

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Lake Charles, Louisiana

Financial Statements
June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Southwest Louisiana

Report on the Financial Statements

I have audited the accompanying statements of United Way of Southwest Louisiana, Inc. (the United Way) (a nonprofit organization), which comprise the statement of financial position as of June 30, 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.

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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Southwest Louisiana, Inc. as of June 30, 2018, 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.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of agency allocations and community services and schedule of compensation, benefits and other payments on pages 16 and 17, respectively, are presented for purposes of additional analysis and are 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 my 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*, I have also issued my report dated October 12, 2018, on my consideration of United Way of Southwest Louisiana, Inc.'s internal control over financial reporting and on my 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 my 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 Southwest Louisiana, Inc.'s internal control over financial reporting and compliance.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
October 12, 2018

**United Way of Southwest Louisiana
Statement of Financial Position
As of June 30, 2018**

Assets

Current Assets

Cash and cash equivalents	\$	2,165,723
Investments		205,857
2018 pledges receivable		50,571
2017 pledges receivable (less allowance for uncollectible pledges of \$330,000)		1,489,356
Capital campaign receivable		12,500
Prepaid expenses		10,263
Cash and cash equivalents - restricted		741,927
Total Current Assets		4,676,197

Property and Equipment

Furniture and equipment		275,351
Building and improvements		1,766,858
		2,042,209
Less accumulated depreciation		(260,693)
		1,781,516
Land		184,578
Total Property and Equipment		1,966,094

Other Assets

Investments		525,506
Deposits		2,443
Total Other Assets		527,949
Total Assets	\$	7,170,240

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$	87,406
Designations payable		227,783
Current portion of note payable		60,118
Total Current Liabilities		375,307

Long Term Liabilities

Note payable - net of current portion		940,866
Total Liabilities		1,316,173

Net Assets

Invested in capital assets		965,110
Unrestricted		4,316,548
Total Unrestricted Net Assets		5,281,658
Temporarily restricted		572,409
Total Net Assets		5,854,067
Total Liabilities and Net Assets	\$	7,170,240

United Way of Southwest Louisiana, Inc.
Statement of Activities
For the Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Combined Total</u>
Revenues, Gains and Other Support			
Campaign applicable to current period			
Contributions received - current period	\$ -	\$ 3,679,334	\$ 3,679,334
Contributions received - (released from restrictions)	3,916,953	(3,916,953)	-
Total campaign for current period	<u>3,916,953</u>	<u>(237,619)</u>	<u>3,679,334</u>
Campaign revenue received for next allocation period	-	199,817	199,817
Total campaign for next allocation period	<u>-</u>	<u>199,817</u>	<u>199,817</u>
Total campaign	3,916,953	(37,802)	3,879,151
Grant income	116,593	180,670	297,263
Meeting income	3,900	-	3,900
Investment income	18,375	-	18,375
Disaster relief donations	406,453	191,922	598,375
Miscellaneous income	93	-	93
Processing fee revenue	73,705	-	73,705
In-kind income	47,634	-	47,634
Special projects revenue	1,250	-	1,250
Total revenue , gains and other support	<u>4,584,956</u>	<u>334,790</u>	<u>4,919,746</u>
Allocations and Functional Expenses			
Funds allocated to member agencies	2,418,657	-	2,418,657
Other allocations	122,248	-	122,248
	<u>2,540,905</u>	<u>-</u>	<u>2,540,905</u>
Other functional expenses:			
Fund raising	642,852	-	642,852
Community initiatives	1,111,516	-	1,111,516
Management and general	445,361	-	445,361
Total functional expenses	<u>2,199,729</u>	<u>-</u>	<u>2,199,729</u>
Total allocations and functional expenses	<u>4,740,634</u>	<u>-</u>	<u>4,740,634</u>
Changes in Net Assets	(155,678)	334,790	179,112
Net Assets - Beginning of Year	5,437,336	237,619	5,674,955
Net Assets - End of Year	<u>\$ 5,281,658</u>	<u>\$ 572,409</u>	<u>\$ 5,854,067</u>

See accompanying notes to financial statements.

