5) Property and Equipment

Property and equipment consist of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Land	\$ 585,000	\$ 585,000
Building and improvements	3,101,029	3,046,328
Office furniture and equipment	<u>241,374</u>	<u>248,874</u>
Total property and equipment	3,927,403	3,880,202
Less accumulated depreciation	<u>(1,052,444)</u>	<u>(960,965)</u>
Property and equipment, net	<u>\$2,874,959</u>	<u>\$2,919,237</u>

Total depreciation expense for the years ended December 31, 2017 and 2016 was \$98,980 and \$100,043, respectively.

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 shown as temporarily restricted net assets in the statements of financial position at a book value of \$1,192,264 and \$1,230,918, which represents the carrying amount less accumulated depreciation of \$213,981 and \$175,327 at December 31, 2017 and 2016, respectively. Depreciation expense for the years ended December 31, 2017 and 2016 was \$38,654 and \$38,910, respectively.

(6) 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 \$1,073,850 and \$162,967 for the years ended December 31, 2017 and 2016, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(7) Long-term Debt

Long-term debt at December 31, 2017 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. As of December 31, 2017, the Organization had \$33,500 available to draw on the note payable.	\$ 48,591
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>150,000</u>
	198,591
Less current portion	<u>(16,217)</u>
Long-term debt	<u>\$ 182,374</u>

Scheduled maturities of long-term debt as of December 31, 2017 are as follows:

Years ending December 31:	
2018	\$ 16,217
2019	23,877
2020	24,031
2021	24,194
2022	24,359
Thereafter	<u>85,913</u>
Total	<u>\$ 198,591</u>

(8) Designated Net Assets

The following represents amounts designated by the Board of Directors of the Organization for the years ended December 31, 2017 and 2016:

	2017	2016
Reserve Fund	\$ 307,123	\$ 305,887
PACT Allocations/Agency Contracts	<u>439,999</u>	<u>653,768</u>
Total	<u>\$ 747,122</u>	<u>\$ 959,655</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(9) Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Unspent funds from the following:		
Adopt a School	\$ 2,257	\$ 5,193
Bank On	13,196	13,196
Earn, Save, Succeed	31,863	30,634
Leader in Me	265,027	324,648
Partners in Early Childhood Education	150	150
Stuff the Bus	1,708	6,037
UW Readers	21,624	43,110
Hurricane and Disaster Relief Contributions	68,100	66,458
Disaster Reponse - 2016 Flood	76,869	399,760
Hurricane Harvey	942	-
Endowment Fund Earnings:		
Community Fund	290,960	253,082
Operational Fund	128,329	92,466
UNOCAL Venture Grant Fund	147,929	112,564
Remaining estimated useful lives of Early Head Start facilities and improvements purchased with federal funds	<u>1,192,264</u>	<u>1,230,918</u>
Total temporarily restricted net assets	<u>\$2,241,218</u>	<u>\$2,578,216</u>

(10) Permanently Restricted Net Assets

Permanently restricted endowment net assets consist of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Endowment Fund:		
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 permanently restricted net assets	<u>\$ 713,634</u>	<u>\$ 713,634</u>

(11) 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, 2017 and 2016, the Organization made contributions in the amount of \$32,460 and \$35,591, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(12) 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.
- 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, 2017 and 2016:

<u>Investment Type</u>	<u>December 31, 2017</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 850,198	\$ 850,198	\$ -	\$ -
Corporate and government bonds	<u>393,371</u>	<u>393,371</u>	<u>-</u>	<u>-</u>
	<u>\$1,243,569</u>	<u>\$1,243,569</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Investment Type</u>	<u>December 31, 2016</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 756,986	\$ 756,986	\$ -	\$ -
Corporate and government bonds	<u>361,163</u>	<u>361,163</u>	<u>-</u>	<u>-</u>
	<u>\$1,118,149</u>	<u>\$1,118,149</u>	<u>\$ -</u>	<u>\$ -</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(13) 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, 2017 and 2016, the Organization's cash balances exceeded FDIC coverage by \$1,287,135 and \$505,585, respectively.

(14) 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.

(15) 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.

(16) 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, 2017.

