

**UNITED WAY OF ACADIANA, INC.**

Financial Report

Years Ended December 31, 2020 and 2019

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Acadiana, Inc. as of December 31, 2020 and 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.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of cash account balances and schedules of grant disbursements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2021, on our consideration of United Way of Acadiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Acadiana, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Acadiana, Inc.'s internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
June 22, 2021

## **FINANCIAL STATEMENTS**

UNITED WAY OF ACADIANA, INC.

Statements of Financial Position  
December 31, 2020 and 2019

|  | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| ASSETS   |                     |                     |
| Current assets:  |                     |                     |
| Cash and cash equivalents  | \$ 1,637,843        | \$ 885,746          |
| Investments  | 448,332             | 348,770             |
| Pledges receivable, net of allowance for doubtful accounts<br>(\$235,241 and \$352,790 at December 31, 2020 and 2019, respectively)  | 935,554             | 1,304,808           |
| Grants receivable  | 43,757              | 42,915              |
| Other receivables  | 279,083             | 15,312              |
| Prepaid expenses   | 33,946              | 31,354              |
| Total current assets   | <u>3,378,515</u>    | <u>2,628,905</u>    |
| Property and equipment, net of accumulated depreciation<br>(\$1,297,826 and \$1,217,160 at December 31, 2020 and 2019, respectively) | <u>2,667,477</u>    | <u>2,748,143</u>    |
| Other assets:  |                     |                     |
| Assets restricted for endowment-<br>Investments  | <u>713,634</u>      | <u>713,634</u>      |
| Total assets   | <u>\$ 6,759,626</u> | <u>\$ 6,090,682</u> |
| LIABILITIES AND NET ASSETS   |                     |                     |
| Current liabilities:   |                     |                     |
| Accounts payable   | \$ 217,004          | \$ 39,131           |
| Accrued liabilities  | 14,540              | 5,222               |
| Contracts payable  | 375,000             | -                   |
| Payable to other United Ways   | 657,393             | 893,469             |
| Payable to other organizations   | 79,573              | 101,402             |
| Compensated absences   | 31,053              | 15,145              |
| Deferred revenue   | 37,225              | 42,731              |
| Advances   | 193,467             | 305,976             |
| Current maturities of long-term debt   | 342,101             | 23,102              |
| Total current liabilities  | 1,947,356           | 1,426,178           |
| Noncurrent liabilities:  |                     |                     |
| Long-term debt, less current portion   | <u>249,505</u>      | <u>170,605</u>      |
| Total liabilities  | <u>2,196,861</u>    | <u>1,596,783</u>    |
| Net assets:  |                     |                     |
| Without donor restrictions   | 3,446,136           | 3,535,199           |
| With donor restrictions  | 1,116,629           | 958,700             |
| Total net assets   | <u>4,562,765</u>    | <u>4,493,899</u>    |
| Total liabilities and net assets   | <u>\$ 6,759,626</u> | <u>\$ 6,090,682</u> |

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities  
Year Ended December 31, 2020

