

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

Financial Statements
June 30, 2017

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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, 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.

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, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 10, 2017, 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 10, 2017

United Way of Southwest Louisiana
Statement of Financial Position
As of June 30, 2017

Assets

Current Assets

Cash and cash equivalents	\$	2,191,029
Investments		262,233
2017 pledges receivable		62,356
2016 pledges receivable (less allowance for uncollectible pledges of \$330,000)		1,500,672
Capital campaign receivable		25,000
Prepaid expenses		10,226
Cash and cash equivalents - restricted		464,245
Total Current Assets		4,515,761

Property and Equipment

Furniture and equipment		272,597
Building and improvements		1,765,484
		2,038,081
Less accumulated depreciation		(176,268)
		1,861,813
Land		184,578
Total Property and Equipment		2,046,391

Other Assets

Investments		570,562
Deposits		2,443
Total Other Assets		573,005

Total Assets	\$	7,135,157
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Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$	54,546
Current portion of note payable		43,518
Total Current Liabilities		98,064

Long Term Liabilities

Note payable - net of current portion		1,362,138
Total Liabilities		1,460,202

Net Assets

Invested in capital assets		2,046,391
Unrestricted		3,390,945
Total Unrestricted Net Assets		5,437,336
Temporarily restricted		237,619
Total Net Assets		5,674,955
Total Liabilities and Net Assets	\$	7,135,157

United Way of Southwest Louisiana, Inc.
Statement of Activities
For the Year Ended June 30, 2017

	<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	\$ -	\$ 3,863,732	\$ 3,863,732
Contributions received - (released from restrictions)	4,080,443	(4,080,443)	-
Total campaign for current period	<u>4,080,443</u>	<u>(216,711)</u>	<u>3,863,732</u>
Campaign revenue received for next allocation period	-	237,619	237,619
Total campaign for next allocation period	<u>-</u>	<u>237,619</u>	<u>237,619</u>
Total campaign	4,080,443	20,908	4,101,351
Grant income	-	35,250	35,250
Meeting income	4,400	-	4,400
Investment income	9,531	-	9,531
Reimbursement income	51,809	-	51,809
Processing fee revenue	814	-	814
In-kind income	68,497	-	68,497
Miscellaneous revenue	35,554	-	35,554
Net assets satisfied by payments	35,250	(35,250)	-
Total revenue , gains and other support	<u>4,286,298</u>	<u>20,908</u>	<u>4,307,206</u>
Allocations and Functional Expenses			
Funds allocated to member agencies	2,088,859	-	2,088,859
Other allocations	123,885	-	123,885
	<u>2,212,744</u>	<u>-</u>	<u>2,212,744</u>
Other functional expenses:			
Fund raising	652,022	-	652,022
Community initiatives	831,061	-	831,061
Management and general	430,889	-	430,889
Total functional expenses	<u>1,913,972</u>	<u>-</u>	<u>1,913,972</u>
Total allocations and functional expenses	<u>4,126,716</u>	<u>-</u>	<u>4,126,716</u>
Changes in Net Assets	159,582	20,908	180,490
Net Assets - Beginning of Year	5,277,754	216,711	5,494,465
Net Assets - End of Year	<u>\$ 5,437,336</u>	<u>\$ 237,619</u>	<u>\$ 5,674,955</u>

See accompanying notes to financial statements.

United Way of Southwest Louisiana, Inc.
Schedule of Functional Expenses
For the Year Ended June 30, 2017

