

UNITED WAY OF NORTHWEST LOUISIANA

FINANCIAL STATEMENTS

December 31, 2019 and 2018



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**United Way of Northwest Louisiana
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December 31, 2019 and 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Directors

United Way of Northwest Louisiana

Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Northwest Louisiana (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 auditors consider 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 Northwest Louisiana as of December 31, 2019, 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 Summarized Comparative Information

We have previously audited United Way of Northwest Louisiana's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 28, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it was been derived.

Other Matters

Supplementary and Other Information

Our audit was conducted for forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented in accordance with Act 706 of the Louisiana Revised Statutes ("LRS") 24:513(A)(3) on page 18 for purposes of additional analysis and is not a required part of the consolidated financial statements.

Such information is the responsibility of management, 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

April 30, 2020

United Way of Northwest Louisiana
Statements of Financial Position

<i>For the years ended December 31,</i>	2019	2018
Assets		
Current assets		
Cash	\$ 181,562	209,218
Certificates of deposit	126,960	234,424
Pledge receivables, net	541,652	824,738
Grant receivable	105,451	50,000
Prepaid expenses and other assets	13,173	8,523
Total current assets	968,798	1,326,903
Non-current assets		
Property and equipment, net	27,262	6,723
Beneficial interest in assets of foundation	283,542	259,398
Assets held as agent	189,154	301,607
Total non-current assets	499,958	567,728
Total assets	\$ 1,468,756	\$ 1,894,631
Liabilities and Net Assets		
Current liabilities		
Accounts payable	26,587	10,759
Accrued expenses	86,348	26,362
Total current liabilities	112,935	37,121
Long-term liabilities		
Liabilities for assets held as agent	336,631	407,052
Total long-term liabilities	336,631	407,052
Total liabilities	449,566	444,173
Net assets		
Without donor restrictions	745,643	1,310,458
With donor restrictions	273,548	140,000
Total net assets	1,019,190	1,450,458
Total liabilities and net assets	\$ 1,468,756	\$ 1,894,631

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

United Way of Northwest Louisiana
Statements of Activities
(With Summarized Comparative Totals for 2018)

<i>For the years ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Summarized Total
Support and Revenue				
Campaign contributions, net	940,428	\$ -	\$ 940,428	\$ 1,277,198
Contributions and sponsorships	67,074	-	67,074	53,129
Impact income	29,725	-	29,725	77,265
Grants	35,292	289,884	325,176	260,868
In-kind contributions	111,075	-	111,075	137,185
Other Revenue				
Special events	14,382	-	14,382	12,282
Investment income	4,582	-	4,582	4,826
Miscellaneous income	21,214	-	21,214	12,590
Net realized and unrealized gain(loss) on endowment	33,059	-	33,059	(12,100)
Total revenue and other support	1,256,831	289,884	1,546,715	1,823,243
Total net assets released from restriction	156,337	(156,337)	-	-
Total support and other revenue	1,413,168	133,548	1,546,715	1,823,243
Expenses				
<i>Program services</i>				
Impact program and allocations	1,419,063	-	1,419,063	1,098,064
Total program services	1,419,063	-	1,419,063	1,098,064
<i>Supporting services</i>				
General and administrative	259,732	-	259,732	225,117
Resource development	276,658	-	276,658	507,734
Unallocated payments to affiliated organizations	22,530	-	22,530	29,214
Total supporting services	558,920	-	558,920	762,065
Total expenses	1,977,983	-	1,977,983	1,860,129
Change in Net Assets	(564,815)	133,548	(431,268)	(36,886)
Net assets at beginning of year	1,310,458	140,000	1,450,458	1,487,344
Net assets at end of year	\$ 745,643	\$ 273,548	\$ 1,019,190	\$ 1,450,458