(17) Subsequent Event Review

The Organization's management has evaluated subsequent events through June 15, 2018, 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, 2017 and 2016

	<u>Type</u>	<u>2017</u>	<u>2016</u>
Iberia Bank (operating account)	Checking Account	\$ 204,077	\$ 566,970
Chase (reserve account)	Checking Account	275,767	274,133
Whitney National Bank (CFC account)	Checking Account	5,073	5,073
Iberia Bank (hurricane fund)	Checking Account	67,048	64,140
Iberia Bank (reserve fund)	Checking Account	1,039,027	31,754
Mogan Stanley (stock fund)	Money Market	<u>15,083</u>	<u>-</u>
Total Cash and Cash Equivalents in Current Assets		1,606,075	942,070
Cash Restricted for Endowment Fund:			
Summit Financial (endowment fund)	Money Market	<u>37,283</u>	<u>53,597</u>
Total Cash and Cash Equivalents		<u>\$ 1,643,358</u>	<u>\$ 995,667</u>

UNITED WAY OF ACADIANA, INC.

Schedules of Grant Disbursements  
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
232-HELP/Louisiana 211	\$ 90,000	\$ 145,000
Acadia Council on Aging	2,925	6,013
Acadiana Outreach Center	7,650	23,725
Acadiana Symphony Association	9,180	18,870
American Red Cross	87,500	110,000
ASSIST Agency	5,962	37,256
Big Brothers Big Sisters of Acadiana	38,625	79,396
Boys & Girls Clubs of Acadiana	65,250	146,158
Catholic Services of Acadiana	63,265	114,073
Central Rayne Kindergarten	2,310	11,210
Empowering the Community for Excellence	10,000	10,500
Evangeline Area Boy Scouts	23,265	47,822
Faith House, Inc.	42,997	88,384
Family Service Division Program - 16th Judicial District Attorney	24,750	50,875
Foodnet	10,250	25,875
Girl Scouts of Louisiana - Pines to the Gulf (GSLPG)	5,063	10,406
Hearts of Hope	22,725	46,713
Imani Temple #49 of the African-American Catholic Congregation	-	5,000
Junior Achievement of Acadiana	2,951	6,066
Lafayette Community Health Care Clinic	-	64,980
Lafayette Parish School Board - Student Services	-	15,000
Lafayette Strong	2,697	824
LAUW (pass through to 232-Help/LA 211)	43,600	-
Leader.org	1,600	46,410
Martin Petitjean Elementary School	1,925	8,127
New Hope Community Development of Acadiana	7,875	16,188
Progressive Community Outreach Center	-	5,000
Rebuilding Together Acadiana & Lafayette Habitat for Humanity	-	2,600
Ross Elementary School	4,650	15,725
Second Harvest Food Bank	24,750	83,375
SMILE	-	42,000
Special Olympics Louisiana	4,500	9,250
Spirit of Faith Church	-	7,000
St. Barnabas Episcopal Church	-	10,000
St. Martin Council on Aging	2,925	11,012
St Martin Parish Access to Care	13,500	27,750
The Family Tree	10,125	24,565
VITA, Inc.	43,425	89,262
Total	<u>\$ 676,240</u>	<u>\$ 1,462,410</u>

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
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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, 2017, 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 15, 2018.

### 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 15, 2018

# 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, 2017. 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, 2017.

### **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 15, 2018

UNITED WAY OF ACADIANA, INC.

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2017

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>1,516,613</u>
Total Direct Awards			1,569,613
U.S. Department of Agriculture:			
Passed through Louisiana Department of Education			
Child and Adult Care Food Program	Unknown	10.558	<u>57,599</u>
Total Federal Awards			<u>\$1,627,212</u>

\* Indicates major program

UNITED WAY OF ACADIANA, INC.  
Lafayette, Louisiana

Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2017

(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, 2017. 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, 2017. 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, 2017

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, 2017.

Compliance Findings –

There were no compliance findings for the year ended December 31, 2017.

UNITED WAY OF ACADIANA, INC.  
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2017

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, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
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CURRENT YEAR (12/31/2017) --

Internal Control:

There were no findings that were required to be reported.

Compliance:

There were no findings that were required to be reported.

PRIOR YEAR (12/31/2016) --

Internal Control:

There were no findings that were required to be reported.

Compliance:

There were no findings that were required to be reported.