	<u>Fund</u> <u>Raising</u>	<u>Community</u> <u>Initiatives</u>	<u>Management</u> <u>and General</u>	<u>Total</u>
Salaries	\$ 264,862	\$ 254,670	\$ 216,705	\$ 736,237
Payroll taxes	24,187	23,515	19,484	67,186
Health and life insurance	43,012	41,817	34,648	119,477
Retirement plan	23,579	22,924	18,994	65,497
Total compensation	<u>355,640</u>	<u>342,926</u>	<u>289,831</u>	<u>988,397</u>
Professional fees	6,142	2,052	5,026	13,220
Office supplies and expense	8,184	8,401	6,696	23,281
Minor furniture and equipment	14,169	11,689	9,564	35,422
Printing	1,763	2,113	1,443	5,319
Campaign expenses	76,931	-	-	76,931
Postage and shipping	1,472	784	1,204	3,460
Computer expense	11,616	16,590	9,504	37,710
Telephone	9,641	8,034	7,889	25,564
Utilities	3,714	3,064	2,507	9,285
Repairs and maintenance	18,196	15,171	12,605	45,972
Marketing	3,689	788	3,018	7,495
Interest expense	24,402	20,132	16,471	61,005
Dues and subscriptions	625	-	511	1,136
Training and seminars	9,143	4,533	7,480	21,156
Organizational expenses	2,812	7,670	4,301	14,783
Travel	9,213	5,173	7,543	21,929
Insurance	8,369	6,904	11,915	27,188
Meeting expense	6,364	643	5,207	12,214
United Way programs	40,080	345,232	-	385,312
Depreciation	34,472	28,439	23,268	86,179
Miscellaneous	5,385	723	4,906	11,014
Total functional expenses	<u>\$ 652,022</u>	<u>\$ 831,061</u>	<u>\$ 430,889</u>	<u>\$ 1,913,972</u>

**United Way of Southwest Louisiana
Statement of Cash Flows
For the Year Ended June 30, 2017**

Cash Flows From Operating Activities	
Change in net assets	\$ 180,490
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:	
Depreciation	86,179
(Increase) decrease in pledges receivable	378,090
(Increase) decrease in prepaid expenses	3,378
(Increase) decrease in other receivables	13,789
Increase (decrease) in accounts payable	<u>(73,132)</u>
Net Cash Provided (Used) by Operating Activities	<u>588,794</u>
Cash Flows From Investing Activities	
Purchase of investments	(320,281)
Maturity of investments	414,575
Fixed asset acquisitions	<u>(43,952)</u>
Net Cash Provided (Used) by Investing Activities	<u>50,342</u>
Cash Flows From Financing Activities	
Payments for reduction of long-term debt	<u>(34,344)</u>
Net Cash Provided (Used) by Financing Activities	<u>(34,344)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	604,792
Cash and Cash Equivalents - Beginning of Period	<u>2,050,482</u>
Cash and Cash Equivalents - End of Period	<u>\$ 2,655,274</u>
Cash and Cash Equivalents at the end of the year consisted of:	
Unrestricted Cash	\$ 2,191,029
Restricted Cash	464,245
	<u>\$ 2,655,274</u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u>\$ 61,005</u>

See accompanying notes to financial statements.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2017

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, 2017.

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, 2017

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, 2017, accrued compensated absences totaled \$14,853.

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, 2017, United Way received \$40,080 in campaign marketing services and \$28,417 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, 2017 was \$7,495.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2017

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, 2017 was based on the following percentages:

Fund raising	40%
Community initiatives	33%
Management and general	27%

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, 2017. 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 three 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 \$176,265 at June 30, 2017. Bank restrictions exist on the third bank account for security on the construction loan and total \$287,980 at June 30, 2017.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2017

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2017 consists of the following:

Furniture and equipment	\$ 272,597
Building and improvements	1,765,484
Less: Accumulated depreciation	<u>(176,268)</u>
Net depreciable property and equipment	1,861,813
Land	<u>184,578</u>
Net property and equipment	<u>\$ 2,046,391</u>

Deprecation expense for the year ended June 30, 2017 was \$86,179.

NOTE 3 – NOTE PAYABLE

At June 30, 2017, the United Way had the following note payable:

Merchant & Farmers Bank & Trust: Construction multiple advance loan dated April 2, 2015 in the amount of \$1,440,000; interest payable monthly in 16 installments until loan maturity upon demand or on October 2, 2016 at which time a one-time payment of all outstanding principal plus all accrued unpaid interest is due; bearing variable interest at prime with a floor of 4.00% and a ceiling of 5.75%, collateralized by real estate, assignment of leases and rents, and Merchant & Farmers bank deposits.