|  | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        |
|--|---------------------------------------|------------------------------------|---------------------|
| Revenues, gains, and other support:                          |                                       |                                    |                     |
| Contributions and pledges                                    | \$ 1,730,641                          | \$ 101,482                         | \$ 1,832,123        |
| Less: donor designations                                     | (649,634)                             | -                                  | (649,634)           |
| Less: uncollectible pledges                                  | <u>(174,201)</u>                      | <u>-</u>                           | <u>(174,201)</u>    |
| Net contributions and pledges                                | 906,806                               | 101,482                            | 1,008,288           |
| Grant revenue  | 1,678,704                             | 682,718                            | 2,361,422           |
| In-kind income   | 56,880                                | -                                  | 56,880              |
| Rental income  | 219,228                               | -                                  | 219,228             |
| Service fees   | 87,862                                | -                                  | 87,862              |
| Other  | 39,838                                | 100,305                            | 140,143             |
| Interest and dividends                                       | 31,758                                | -                                  | 31,758              |
| Net realized and unrealized gains (losses)<br>on investments | 47,511                                | -                                  | 47,511              |
| Net assets released from restrictions                        | <u>726,576</u>                        | <u>(726,576)</u>                   | <u>-</u>            |
| Total revenues, gains, and other support                     | <u>3,795,163</u>                      | <u>157,929</u>                     | <u>3,953,092</u>    |
| Expenses:  |                                       |                                    |                     |
| Program services-  |                                       |                                    |                     |
| Community impact   | 1,249,983                             | -                                  | 1,249,983           |
| Disaster management  | 102,601                               | -                                  | 102,601             |
| Early Head Start   | 1,795,692                             | -                                  | 1,795,692           |
| Other programs   | <u>190,956</u>                        | <u>-</u>                           | <u>190,956</u>      |
| Total program services                                       | <u>3,339,232</u>                      | <u>-</u>                           | <u>3,339,232</u>    |
| Supporting services-   |                                       |                                    |                     |
| Management and general                                       | 278,232                               | -                                  | 278,232             |
| Fundraising  | <u>266,762</u>                        | <u>-</u>                           | <u>266,762</u>      |
| Total supporting services                                    | <u>544,994</u>                        | <u>-</u>                           | <u>544,994</u>      |
| Total expenses   | <u>3,884,226</u>                      | <u>-</u>                           | <u>3,884,226</u>    |
| Change in net assets   | (89,063)                              | 157,929                            | 68,866              |
| Net assets, beginning of year                                | <u>3,535,199</u>                      | <u>958,700</u>                     | <u>4,493,899</u>    |
| Net assets, end of year                                      | <u>\$ 3,446,136</u>                   | <u>\$ 1,116,629</u>                | <u>\$ 4,562,765</u> |

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities  
Year Ended December 31, 2019

|  | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        |
|--|---------------------------------------|------------------------------------|---------------------|
| Revenues, gains, and other support:                          |                                       |                                    |                     |
| Contributions and pledges                                    | \$ 2,143,295                          | \$ 132,084                         | \$ 2,275,379        |
| Less: donor designations                                     | (938,194)                             | -                                  | (938,194)           |
| Less: uncollectible pledges                                  | <u>(187,543)</u>                      | <u>-</u>                           | <u>(187,543)</u>    |
| Net contributions and pledges                                | 1,017,558                             | 132,084                            | 1,149,642           |
| Grant revenue  | 1,641,938                             | 1,045,955                          | 2,687,893           |
| In-kind income   | 184,931                               | -                                  | 184,931             |
| Rental income  | 203,653                               | -                                  | 203,653             |
| Service fees   | 62,681                                | -                                  | 62,681              |
| Other  | 152,355                               | 21,165                             | 173,520             |
| Interest and dividends                                       | 50,839                                | -                                  | 50,839              |
| Net realized and unrealized gains (losses)<br>on investments | 174,843                               | -                                  | 174,843             |
| Net assets released from restrictions                        | <u>1,299,762</u>                      | <u>(1,299,762)</u>                 | <u>-</u>            |
| Total revenues, gains, and other support                     | <u>4,788,560</u>                      | <u>(100,558)</u>                   | <u>4,688,002</u>    |
| Expenses:  |                                       |                                    |                     |
| Program services-  |                                       |                                    |                     |
| Community impact   | 2,157,264                             | -                                  | 2,157,264           |
| Disaster management  | 80,605                                | -                                  | 80,605              |
| Early Head Start   | 1,857,967                             | -                                  | 1,857,967           |
| Other programs   | <u>229,857</u>                        | <u>-</u>                           | <u>229,857</u>      |
| Total program services                                       | <u>4,325,693</u>                      | <u>-</u>                           | <u>4,325,693</u>    |
| Supporting services-   |                                       |                                    |                     |
| Management and general                                       | 335,152                               | -                                  | 335,152             |
| Fundraising  | <u>467,325</u>                        | <u>-</u>                           | <u>467,325</u>      |
| Total supporting services                                    | <u>802,477</u>                        | <u>-</u>                           | <u>802,477</u>      |
| Total expenses   | <u>5,128,170</u>                      | <u>-</u>                           | <u>5,128,170</u>    |
| Change in net assets   | (339,610)                             | (100,558)                          | (440,168)           |
| Net assets, beginning of year                                | <u>3,874,809</u>                      | <u>1,059,258</u>                   | <u>4,934,067</u>    |
| Net assets, end of year                                      | <u>\$ 3,535,199</u>                   | <u>\$ 958,700</u>                  | <u>\$ 4,493,899</u> |

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

UNITED WAY OF ACADIANA, INC.