United Way of Southwest Louisiana, Inc.
Schedule of Functional Expenses
For the Year Ended June 30, 2018

	Fund Raising	Community Initiatives	Management and General	Total
Salaries	\$ 281,703	\$ 214,562	\$ 230,485	\$ 726,750
Payroll taxes	25,456	19,169	20,829	65,454
Health and life insurance	47,149	28,376	38,576	114,101
Retirement plan	17,624	11,702	14,420	43,746
Total compensation	<u>371,932</u>	<u>273,809</u>	<u>304,310</u>	<u>950,051</u>
Professional fees	8,881	2,069	7,266	18,216
Office supplies and expense	12,260	9,888	8,779	30,927
Minor furniture and equipment	249	219	216	684
Printing	196	3,110	160	3,466
Campaign expenses	62,949	-	-	62,949
Postage and shipping	2,029	454	1,660	4,143
Computer expense	14,879	10,705	12,174	37,758
Telephone	9,528	7,514	7,796	24,838
Utilities	3,106	2,761	2,761	8,628
Repairs and maintenance	19,123	16,910	16,875	52,908
Marketing	2,056	505	-	2,561
Interest expense	18,175	16,156	16,155	50,486
Dues and subscriptions	2,516	54	2,062	4,632
Training and seminars	18,158	2,867	7,782	28,807
Organizational expenses	655	2,934	536	4,125
Travel	11,476	1,282	4,918	17,676
Insurance	6,586	5,854	11,525	23,965
Meeting expense	7,229	174	5,914	13,317
United Way programs	31,367	720,177	-	751,544
Depreciation	30,393	27,016	27,015	84,424
Miscellaneous	9,109	7,058	7,457	23,624
Total functional expenses	<u>\$ 642,852</u>	<u>\$ 1,111,516</u>	<u>\$ 445,361</u>	<u>\$ 2,199,729</u>

**United Way of Southwest Louisiana
Statement of Cash Flows
For the Year Ended June 30, 2018**

Cash Flows From Operating Activities	
Change in net assets	\$ 179,112
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:	
Depreciation	84,424
(Increase) decrease in pledges receivable	23,101
(Increase) decrease in prepaid expenses	(37)
(Increase) decrease in other receivables	12,500
Increase (decrease) in accounts payable	32,860
Increase (decrease) in designations payable	227,783
	<u>559,743</u>
Cash Flows From Investing Activities	
Purchase of investments	(524,694)
Maturity of investments	626,127
Fixed asset acquisitions	(4,128)
	<u>97,305</u>
Cash Flows From Financing Activities	
Payments for reduction of long-term debt	(404,672)
	<u>(404,672)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	252,376
Cash and Cash Equivalents - Beginning of Period	<u>2,655,274</u>
Cash and Cash Equivalents - End of Period	<u>\$ 2,907,650</u>
Cash and Cash Equivalents at the end of the year consisted of:	
Unrestricted Cash	\$ 2,165,723
Restricted Cash	741,927
	<u>\$ 2,907,650</u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u>\$ 50,486</u>

See accompanying notes to financial statements.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2018

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The United Way of Southwest Louisiana, Inc. (the United Way) is a nonprofit corporation recognized under the laws of the State of Louisiana for the purpose of raising funds to provide and/or support programs in the areas of education, income, and health. These programs may be provided by United Way or other local nonprofit organizations. The United Way's mission is: Positive Community Impact.

For more than 70 years, United Way of Southwest Louisiana has been committed to building strong, successful families and strengthening our community. When you join the United Way team, you're supporting a powerful movement to impact the region's most pressing health and human service needs.

Currently, United Way of Southwest Louisiana works with our partners to deliver 70 programs and multiple services that target community needs that center around the building blocks for a good life: a quality education that leads to stable employment, sufficient income to support a family through retirement, and sound mental and physical health.

Income Taxes

The United Way is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes is included in the financial statements.