This construction note was converted to a permanent 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.

	\$1,405,656
Total debt	<u>1,405,656</u>
Less current portion	<u>43,518</u>
Long-term portion	<u>\$ 1,362,138</u>

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2017

NOTE 3 – NOTE PAYABLE (Continued)

Maturities of debt are as follows:

June 30,	Amount
2018	\$ 43,518
2019	49,584
2020	51,643
2021	54,066
2022	57,736
Thereafter	1,149,109
Total	\$ 1,405,656

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, 2017, 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, 2017, the United Way’s uninsured cash balances total \$1,744,483.

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 \$1,588,028 at June 30, 2017.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2017

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 EVENT

The United Way evaluated its June 30, 2017 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.

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, 2017 were \$65,497.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2017 are available for the following purpose:

Time restrictions:	
2017 campaign pledges recognized in current period	\$ <u>237,619</u>

NOTE 11 - 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, 2017:

Time restrictions:	
2016 campaign revenue	\$ <u>4,080,443</u>

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2017

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).

As of June 30, 2017, 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)	\$ 832,795	\$ 832,795	\$ -0-

NOTE 13 – COMMUNITY INITIATIVES

Helpline is an initiative that assists individuals in the community with needs such as utility payments, rent, deposits, medicine or other expenses. Partnering agencies in our community can ask for financial assistance on behalf of clients to pool resources together to meet the needs of the community. Clients must meet the assistance guidelines of the requesting agency, and the financial burden is shared by multiple agencies in the community. On occasion, special projects are funded and set aside by United Way Board of Directors. This project focuses on the Safety Net Initiative of UWSWLA.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2017

NOTE 13 – COMMUNITY INITIATIVES (Continued)

United Way hosted nine traditional Volunteer Income Tax Assistance (VITA) sites across the five-parish area with a total economic impact of \$3.6 million. Promoting the Earned Income Tax Credit (EITC) and free tax preparation services, the VITA program is a partnership between the United Way, the IRS, and other community partners. Community volunteers are trained and certified to prepare basic income tax returns. Approximately 2,263 federal and state returns were prepared in the 2016-2017 tax season. The program is supported by a grant from the IRS, Entergy and Capital One, and concentrates on the Income Initiative of United Way.

Focusing on the Health Initiative, United Way donated \$11,777 in portable cribs for Safe Sleep. The cribs were sent to Louisiana Department of Health in Hammond due to the flooding there, the women's shelters in Lake Charles and DeRidder, and Louisiana Department of Child and Family Services for foster care. These portable cribs are given to low-income families to reduce the Infant Mortality Rate.

For the Education Initiative, United Way participates with Dolly Parton's Imagination Library to provide free books for children birth to age 5. Through sponsorships from Alcoa, 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 2016-2017 year, 8,149 were sent out.

In an effort to be United Against Child Hunger, United Way provided 5,200 packages to children enrolled in the summer feeding program.