Statement of Functional Expenses  
Year Ended December 31, 2020

|                                    | Program Services    |                     |                     |                   | Supporting Services    |                        |                   |                           | Total Expenses      |
|------------------------------------|---------------------|---------------------|---------------------|-------------------|------------------------|------------------------|-------------------|---------------------------|---------------------|
|                                    | Community Impact    | Disaster Management | Early Head Start    | Other Programs    | Total Program Services | Management and General | Fund-Raising      | Total Supporting Services |                     |
| Salaries and wages                 | \$ 164,829          | \$ 29,799           | \$ 1,008,345        | \$ 71,271         | \$ 1,274,244           | \$ 123,893             | \$ 161,662        | \$ 285,555                | \$ 1,559,799        |
| Payroll taxes                      | 12,293              | 2,277               | 75,890              | 5,115             | 95,575                 | 8,151                  | 12,150            | 20,301                    | 115,876             |
| Employee benefits                  | 16,360              | 2,004               | 115,486             | 9,939             | 143,789                | 11,861                 | 11,551            | 23,412                    | 167,201             |
| Total payroll and related expenses | <u>193,482</u>      | <u>34,080</u>       | <u>1,199,721</u>    | <u>86,325</u>     | <u>1,513,608</u>       | <u>143,905</u>         | <u>185,363</u>    | <u>329,268</u>            | <u>1,842,876</u>    |
| Other expenses-                    |                     |                     |                     |                   |                        |                        |                   |                           |                     |
| Advertising                        | 17,761              | -                   | 247                 | -                 | 18,008                 | -                      | 1,561             | 1,561                     | 19,569              |
| Campaign incentives                | 618                 | -                   | -                   | -                 | 618                    | -                      | -                 | -                         | 618                 |
| Childcare supplies                 | -                   | -                   | 99,063              | -                 | 99,063                 | -                      | -                 | -                         | 99,063              |
| Conferences and meetings           | 852                 | -                   | 12,960              | 328               | 14,140                 | 5,500                  | 269               | 5,769                     | 19,909              |
| Contract services                  | 45,119              | 500                 | 136,141             | 3,025             | 184,785                | 61,052                 | 4,300             | 65,352                    | 250,137             |
| Depreciation                       | 3,361               | -                   | 38,654              | 31,509            | 73,524                 | 4,201                  | 2,941             | 7,142                     | 80,666              |
| Dolly Parton Imagination Library   | 34,821              | -                   | -                   | -                 | 34,821                 | -                      | -                 | -                         | 34,821              |
| Dues and subscriptions             | 9,888               | 81                  | 1,092               | 250               | 11,311                 | 1,225                  | 1,106             | 2,331                     | 13,642              |
| Equipment                          | -                   | -                   | 987                 | -                 | 987                    | 9,032                  | -                 | 9,032                     | 10,019              |
| Event expenses                     | 1,085               | -                   | 959                 | 5,174             | 7,218                  | 13,063                 | 12,030            | 25,093                    | 32,311              |
| Grants to individuals              | -                   | 53,600              | -                   | -                 | 53,600                 | -                      | -                 | -                         | 53,600              |
| In-kind donations                  | -                   | -                   | 56,880              | -                 | 56,880                 | -                      | -                 | -                         | 56,880              |
| Indirect costs                     | -                   | 6,410               | 46,653              | -                 | 53,063                 | (53,063)               | -                 | (53,063)                  | -                   |
| Insurance                          | 1,652               | 199                 | 28,567              | 21,698            | 52,116                 | 6,585                  | 3,477             | 10,062                    | 62,178              |
| Interest expense                   | -                   | -                   | -                   | -                 | -                      | 1,834                  | -                 | 1,834                     | 1,834               |
| Leader in Me - Franklin Convey     | 401,992             | -                   | -                   | -                 | 401,992                | -                      | -                 | -                         | 401,992             |
| Maintenance                        | 169                 | -                   | 52,336              | 10,571            | 63,076                 | 20,075                 | 4,597             | 24,672                    | 87,748              |
| Miscellaneous                      | -                   | -                   | 2,847               | 176               | 3,023                  | 11,293                 | 26,376            | 37,669                    | 40,692              |
| Occupancy expense                  | 4,403               | -                   | 10,324              | (32,164)          | (17,437)               | 9,794                  | 7,643             | 17,437                    | -                   |
| Postage                            | 2                   | -                   | 241                 | 67                | 310                    | 6,430                  | 69                | 6,499                     | 6,809               |
| Printing and publications          | 574                 | 7                   | 6,247               | 174               | 7,002                  | 2,641                  | 465               | 3,106                     | 10,108              |
| Professional fees                  | -                   | -                   | 6,655               | -                 | 6,655                  | 25,735                 | -                 | 25,735                    | 32,390              |
| Supplies                           | 290                 | 5,379               | 25,666              | 3,068             | 34,403                 | 2,091                  | 10,357            | 12,448                    | 46,851              |
| Telephone                          | 760                 | 240                 | 8,558               | 2,948             | 12,506                 | 3,059                  | 1,840             | 4,899                     | 17,405              |
| Travel and transportation          | 314                 | 712                 | 10,836              | -                 | 11,862                 | -                      | 743               | 743                       | 12,605              |
| United Way Worldwide dues          | 16,982              | 1,393               | 24,396              | 2,596             | 45,367                 | 3,780                  | 3,625             | 7,405                     | 52,772              |
| Utilities                          | -                   | -                   | 25,662              | 55,211            | 80,873                 | -                      | -                 | -                         | 80,873              |
| Total other expenses               | <u>540,643</u>      | <u>68,521</u>       | <u>595,971</u>      | <u>104,631</u>    | <u>1,309,766</u>       | <u>134,327</u>         | <u>81,399</u>     | <u>215,726</u>            | <u>1,525,492</u>    |
| Grants to agencies                 | 515,858             | -                   | -                   | -                 | 515,858                | -                      | -                 | -                         | 515,858             |
| Total expenses                     | <u>\$ 1,249,983</u> | <u>\$ 102,601</u>   | <u>\$ 1,795,692</u> | <u>\$ 190,956</u> | <u>\$ 3,339,232</u>    | <u>\$ 278,232</u>      | <u>\$ 266,762</u> | <u>\$ 544,994</u>         | <u>\$ 3,884,226</u> |