The United Way is required to file the applicable Form 990, *Return of Organization Exempt from Income Tax*. The applicable form is based on the United Way's gross receipts. The United Way is in compliance with the filing requirements of the Internal Revenue Service. Returns are subject to examination by the IRS, generally for three years after they are filed.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the United Way may recognize the tax benefit from an uncertain tax position only if it more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2018.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. The United Way follows the standards of accounting and financial reporting for voluntary health and welfare agencies prescribed by the United Way Worldwide and the American Institute of Certified Public Accountants.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2018

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave is not payable upon termination or resignation. Vacation leave accumulates based on the length of the employee's service. Upon termination or resignation, the outstanding balance of unused vacation leave can be paid to an employee. As of June 30, 2018, accrued compensated absences totaled \$19,172.

Property and Equipment

The United Way capitalizes expenditures property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful life of the asset. The estimated useful lives of such assets are summarized as follows:

Furniture and equipment	5 years
Automobiles	3 years
Building and improvements	25 years

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Contributed Services and Materials

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. During the fiscal year ended June 30, 2018, United Way received \$31,367 in campaign marketing services and \$16,267 in disaster relief materials and supplies which meet the criteria of recognition in the financial statements. The Organization also benefited from individuals who volunteered their time and performed a variety of tasks that assisted the United Way, however those services did not meet the criteria for recognition as contributed services.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2018 was \$2,561.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2018

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Functional 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 to the programs and supporting services benefited. Certain indirect costs have been allocated to the functional categories based on the United Way's analysis of time devoted to each category. The allocation for the year ended June 30, 2018 was based on the following percentages:

Fund raising	29%
Community initiatives	51%
Management and general	20%

Campaign Revenue

Campaign revenues received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. All donations of campaign revenue are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets are reported in the statement of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the donation is received, the donation is reported as unrestricted.

Pledges

Unconditional promises to give or pledges that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give or pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in campaign revenue. There were no pledges that are to be collected in future years as of June 30, 2018. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Cash and Cash Equivalents

The United Way considers all liquid investments with an original maturity of three months or less to be cash equivalents. On five bank accounts, donor and bank restrictions have been placed and the amounts of these accounts are shown as cash and cash equivalents – restricted. Two accounts are donor restricted for hurricane recovery efforts and total \$447,208 at June 30, 2018. Bank restrictions exist to maintain a separate bank account for security on the building loan which totals \$287,980 at June 30, 2018. Finally, two accounts are donor restricted for family support services totaling \$6,739.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2018

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2018 consists of the following:

Furniture and equipment	\$ 275,351
Building and improvements	1,766,858
Less: Accumulated depreciation	<u>(260,693)</u>
Net depreciable property and equipment	1,781,516
Land	<u>184,578</u>
Net property and equipment	<u>\$ 1,966,094</u>

Deprecation expense for the year ended June 30, 2018 was \$84,424.

NOTE 3 – NOTE PAYABLE

At June 30, 2018, the United Way had the following note payable:

Merchant & Farmers Bank & Trust:

Mortgage note payable dated September 30, 2016 in the amount of \$1,440,000; due in 239 installments of \$9,016.25 upon demand or loan maturity on October 1, 2036; bearing fixed interest of 4.375%, collateralized by real estate and deposit accounts.

	\$ 1,000,984
Total debt	<u>1,000,984</u>
Less current portion	<u>60,118</u>
Long-term portion	<u>\$ 940,866</u>

Maturities of debt are as follows:

June 30,	Amount
2019	\$ 60,118
2020	68,387
2021	71,439
2022	74,628
2023	77,960
Thereafter	<u>648,452</u>
Total	<u>\$ 1,000,984</u>

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2018

NOTE 4 – COMPLIANCE WITH LOAN COVENANTS

The loan agreement contains a requirement that United Way must deposit with Merchants and Farmers Bank & Trust a compensating balance totaling 20% of the original loan amount in a non-interest-bearing demand deposit account. The Organization met this required loan covenant.

NOTE 5 – FAIR VALUE MEASUREMENTS

The United Way has a number of financial instruments, none of which is held for trading purposes. The United Way estimates that the fair value of all financial instruments as of June 30, 2018, do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the United Way using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange. The recorded values of cash and cash equivalents, receivables, prepaid expenses, and accrued expenses approximate their fair values based on their short-term nature.