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

**United Way of Northwest Louisiana
Statements of Functional Expenses
(With Summarized Comparative Totals for 2018)**

For the Year Ended December 31,

	2019					2018	
	Program Services	Supporting Services			Total Supporting Services	Total Expenses	Summary Total
	Impact Program and Allocations	Administrative	Resource Development	Unallocated			
Salaries and related expenses							
Salaries	\$ 384,560	\$ 135,727	\$ 120,646		\$ 256,374	\$ 640,934	\$ 545,747
Insurance	32,816	11,582	10,295		21,877.20	54,693	42,028
Retirement	20,619	7,277	6,469		13,746.00	34,365	29,290
Payroll taxes	30,739	10,849	9,643		20,492	51,231	43,665
Workmen's compensation insurance	1,801	636	565		1,200	3,001	3,099
Total salaries and related expenses	470,534	166,071	147,619	-	313,690	784,224	663,829
Other operating expenses							
Allocations to agencies	188,105	-	-	-	-	188,105	365,614
United Way programs	500,338	-	-	-	-	500,338	317,657
Professional fees	31,058	29,359	31,188	-	60,547	91,605	69,295
Office supplies and expense	5,175	3,286	8,257	-	11,543	16,718	15,856
Telephone	9,299	5,837	6,152	-	11,989	21,288	20,663
Postage	675	977	1,559	-	2,536	3,211	4,578
Building	55,901	19,730	17,538	-	37,267	93,168	117,333
Liability insurance	217	13,972	108	-	14,080	14,297	13,299
Equipment rent and maintenance	13,534	2,301	5,861	-	8,162	21,696	27,077
Advertising	55,857	1,455	14,308	-	15,763	71,620	59,411
Printing	12,929	1,119	10,207	-	11,326	24,255	41,512
Awards	224	142	2,477	-	2,619	2,843	744
Films	-	-	150	-	150	150	117
Dues and subscriptions	2,775	3,254	1,223	-	4,477	7,252	6,208
Vehicle expenses	9,451	2,140	5,552	-	7,692	17,143	15,807
Meetings	2,522	3,456	3,749	-	7,205	9,727	17,113
Special events	35,910	33	17,806	-	17,839	53,749	36,304
Conferences and training	20,733	1,299	1,705	-	3,004	23,737	12,888
Depreciation expense	3,826	1,350	1,200	-	2,550	6,376	4,055
Miscellaneous	-	3,951	-	-	3,951	3,951	21,555
Payments to affiliated organizations		-	-	22,530	22,530	22,530	29,214
Total other operating expenses	948,528	93,661	129,040	22,530	245,231	1,193,759	1,196,300
Total expenses	\$ 1,419,063	\$ 259,732	\$ 276,658	\$ 22,530	\$ 558,920	\$ 1,977,983	\$ 1,860,129

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

United Way of Northwest Louisiana Statements of Cash Flows

<i>For the year ended December 31,</i>	2019	2018
Cash flows from operating activities		
Change in net assets	\$ (431,268)	\$ (36,886)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	6,376	4,055
Changes in assets and liabilities:		
(Increase) decrease in pledges receivable	283,086	18,406
(Increase) decrease in grant receivable	(55,451)	(50,000)
(Increase) decrease in prepaid expenses	(4,650)	(1,298)
(Increase) decrease in beneficial interest in assets of foundation	(24,144)	21,672
Increase (decrease) in accounts payable	15,828	(4,795)
Increase (decrease) in accrued expenses	59,986	10,704
Net change in net assets held as agent	42,032	(145,981)
Net cash provided by (used in) operating activities	(108,205)	(184,123)
Cash flows from investing activities		
Purchase of property and equipment	(26,915)	-
Redemption of certificates of deposit	107,464	-
Purchase of certificates of deposit	-	(733)
Net cash provided by (used in) investing activities	80,549	(733)
Net decrease in cash	(27,656)	(184,856)
Cash at beginning of year	209,218	394,074
Cash at end of year	\$ 181,562	\$ 209,218
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 769	\$ -
Supplemental disclosure of non-cash activities		
In-kind donation - Advertising	\$ 1,200	\$ 3,200
In-kind donation - Special events	\$ 31,293	\$ 21,889
In-kind donation - Rent	\$ 74,516	\$ 112,096
In-kind donation - Furniture	\$ 4,066	\$ -

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

United Way of Northwest Louisiana Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The United Way of Northwest Louisiana (“United Way” or “Organization”) is a public nonprofit organization, exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, which was organized in 1921 to serve organizations in Caddo, Bossier, Webster, Bienville, Claiborne, DeSoto, Red River, Natchitoches, Sabine and Winn parishes. Annual, centralized workplace campaigns are conducted in the fall each year to raise support for grant allocations in the subsequent calendar year. Grants are made by United Way for charitable, educational and civic purposes based on requests from organizations seeking funding.

In addition to grant allocations, United Way operates several internal programs including a Volunteer Center for NWLA, Dolly Parton’s Imagination Library program, Bank on Northwest Louisiana, FamilyWize Prescription Assistance program, the Volunteer Income Tax Assistance program, and the Financial Empowerment Center.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis 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 (U.S. GAAP) and presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities, Presentation of Financial Statements.