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

UNITED WAY OF ACADIANA, INC.

Statement of Functional Expenses  
Year Ended December 31, 2019

|                                    | Program Services    |                     |                     |                   | Supporting Services    |                        |                   |                           | Total Expenses      |
|------------------------------------|---------------------|---------------------|---------------------|-------------------|------------------------|------------------------|-------------------|---------------------------|---------------------|
|                                    | Community Impact    | Disaster Management | Early Head Start    | Other Programs    | Total Program Services | Management and General | Fund-Raising      | Total Supporting Services |                     |
| Salaries and wages                 | \$ 250,350          | \$ 42,083           | \$ 1,014,195        | \$ 74,918         | \$ 1,381,546           | \$ 162,205             | \$ 262,947        | \$ 425,152                | \$ 1,806,698        |
| Payroll taxes                      | 19,077              | 3,321               | 75,791              | 5,179             | 103,368                | 12,271                 | 19,280            | 31,551                    | 134,919             |
| Employee benefits                  | 23,946              | 745                 | 109,868             | 12,560            | 147,119                | 21,476                 | 27,151            | 48,627                    | 195,746             |
| Total payroll and related expenses | <u>293,373</u>      | <u>46,149</u>       | <u>1,199,854</u>    | <u>92,657</u>     | <u>1,632,033</u>       | <u>195,952</u>         | <u>309,378</u>    | <u>505,330</u>            | <u>2,137,363</u>    |
| Other expenses-                    |                     |                     |                     |                   |                        |                        |                   |                           |                     |
| Advertising                        | 16,040              | 110                 | 1,853               | -                 | 18,003                 | -                      | 1,368             | 1,368                     | 19,371              |
| Campaign incentives                | -                   | -                   | -                   | -                 | -                      | -                      | 29,271            | 29,271                    | 29,271              |
| Childcare supplies                 | -                   | -                   | 52,675              | -                 | 52,675                 | -                      | -                 | -                         | 52,675              |
| Conferences and meetings           | 1,699               | -                   | 15,803              | 765               | 18,267                 | 1,567                  | 848               | 2,415                     | 20,682              |
| Contract services                  | 50,310              | 337                 | 126,237             | 7,856             | 184,740                | 86,883                 | 17,686            | 104,569                   | 289,309             |
| Depreciation                       | 3,340               | -                   | 38,654              | 31,314            | 73,308                 | 4,175                  | 2,923             | 7,098                     | 80,406              |
| Dolly Parton Imagination Library   | 81,072              | -                   | -                   | -                 | 81,072                 | -                      | -                 | -                         | 81,072              |
| Dues and subscriptions             | 11,199              | 147                 | 1,929               | 250               | 13,525                 | 1,850                  | 1,379             | 3,229                     | 16,754              |
| Equipment                          | -                   | -                   | 5,163               | -                 | 5,163                  | 9,273                  | -                 | 9,273                     | 14,436              |
| Event expenses                     | 150                 | -                   | 375                 | 16,609            | 17,134                 | 16,444                 | 33,034            | 49,478                    | 66,612              |
| In-kind donations                  | 27,112              | -                   | 157,819             | -                 | 184,931                | -                      | -                 | -                         | 184,931             |