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

The United Way maintains cash balances at several financial institutions located in Southwest Louisiana. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2018, the United Way's uninsured cash balances total \$235,226.

The Organization has outstanding promises to give from individuals and companies in Southwest Louisiana. The Organization was exposed to a regional concentration of credit risk in the amount of \$1,552,427 at June 30, 2018.

NOTE 7 - BOARD COMPENSATION

Members of the United Way's Board of Directors receive no compensation and are reimbursed only for any expenses incurred related to the United Way's business which must have appropriate supporting documentation.

NOTE 8 - SUBSEQUENT EVENTS

The United Way evaluated its June 30, 2018 financial statements for subsequent events through the date of the audit report, the date the financial statements were available to be issued. The United Way is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2018

NOTE 9 – RETIREMENT BENEFITS

The United Way sponsors a 401(a) defined contribution plan and tax-deferred annuity plan that covers all eligible employees. Eligible employees include persons with one year of service with a minimum age of 21 years. Employer contributions for the 401(a) plan shall be 10% of the participant’s compensation for the plan year. Employees have the option to contribute to the tax-deferred annuity plan from 1% of salary to the maximum amount permitted by law. Total costs and employer contributions for the year ended June 30, 2018 were \$43,746.

NOTE 10 - NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the year ended June 30, 2018:

Time restrictions:	
2017 campaign revenue	\$ <u>3,916,953</u>

NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2018 are available for the following purpose:

Time restrictions:	
2018 campaign pledges recognized in current period	\$ 199,817
Use restrictions:	
Unspent designated grant income	180,670
Unspent disaster relief donations	191,992
Total temporarily restricted net assets	\$ <u>572,479</u>

NOTE 12- INVESTMENTS

The United Way applies GAAP for fair value measurements of financial assets that are recognized at fair value in the financial statements on a recurring basis. GAAP establishes 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 fair market hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the United Way has the ability to access.

Level 2 inputs are inputs (other than quoted prices included in Level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available).

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2018

NOTE 12- INVESTMENTS (Continued)

As of June 30, 2018, the United Way’s investments measured on a recurring basis consisted of certificates of deposit with fair market value (Level 2) and costs bases as follows:

	Amortized Cost	Fair Value	Unrealized Loss
Certificates of Deposit (Level 2 Cost Basis)	\$ 731,363	\$ 731,363	\$ -0-

NOTE 13 – COMMUNITY INITIATIVES

United Way 2-1-1/UWSWLA is an easy to remember phone number that links people in need to relevant information. When individuals call, they speak with a trained information and referral specialist who helps them navigate the complex maze of human services. The phone number is available 24 hours a day, 7 days a week, and even during a disaster. United Way 2-1-1/UWSWLA services the parishes of Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis. It is funded and maintained by United Way SWLA. For the 2017-2018 year, 14,284 calls were handled, with housing, utilities, and food being the top needs.

United Way SWLA hosted 10 traditional Volunteer Income Tax Assistance (VITA) sites across the five parish area with a total economic impact of \$3.5 million. Promoting the Earned Income Tax Credit (EITC) and free tax preparation services, the VITA program is a partnership between United Way, the IRS, and other community partners. Community volunteers are trained and certified to prepare basic income tax returns. Approximately 2,548 federal and state returns were prepared in the 2017-2018 tax season. The program is supported by a grant from the IRS, Entergy and Capital One, and concentrates on the Economic Mobility Initiative of United Way SWLA.

For the Education Initiative, United Way SWLA participates with Dolly Parton’s Imagination Library to provide free books for children birth to age 5. Through sponsorships from Entergy and Roy O’Martin, children across Calcasieu and Allen parish, receive a free book each month from birth to age 5, helping to build their home library and encourage lifelong literacy skills. For the 2017-2018 year, 8,589 were sent out.