In 2018, United Way adopted the provisions of Accounting Standards Update (“ASU”) 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Organization’s liquidity, financial performance, and cash flows. Contributions received are recorded as without donor restrictions and with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

United Way of Northwest Louisiana Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents. United Way did not have any cash equivalents at December 31, 2019 and 2018.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donor restricted pledges are not recognized as revenue because the Organization acts as an intermediary between the donor and the ultimate beneficiary, only, as required by FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. All specific donor designated donations fall under this designation. A liability is recognized as opposed to revenue as these are classified as agency transactions.

The Organization uses the allowance method to determine uncollectible unconditional pledges receivable, when material. The allowance is based on prior years' experience and management's analysis of specific promises made.

Beneficial Interest in Assets of Foundation

Transfers of its funds to the Community Foundation of Shreveport-Bossier, specifying United Way as the beneficiary, are accounted for as an asset, in accordance with generally accepted accounting principles, and presented in these statements of financial position in the caption beneficial interest in assets of foundation.

United Way of Northwest Louisiana Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

All acquisitions of property and equipment in excess of \$2,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Asset	Estimated Life
Software	3 years
Furniture and equipment	5-10 years

Net Assets

Under the provisions of FASB ASU 2016-14, net assets and revenues and contributions, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of United Way and changes therein are classified and reported as follows:

Without donor restrictions – Net assets which are not subject to donor-imposed restrictions are considered unrestricted. Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operation purposes.

With donor restrictions – Net assets which are subject to donor-imposed restrictions which may or will be met either by actions of United Way and/or passage of time.

United Way reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

Program service fees and payments under cost-reimbursable contracts are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Company recognized revenue when received or event has occurred and collectability was reasonably assured.

United Way of Northwest Louisiana Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. Materials and event space are contributed to United Way including advertising, rental, equipment and fundraising items. In-kind contributions recorded on the books for rent, advertising and materials to United Way for the year ended December 31, 2019 and 2018, were \$111,075 and \$137,185, respectively

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. A portion of administrative costs that benefit multiple functional areas (indirect costs such as rent and depreciation expense) have been allocated across programs and other support services based on proportion of full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalents.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended December 2019 and 2018, advertising costs totaled \$64,338 and \$57,502, respectively.

United Way of Northwest Louisiana Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

United Way is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as a public society benefit described in IRC Section 501(c)(3). Accordingly, there is no provision for income; however, should United Way engage in activities unrelated to its exempt purpose, taxable income could result. United Way had no material unrelated business income for the calendar year ended December 31, 2019. On July 1, 2009, United Way adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC, which clarifies the accounting and recognition for income tax positions taken or expected to be taken. United Way is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2015.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 30, 2020 and determined there were no events that occurred that required disclosure.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2019, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2020. Early adoption is permitted. United Way is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

**United Way of Northwest Louisiana
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirements that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). United Way has chosen to adopt this ASU as of and for the years ended December 31, 2019 and 2018.

Note 3: FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>For the year ended December 31,</i>	2019	2018
Financial assets, at year-end	\$ 781,218	\$ 1,004,647
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Board designated beneficial interest in assets of foundation	(283,542)	(259,398)
Assets held by United Way of Northwest Louisiana as an agent	(189,154)	(301,607)
Financial assets available to meet cash needs for general expenditures	\$ 308,522	\$ 443,642

Financial assets at year-end as noted in the above schedule exclude property and equipment and prepaid expenses.

United Way of Northwest Louisiana
Notes to Financial Statements

Note 4: PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2019, consist of the following:

	Pledges Receivable	Less Allowance for Uncollectibles	Net
2018 Campaign	200,388	(125,623)	\$ 74,765
2019 Campaign	559,447	(92,560)	466,887
Total	\$ 759,835	\$ (218,183)	\$ 541,652

Pledges receivable as of December 31, 2018, consist of the following:

	Pledges Receivable	Less Allowance for Uncollectibles	Net
2017 Campaign	\$ 258,746	\$ (35,698)	\$ 223,048
2018 Campaign	711,766	(110,076)	601,690
Total	\$ 970,512	\$ (145,774)	\$ 824,738

Note 5: PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2019 and 2018, consist of the following:

	2019	2018
Furniture and fixtures	\$ 6,006	\$ 37,451
Equipment	12,750	735
Software	44,282	6,485
Total property and equipment	63,038	44,671
Less accumulated depreciation	(35,776)	(37,948)
Property and equipment, net	\$ 27,262	\$ 6,723

Depreciation expense for the years ended December 31, 2019 and 2018 was \$6,376 and \$4,055, respectively.