| Indirect costs                     | 12,503              | -                   | 67,551              | -                 | 80,054                 | (80,054)               | -                 | (80,054)                  | -                   |
| Insurance                          | 993                 | 897                 | 29,712              | 18,491            | 50,093                 | (1,285)                | 2,976             | 1,691                     | 51,784              |
| Interest expense                   | -                   | -                   | -                   | -                 | -                      | 1,966                  | -                 | 1,966                     | 1,966               |
| Leader in Me - Franklin Convey     | 900,526             | -                   | -                   | -                 | 900,526                | -                      | -                 | -                         | 900,526             |
| Maintenance                        | 9,923               | -                   | 41,456              | 9,334             | 60,713                 | 18,954                 | 2,046             | 21,000                    | 81,713              |
| Materials assistance               | -                   | 28,462              | -                   | -                 | 28,462                 | -                      | -                 | -                         | 28,462              |
| Miscellaneous                      | 68                  | -                   | 2,811               | 2,183             | 5,062                  | 9,641                  | 19,657            | 29,298                    | 34,360              |
| Occupancy expense                  | 7,676               | -                   | 10,932              | (46,289)          | (27,681)               | 12,892                 | 14,789            | 27,681                    | -                   |
| Postage                            | 39                  | -                   | 256                 | -                 | 295                    | 5,286                  | 288               | 5,574                     | 5,869               |
| Printing and publications          | 2,674               | 7                   | 4,626               | 253               | 7,560                  | 2,234                  | 6,464             | 8,698                     | 16,258              |
| Professional fees                  | -                   | -                   | 5,815               | 100               | 5,915                  | 38,164                 | 200               | 38,364                    | 44,279              |
| Saving incentive program           | 49,540              | -                   | -                   | -                 | 49,540                 | -                      | -                 | -                         | 49,540              |
| Supplies                           | 906                 | 179                 | 12,302              | 11,886            | 25,273                 | 5,321                  | 13,706            | 19,027                    | 44,300              |
| Telephone                          | 560                 | 660                 | 10,752              | 18,272            | 30,244                 | 920                    | 2,750             | 3,670                     | 33,914              |
| Travel and transportation          | 4,479               | 2,977               | 27,889              | 2,602             | 37,947                 | 2,150                  | 4,629             | 6,779                     | 44,726              |
| United Way Worldwide dues          | 18,023              | 680                 | 15,643              | 1,937             | 36,283                 | 2,819                  | 3,933             | 6,752                     | 43,035              |
| Utilities                          | -                   | -                   | 27,860              | 61,637            | 89,497                 | -                      | -                 | -                         | 89,497              |
| Total other expenses               | <u>1,198,832</u>    | <u>34,456</u>       | <u>658,113</u>      | <u>137,200</u>    | <u>2,028,601</u>       | <u>139,200</u>         | <u>157,947</u>    | <u>297,147</u>            | <u>2,325,748</u>    |
| Grants to agencies                 | 665,059             | -                   | -                   | -                 | 665,059                | -                      | -                 | -                         | 665,059             |
| Total expenses                     | <u>\$ 2,157,264</u> | <u>\$ 80,605</u>    | <u>\$ 1,857,967</u> | <u>\$ 229,857</u> | <u>\$ 4,325,693</u>    | <u>\$ 335,152</u>      | <u>\$ 467,325</u> | <u>\$ 802,477</u>         | <u>\$ 5,128,170</u> |

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

UNITED WAY OF ACADIANA, INC.