In an effort to be United Against Child Hunger, United Way provided 5,000 packages to children enrolled in the summer feeding program through the City of Lake Charles and Calcasieu Parish Police Jury. Local companies collect food from a list of child friendly, ready to serve items. These items are packaged by volunteers on UWSWLA Day of Caring and bags are then provided to children for weekend meals.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2018

NOTE 13 – COMMUNITY INITIATIVES (Continued)

United Way SWLA launched the Flood the Love Campaign to aid in the recovery and relief efforts related to Hurricane Harvey. Flood the Love Campaign raised \$814,355 from individuals, corporations, grants, and in-kind donations. 92 gift cards totaling \$4,600 were handed out to evacuees at the Lake Charles Civic Center. Funds were also used to purchase a refrigerator truck and food for shelters. Once the rebuilding started, United Way SWLA purchased \$412,190 in supplies and labor. United Way SWLA is still active in the long-term recovery efforts.

SUPPLEMENTAL INFORMATION

United Way of Southwest Louisiana, Inc.
Agency Allocations and Community Services
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Other Allocations</u>
Abraham's Tent	\$ 177,657	\$ 76,000	\$ 101,657
Assist Agency	22,000	22,000	-
BeauCare	68,016	68,016	-
Beau A.R.C.	43,000	43,000	-
Beauregard Community Concerns	82,500	82,500	-
Beauregard Council on Aging	60,000	60,000	-
Big Brothers Big Sisters	105,117	105,117	-
Boy Scouts Louisiana Purchase Council	12,936	5,000	7,936
Boys & Girls Village	124,250	124,250	-
School2U	13,505	13,505	-
St. Francis Cabrini Immigration Law	14,922	14,922	-
Calcasieu Community Clinic	25,000	25,000	-
Calcasieu Council on Aging	75,500	75,500	-
Oasis a Safe Haven	136,225	136,225	-
Girlie Girls Mentoring	35,000	35,000	-
Children's' Museum	38,965	26,310	12,655
Community Partners	557,266	557,266	-
Family & Youth Counseling	187,383	187,383	-
Girl Scouts	25,000	25,000	-
Diocese of Lake Charles - Catholic Charities	20,000	20,000	-
Jeff Davis Council on Aging	41,700	41,700	-
Volunteers of America	35,000	35,000	-
Junior Achievement	35,000	35,000	-
Literacy Council of Southwest Louisiana	131,267	131,267	-
NAMI	5,000	5,000	-
Salvation Army	108,000	108,000	-
Second Harvest Food Bank	20,000	20,000	-
Southwest Louisiana Law Center	62,000	62,000	-
CADA-Jeff Davis Communities Against Domestic Abuse	35,000	35,000	-
Community Chest	11,300	11,300	-
SWLA Center for Health Services	15,000	15,000	-
Merryville Community Health Center	15,000	15,000	-
Project Build a Future	32,000	32,000	-
St. Nicholas Center for Children	101,800	101,800	-
Louisiana Association of United Way Dues	25,752	25,752	-
United Way Worldwide	42,844	42,844	-
	<u>\$ 2,540,905</u>	<u>\$ 2,418,657</u>	<u>\$ 122,248</u>

United Way of Southwest Louisiana, Inc.

Schedule of Compensation, Benefits and Other Payments to Executive Director

June 30, 2018

NO COMPENSATION PAID FROM PUBLIC FUNDS

Agency Head Name: Denise Durel, Executive Director

Purpose	Amount
Salary	
Benefits-health insurance	
Benefits-retirement	
Benefits-Life, ADD, LTD	
Car allowance	
Vehicle provided by government	
Per diem	
Reimbursements – Auto Mileage Reimb	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses	
Special meals	

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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*

Board of Directors
United Way of Southwest Louisiana, Inc.
Lake Charles, LA

I 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 United Way of Southwest Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 my report thereon dated October 12, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered United Way of Southwest Louisiana, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of Southwest Louisiana, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of United Way of Southwest Louisiana, Inc.'s internal control.

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Southwest Louisiana, Inc.'s financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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 suitable for any other purpose.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
October 12, 2018

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Schedule of Findings and Responses
June 30, 2018

A. Summary of Independent Auditor's Results:

1. Unqualified opinion on financial statements.
2. Significant deficiencies and material weaknesses in internal control – none reported.
3. Noncompliance material to the financial statements – none reported.

B. GAGAS Finding:

None reported.

C. Prior Year Findings:

None reported.