Note 6: LINE OF CREDIT

The Organization maintains a line of credit agreement with a financial institution. Available borrowings related to the agreement are \$60,445 with an interest rate of 5.750%, secured by state contract with Department of Public Safety and Corrections. The credit line expires in 2020. The outstanding balance as of December 31, 2019 and 2018, was \$-0-.

United Way of Northwest Louisiana Notes to Financial Statements

Note 7: NET ASSETS

Net assets with donor restrictions are made up of grants and contributions that have been restricted for use by the grantors and contributors. The net asset with donor restrictions balance of \$138,548 and \$140,000 as of December 31, 2019 and 2018, respectively. The purpose of the donor restrictions are for economic self-sufficiency programs, initiatives to benefit children and families, training programs, and research projects.

Note 8: FAIR VALUE MEASUREMENTS

FASB ASC 820-10 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given both to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

United Way of Northwest Louisiana
Notes to Financial Statements

Note 8: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended December 31, 2019 and 2018:

December 31, 2019	Level 1	Level 2	Level 3	Total
Beneficial Interest	\$ -	\$ -	\$ 283,542	\$ 283,542
Total investments at fair value	\$ -	\$ -	\$ 283,542	\$ 283,542

December 31, 2018	Level 1	Level 2	Level 3	Total
Beneficial Interest	\$ -	\$ -	\$ 259,398	\$ 259,398
Total investments at fair value	\$ -	\$ -	\$ 259,398	\$ 259,398

Note 9: CONCENTRATIONS OF CREDIT RISK

Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At December 31, 2019 and 2018, United Way had \$0 in excess of FDIC insured limits.

Note 10: COMMITMENTS

United Way entered into a lease agreement in June 2013 with McInnis Rentals, LLC for office space in Minden, Louisiana that expired in June 2016 and continues month to month at a below market rental rate of \$10 annually. The estimated fair market value is approximately \$50,000 per year, which is forgiven as an act of donation. At the end of March 2019, United Way closed the Minden office.

United Way entered into a lease agreement in March 2014 with Willis-Knighton Medical Center for office space in Shreveport, Louisiana that expired in February 2016 with an automatic annual renewal. The agreement is for monthly rental of \$5,000, which is forgiven as an act of donation.

United Way entered into various lease agreements for copiers and phones that currently are set to expire in 2024. The agreements in the aggregate total monthly rental payments of \$1,214 and shown as equipment rent and maintenance on the statement of functional expenses.

United Way entered into lease agreement in October 2019 with Willis Willis-Knighton Medical Center for additional office space in Shreveport, Louisiana that expires in September 2020. The agreement is for monthly rental expense of \$1,898, which is shown as building expenses on the statement of functional expenses.

United Way of Northwest Louisiana
Notes to Financial Statements

Note 10: COMMITMENTS (Continued)

Minimum lease payments under noncancellable operating leases are as follows:

For the years ending December 31,

2020	\$	29,972
2021		14,570
2022		13,559
2023		8,508
2024		5,483
Thereafter		-
Total future minimum lease payments		\$ 72,092

Rent expense for the years ended December 31, 2019 and 2018 was \$74,516 and \$112,096, respectively.

Note 11: RETIREMENT PLAN

The Organization sponsors a defined contribution retirement plan, established June 1, 1995, and is required to contribute seven percent (7%) of the employee's compensation to the plan. Thereafter, United Way may match, dependent on funding, up to 3% of an employee's voluntary contributions to the plan. Employees are eligible to participate in the plan after one year of employment. Employees are fully vested after three years of participation. Employee contributions are limited by federal tax legislation. The statutory limit for 2019 for employee contributions is \$19,000. Participants who have attained age 50 by the end of the calendar year are eligible to contribute an additional \$6,000 as catch-up contributions. Employer contributions to the plan in 2019 and 2018 were \$34,365 and \$29,290, respectively.