Statements of Cash Flows  
For The Years Ended December 31, 2020 and 2019

|   | <u>2020</u>         | <u>2019</u>       |
|---|---------------------|-------------------|
| Cash flows from operating activities:   |                     |                   |
| Change in net assets  | \$ 68,866           | \$ (440,168)      |
| Adjustments to reconcile change in net assets<br>to net cash provide (used) by operating activities - |                     |                   |
| Depreciation  | 80,666              | 80,406            |
| Net realized and unrealized gains on investments  | (47,511)            | (174,843)         |
| Changes in assets and liabilities-  |                     |                   |
| (Increase) decrease in:   |                     |                   |
| Pledges receivable  | 369,254             | 219,576           |
| Grants and other receivables  | (264,613)           | 42,954            |
| Prepaid expenses  | (2,592)             | 9,140             |
| Increase (decrease) in:   |                     |                   |
| Accounts payable  | 177,873             | (27,716)          |
| Accrued liabilities   | 9,318               | (8,742)           |
| Contracts payable   | 375,000             | -                 |
| Other payables  | (257,905)           | 24,344            |
| Compensated absences  | 15,908              | (10,890)          |
| Deferred revenue and advances   | (118,015)           | (373,814)         |
| Net cash provided (used) by operating activities  | <u>406,249</u>      | <u>(659,753)</u>  |
| Cash flows from investing activities:   |                     |                   |
| Purchases of property and equipment   | -                   | (27,069)          |
| Proceeds from sale of investments   | (52,051)            | 240,438           |
| Net cash provided (used) by investing activities  | <u>(52,051)</u>     | <u>213,369</u>    |
| Cash flows from financing activities:   |                     |                   |
| Proceeds from notes payable   | 416,500             | -                 |
| Principal payments on notes payable   | (18,601)            | (22,970)          |
| Net cash provided (used) by financing activities  | <u>397,899</u>      | <u>(22,970)</u>   |
| Net increase (decrease) in cash and cash equivalents  | 752,097             | (469,354)         |
| Cash and cash equivalents, beginning of year  | <u>885,746</u>      | <u>1,355,100</u>  |
| Cash and cash equivalents, end of year  | <u>\$ 1,637,843</u> | <u>\$ 885,746</u> |
| Supplemental disclosure for the statements of cash flows:   |                     |                   |
| Interest paid   | <u>\$ 1,834</u>     | <u>\$ 1,966</u>   |

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

(1) Nature of Organization and Significant Accounting Policies

A. Organization and Purpose

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

B. Basis of Accounting

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

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

*Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that will be met, either (1) expire by incurring expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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

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

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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

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

C. Cash and Cash Equivalents

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

D. Provision for Uncollectible Pledges

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

E. Investments

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

F. Property and Equipment

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

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

G. Revenue and Expense Recognition

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

The Organization adopted Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The guidance outlines a single, comprehensive model for accounting for revenue in exchange transactions from contracts with customers. The Organization's revenue derived from exchange transactions are service fees charged to third party beneficiaries for fundraising, certain administrative functions, and the collection of funds on their behalf. Third parties receive the funds raised on their behalf by the Organization, net of service fees charged. The Organization applied Topic 606 to its revenue derived from exchange transactions as follows:

*Transaction price-* The transaction price of service fees is based on a percentage of the amount of funds raised for the third party and includes an administrative fee, a fundraising fee, and a collection fee.

*Performance obligations-* The Organization has identified the following performance obligations in exchange transactions: (1) administrative services including accounting for and processing donor pledges; (2) fundraising services to obtain donations; and (3) collection of donor pledges for third parties. The Organization applies the principles of materiality in the determination of the performance obligation.