SUPPLEMENTAL INFORMATION

United Way of Southwest Louisiana, Inc.
Agency Allocations and Community Services
For the Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Other Allocations</u>
Abraham's Tent	\$ 175,084	\$ 76,000	\$ 99,084
Assist Agency	21,400	21,400	-
BeauCare	60,334	60,334	-
Beau A.R.C.	38,000	38,000	-
Beauregard Community Concerns	122,500	122,500	-
Beauregard Council on Aging	60,000	60,000	-
Big Brothers Big Sisters	130,053	130,053	-
Boy Scouts Louisiana Purchase Council	19,013	5,000	14,013
Boys & Girls Village	124,250	124,250	-
Calcasieu Association for Retarded Citizens	5,340	5,340	-
Calcasieu Community Clinic	25,000	25,000	-
Calcasieu Council on Aging	85,500	85,500	-
Oasis a Safe Haven	168,500	168,500	-
Girlie Girls Mentoring	20,000	20,000	-
Children's' Museum	37,178	26,310	10,868
Community Partners	96,297	96,297	-
Family & Youth Counseling	225,897	225,897	-
Girl Scouts	25,000	25,000	-
Jeff Davis Council on Aging	41,700	41,700	-
Junior Achievement	35,000	35,000	-
Literacy Council of Southwest Louisiana	141,578	141,578	-
Salvation Army	108,000	108,000	-
Second Harvest Food Bank	20,000	20,000	-
Southwest Louisiana Law Center	109,000	109,000	-
CADA-Jeff Davis Communities Against Domestic Abuse	35,000	35,000	-
Community Chest	11,300	11,300	-
Merryville Community Health Center	15,000	15,000	-
Project Build a Future	32,000	32,000	-
St. Nicholas Center for Children	155,900	155,900	-
Louisiana Association of United Way Dues	25,354	25,000	354
United Way Worldwide	43,566	44,000	(434)
	<u>\$ 2,212,744</u>	<u>\$ 2,088,859</u>	<u>\$ 123,885</u>

United Way of Southwest Louisiana, Inc.

Schedule of Compensation, Benefits and Other Payments to Executive Director

June 30, 2017

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, 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 my report thereon dated October 10, 2017.

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 10, 2017

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Schedule of Findings and Responses
June 30, 2017

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.

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UNITED WAY OF SOUTHWEST LOUISIANA, INC.

Lake Charles, Louisiana

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

July 1, 2016 – June 30, 2017

STEVEN M. DEROUEN & ASSOCIATES

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AGREED-UPON PROCEDURES REPORT Independent Accountant's Report On Applying Agreed-Upon Procedures For the Period of July 1, 2016 – June 30, 2017

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

I have performed the procedures enumerated below, which were agreed to by United Way of Southwest Louisiana, Inc. and the Louisiana Legislative Auditor on control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures for the fiscal period July 1, 2016 through June 30, 2017. The United Way of Southwest Louisiana, Inc.'s management is responsible for those control and compliance areas identified in the Statewide Agreed-Upon Procedures.

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, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested of for any other purpose.

The procedures and associated findings are as follows:

Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures

Procedures to be Performed:

Written Policies and Procedures

1. Obtain the entity’s written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity 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 entity’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.

Findings: No findings.

Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report 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) Report 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 entity’s prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report 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, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report 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.

Findings: No findings.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management’s representation that the listing is complete.
4. Using the listing provided by management, select all of the entity’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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report 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.

Findings: A member of management has not reviewed the bank reconciliations.

Management Response: A member of management, that has no involvement with transaction associated with the bank account will review the monthly bank reconciliations.

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Collections

5. Obtain 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, select all of the entity'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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:*
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report 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) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity 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) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report 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, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) 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.

Findings: Not applicable.

Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report 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 entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe 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 report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire 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. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Findings: No findings.

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

14. Obtain 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. Obtain management’s representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select 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) Report 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Report 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, obtain 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, report 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, compare the transaction’s detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity’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 report any exceptions.
 - c) For each transaction, compare the entity’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. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the

Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures

requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings: No findings.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain 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) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report 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) Compare the entity'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). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

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- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: No findings.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select 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). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare 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, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Findings: Not applicable.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain 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, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. Obtain 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, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report 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.

Findings: No findings.

Ethics

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s

Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures

actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Findings: Not applicable.

Debt Service

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

Findings: Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity 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) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management’s representations in the procedures above, report the nature of each exception.

Findings: Not applicable.

Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures

Purpose of this report:

I was not engaged to perform, and did not perform, an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the Statewide Agreed-Upon Procedures. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the Statewide Agreed-Upon Procedures, and the result of that testing, and not to provide and 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 Louisiana Legislative Auditor as a public document.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
October 10, 2017