United Way of Northwest Louisiana
Notes to Financial Statements

Note 12: SUMMARY OF ALLOCATIONS TO AGENCIES

A summary of the disbursements to the participating agencies (presented alphabetically) of the United Way of Northwest Louisiana for the year ended December 31, 2019, is as follows:

Agency	Allocations	Agency	Allocations
A.C. Steere Elementary	\$ 5	Children's Heart Foundation	\$ 43
Acadiana Legal Service Inc.	15	Children's Miracle Network	61
Airline Baptist Church	112	Chimp Haven	17
ALS Association of Louisiana and Mississippi	72	Christ Fit Gym	600
American Cancer Society	578	Christian Service Program	122
American Heart Association	36	Common Ground Community	6,677
American Red Cross	605	Community Foundation	119
Arc of Caddo Bossier	767	Community Renewal	3,117
Ark La Tex Crisis Pregnancy Center	525	Council on Alcoholism	306
Atkins Elementary	143	Cypress Baptist Church	77
Autism Society of Louisiana	51	Cystic Fibrosis Foundation	91
Bernstein Development, Inc.	85	David Raines Community Health	281
Betty & Leonard Phillip's Deaf Action Center	487	Desoto Council on Aging	114
Biomedical Research Foundation	113	Desoto Parish Fellowship Church	122
Booker T. Washington High School	377	DollarDays International, Inc.	22,740
Bossier Arts Council	71	Dollywood Foundation	109,188
Bossier Council on Aging	629	Domestic Abuse Resistance Team	100
Bossier Parish Community College	234	Dr. D.L. Jordan, O.D. - J. Clark	110
Bossier Parish School Board	675	Dress For Success	143
Boy Scout Norwellia Council	980	Easter Seals of Louisiana	48
Boys & Girls Club of Timber Ridge	213	Emergency Food & Shelter Program	9
Broadmoor United Methodist Church	55	Fair Park Preparatory Academy	377
C. Wright Pink Ribbon Project	43	Family Resources for Education	5,000
CADA	453	Feist-Weiller Cancer Center	82
Caddo Career & Technology Center	8,487	First United Methodist Bossier	683
Caddo Council on Aging	560	First United Methodist Church	61
Caddo Middle Career and Technology	377	Food Bank of Central Louisiana	6,288
Caddo Parish School Board	32	Funds for a Purpose	61
Calvary Baptist Academy	46	Future Business Leaders of America	289
Camp Rainman	2,895	Geaux Bags	292
Campti Community Development Center	3,050	Gingerbread House	8,591
Catholic Charities of Shreveport	998	Girl Scouts of Louisiana	205
Cheerful Givers Ministry	17	Goodwill	306

(continued)

United Way of Northwest Louisiana Notes to Financial Statements

Note 12: SUMMARY OF ALLOCATIONS TO AGENCIES (Continued)

Agency	Allocations	Agency	Allocations
Habitat for Humanity	\$ 15	NW LA Military Support Foundation nations	\$ 28
Hap House	104	Oil City Rotary Club	889
Heart of Hope Ministry nations	194	Open Hands Deaf Services	102
Holy Angels Residential Facility	763	Ovary Cancer Research Fund	48
Hope Connections	6,491	Pet Savers	24
HUB Urban Ministries	2,683	Philadelphia Center nations	377
Humane Society of NW LA Nations	908	Plant A Seed in Our Youth Foundation nations	117
JDRF International - Louisiana	64	Play Station Youth Fitness	20
Jewel House nations	26	Pool of Siloam Medical Ministry nations	217
Joe LeBlanc Food Bank	111	Port City Cat Rescue	199
Junior Achievement	198	Project Celebration	24
Junior League of Shreveport	21	Project Reclaim of Minden, Inc.	851
Juvenile Diabetes Foundation	205	Providence House	13,531
LA Association on Compulsive Gamblers	60	Rays of Sonshine	1,105
LA Endowment for the Humanities	28	Renesting Project Inc.	310
Legal Services	28	Renzi Education & Art Center	1,660
Leukemia & Lymphoma Society -	152	Rho Omega Chapter of Omega Psi	1,010
Life Share Blood Centers	20	Riverpark Church nations	2
Literacy Volunteers Centenary	201	Robinson's Rescue nations	26
Louisiana Association for the	89	Ronald McDonald House	21
Louisiana Association of United	3,815	Rose Park Baptist Church	43
LSUS Foundation nations	221	Roys Kids nations	21
LSUS Health Science Foundation	1,173	Sabine Council On Aging, Inc.	11
LSUS-LAPREP	11,283	Sadies Arms Inc.	3,500
LSU FEIST WEILER	77	Salvation Army - Boys & Girls Club	849
Make-A-Wish Foundation	298	Showers of Blessings Family	64
Mary's House	69	Shreve Island Special Needs Place	634
MDA	12	Shreveport Bossier Rescue Mission	3,727
MLK Health Center & Pharmacy	7,888	Shreveport Green - Healthy Head Start	2,629
Mobberly Baptist Church	221	Shreveport Metropolitan Ballet	12
MPact for Mankind	17	Shreveport Regional Arts Council nations	546
Muscular Dystrophy Association	188	Shriners Hospital	2,128
Natchitoches Community Alliance	188	Sickle Cell Disease Association	282
Natchitoches Parish Council on Aging	369	Sleep in Heavenly Peace nations	64
National Down Syndrome Society	6	Springfield Baptist Church	665
Navy Seal Foundation nations	111	St Judes Hospital	12,584
Ninna's Road To Rescue nations	182	St Luke's Mobile Medical Ministry	2,042
Northwest LA Community Develop	850	St. Elizabeth Ann Seaton Catholic Church	128
Northwest LA Pregnancy Care Center	276	Step Forward North Louisiana	64
Northwest Louisiana Food Bank	22,929	Storehouse Food Pantry	180