**UNITED WAY OF ACADIANA, INC.**

Lafayette, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2017

# KOLDER, SLAVEN & COMPANY, LLC

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

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\* A Professional Accounting Corporation

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, 2017 through December 31, 2017. 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 from management and management's representation that the listing is complete.
- 4. Using the listing provided by management, we selected all of the Organization's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:
  - a) Bank reconciliations have been prepared;

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

### ***Collections***

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- 5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
- 6. Using the listing provided by management, we selected all of the Organization's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). For each cash collection location selected:
  - a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported whether the Organization has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - Using the Organization's collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, reported the number of days from receipt to deposit for each day at each collection location.
    - Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and report any exceptions.
- 7. We obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the Organization has a process specifically defined (identified as such by the Organization) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

### ***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

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- 8. We obtained a listing of the Organization's disbursements from management or, alternately, obtained the general ledger and sorted/filtered for the Organization's disbursements. We obtained management's representation that the listing or general ledger population is complete.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the Organization had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using the Organization's documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the person responsible for processing payments is prohibited from adding vendors to the Organization's purchasing/disbursement system.
11. Using the Organization's documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks are electronically printed on blank check stock, we reviewed the Organization's documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

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

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14. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
15. Using the listing prepared by management, we randomly selected 10 cards (or at least one-third of the cards if the Organization has less than 10 cards) that were used during the fiscal period, rotating cards each year.

We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) We reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) We reported whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, we reported whether the transaction is supported by:
    - An original itemized receipt (i.e., identifies precisely what was purchased).
    - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
    - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
  - b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Organization's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.
  - c) For each transaction, we compared the Organization's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

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

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17. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.
18. We obtained the Organization's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and reported any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) We compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Organization does not have written policies, we compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.

- b) We reported whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
  - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) We compared the Organization's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).
- d) We reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### *Contracts*

---

20. We obtained a listing of all contracts in effect during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.
21. Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:
- a) We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the Organization complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
    - If no, we obtained supporting contract documentation and reported whether the Organization solicited quotes as a best practice.
  - c) We reported whether the contract was amended. If so, we reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
  - d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.
  - e) We obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law.

### ***Payroll and Personnel***

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22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. Randomly select five employees/officials, obtained their personnel files, and:
  - a) Reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.
23. We obtained attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected 25 employees/officials (or randomly selected one-third of employees/officials if the Organization had less than 25 employees during the fiscal period), and:
  - a) Reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Reported whether there is written documentation that the Organization maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, we selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

### ***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management and reported whether the Organization maintained documentation to demonstrate that required ethics training was completed.
27. We inquired of management whether any alleged ethics violations were reported to the Organization during the fiscal period. If applicable, we reviewed documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the Organization's ethics policy. We reported whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, we obtained supporting documentation from the Organization, and reported whether State Bond Commission approval was obtained.
29. If the Organization had outstanding debt during the fiscal period, we obtained supporting documentation from the Organization and reported whether the Organization made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the Organization had tax millages relating to debt service, we obtained supporting documentation and reported whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, we reported any millages that continue to be received for debt that has been paid off.

***Other***

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31. 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.
32. We observed and reported whether the Organization has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If we observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

**Exceptions:**

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

**Written Policies:**

1. The Organization does not have written policies and procedures addressing the types of services requiring contracts.

***Management's response:*** The Organization will update their policies and procedures to include the types of services requiring contracts.

**Bank Reconciliations:**

2. The Organization's bank reconciliations did not include evidence of review by a member of management or a board member. Additionally, there was no evidence on the bank reconciliations that management is researching outstanding items greater than 6 months.

***Management's response:*** The Organization will implement a policy to have their Chief Executive Officer or Board Treasurer review all bank reconciliations. Outstanding checks over 6 months have been researched and either reissued or submitted to the State of Louisiana Unclaimed Property website.

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

3. The Organization had two credit card transactions that did not have a Credit Card Authorization Form, which is required by the Organization's policy.

*Management's response:* Management is working to address the exception identified.

4. The Organization's credit card statements did not have written documentation of approval by someone other than the card holder.

*Management's response:* The Organization will implement a policy to have the Board Treasurer or his/her designee approve credit card statements.

**Travel and Expense Reimbursements:**

5. All of the three employees selected for testing were reimbursed mileage based on a rate that was not in accordance with their policy. One of the employees was paid mileage at a rate of 53.4 cents per mile and the remaining two employees were paid mileage at a rate of 54 cents per mile when the mileage reimbursement rate should have been 53.5 cents per mile for the calendar year.

*Management's response:* The Organization will disseminate the current mileage reimbursement rate to all staff. Additionally, management will review all reimbursements paid in the current fiscal year to ensure the appropriate rate was paid.

**Other:**

6. The Organization does not have the notices required by R.S. 24:523.1 posted on its premises and website.

*Management's response:* The notices required by R.S. 24:523.1 have been posted on the premises and website.

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 15, 2018