(continued)

**United Way of Northwest Louisiana
Notes to Financial Statements**

Note 12: SUMMARY OF ALLOCATIONS TO AGENCIES (Continued)

Agency	Allocations	Agency	Allocations
Susan G Komen	461	Wiggin Out	59
Teen Challenge Minden	204	Women of Vision	293
The Life Journey Church	774	Woodlawn High School	377
The MSA Coalition	21	Woody's Home For Veterans	102
The Simple Church	821	Word of God Ministries	149
Therapeutic Arts Ministry	204	Wounded Warrior Project	1,141
Toledo Bend Baptist Resort Ministry	654	YMCA	483
United Way of Central Louisiana	299	Youth Enrichment Program	2,023
Vision One - Ja'Quonna Washington	300	Youth Outreach Services	418
Volunteers for Youth Justice	7,614	YWCA of NW LA	196
Volunteers of America - Lighthouse	15,749	Youth Outreach Services	418
Warrior Network	9	YWCA of NW LA	196
Webster Council on Aging	177		
			Total agency allocations
			336,329
			Donor designations
			(148,224)
			Undesignated agency allocations
			\$ 188,105

The Organization disburses the funds raised during the campaign held during the fall of 2018 from April 2019 through March 2020. Donor designations are agency transactions recorded on the balance sheet and not reflected as income on the statement of activities. During 2019, United Way contributed \$50,000 to the Financial Empowerment Center, an internal program of UWNWLA.

Note 13: ASSETS HELD AS AGENT

United Way acts as financial manager for four unrelated entities and manage their bank accounts at the discretion of those other entities. United Way has no legal title to those accounts, but will be held liable for the proper management of the accounts as directed by the respective entities. Accordingly, as United Way has no discretionary authority over these accounts. As of December 31, 2019 and 2018, United Way of Northwest Louisiana maintained bank accounts for the five and four entities, respectively, in the amount of \$301,607 and \$263,160, respectively.

Note 14: RELATED PARTIES

During the year ended December 31, 2019, United Way maintained an operating checking account at a bank whom the local market President is serving on the board of directors of United Way.

United Way of Northwest Louisiana Notes to Financial Statements

Note 15: BENEFICIAL INTEREST IN ASSETS OF FOUNDATION

The United Way established an endowment fund in 1998, the income of which is intended initially to help fund the cost of an additional staff member at United Way, and to eventually expand into an overall operations endowment by funding most or all of the annual cost of administering United Way. United Way transferred control of this endowment fund to the Community Foundation of Shreveport Bossier during 1999. Under the terms of the agreement, variance power and legal ownership of the funds rest with the Foundation, United Way of Northwest Louisiana is the beneficiary of the reciprocal transfer.

Net investment income and/or capital appreciation of the endowment fund must be distributed to United Way at least annually, provided the average market value is greater than the amount contributed to the fund.

	2019	2018
Beginning balance, January 1	\$ 259,398	\$ 281,070
Interest	5,448	3,402
Net realized and unrealized gain	31,923	(12,100)
Administrative fees	(2,670)	(2,613)
Distributions to United Way	(10,557)	(10,361)
Ending balance, December 31	\$ 283,542	\$ 259,398

Note 16: SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely affecting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Company, its performance, and its financial results.

Supplemental Information

United Way of Northwest Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended December 31, 2019

Agency Head Name: Bruce Willson

Purpose	Amount
Salary	\$ -
Benefits	\$ -
Reimbursements	\$ -



**United Way of Northwest Louisiana
Schedule of Findings and Responses
For the Year Ended December 31, 2019**

Current Year Findings

None

Prior Year Findings

None