Service fee revenues are recognized over the time in which the performance obligations are met. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

H. Functional Allocation of Expenses

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

I. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. Accounting principles generally accepted in the United States of American require the Organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclose in the financial statements. The Organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

J. Compensated Absences

The Organization allows employees paid vacation, sick days, and personal days off, depending on job classification, length of service, and other factors. Upon separation, employees are paid for any unused vacation through the date of separation at their current rate of pay. At December 31, 2020 and 2019, the accrued compensated absences amounted to \$31,053 and \$15,145, respectively.

K. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$19,569 and \$19,371 for the years ended December 31, 2020 and 2019, respectively.

L. Donated Materials and Services

The Organization receives a significant amount of donated materials and services from unpaid volunteers who assist in program services during the year. Some donated services are not reflected in the statement of activities because the criteria for recognition under professional standards have not been satisfied; however, these services are valuable to the Organization's programs. For the year ended December 31, 2020, the Organization had 3,392 volunteers who provided 2,937 hours of donated services valued at \$79,891. For the year ended December 31, 2019, the Organization had 467 volunteers who provided 13,296 hours of donated services valued at \$338,123. The value of these donated services was not reflected in the statement of activities.

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

|                        | <u>2020</u>      | <u>2019</u>       |
|------------------------|------------------|-------------------|
| Program services:      |                  |                   |
| Community Impact-      |                  |                   |
| Professional services  | \$ -             | \$ 27,112         |
| Early Head Start-      |                  |                   |
| Materials              | 24,914           | 89,334            |
| Professional services  | <u>31,966</u>    | <u>68,485</u>     |
| Total program services | <u>\$ 56,880</u> | <u>\$ 184,931</u> |

M. Use of Estimates

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(2) Liquidity and Availability of Financial Assets

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

|   | <u>2020</u>         | <u>2019</u>       |
|---|---------------------|-------------------|
| Financial assets, at year-end   | \$4,058,203         | \$3,311,185       |
| Less those unavailable for general expenditures<br>within one year, due to:               |                     |                   |
| Donor-imposed restrictions-   |                     |                   |
| Restricted by donors in perpetuity  | (713,634)           | (713,634)         |
| Restricted by donors with purpose restrictions  | (1,370,653)         | (1,545,913)       |
| Board designations-   |                     |                   |
| Operating reserve   | (198,677)           | (198,677)         |
| Specific programs   | <u>(685,795)</u>    | <u>(622,614)</u>  |
| Financial assets available to meet cash needs for<br>general expenditures within one year | <u>\$ 1,089,444</u> | <u>\$ 230,347</u> |

As of December 31, 2020 and 2019, respectively, the Organization had \$1,089,444, and \$230,347 of financial assets available within 1 year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$398,327 and \$0, pledges receivable of \$368,277 and \$184,832, grants receivable of \$43,757 and \$30,203, and other receivables of \$279,083 and \$15,312. As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligation become due.

(3) Pledges Receivable

Pledges receivable are due within a year from the date of the contribution. The annual campaign pledges receivable for the years ended December 31, 2020 and 2019 consists of the following:

|   |                  |                   |
|---|------------------|-------------------|
| December 31, 2020:                        |                  |                   |
| 2020 Campaign                             | \$ 998,323       |                   |
| Less: allowance for uncollectible pledges | <u>(93,726)</u>  |                   |
|   |                  | \$ 904,597        |
| 2019 Campaign                             | 172,472          |                   |
| Less: allowance for uncollectible pledges | <u>(141,515)</u> |                   |
|   |                  | <u>30,957</u>     |
|   |                  | <u>\$ 935,554</u> |

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

December 31, 2019:

|   |                  |                     |
|---|------------------|---------------------|
| 2019 Campaign                             | \$ 1,402,530     |                     |
| Less: allowance for uncollectible pledges | <u>(182,699)</u> | \$ 1,219,831        |
| 2018 Campaign                             | 255,068          |                     |
| Less: allowance for uncollectible pledges | <u>(170,091)</u> | <u>84,977</u>       |
|   |                  | <u>\$ 1,304,808</u> |

(4) Investments

Investments are carried at fair value based on quoted market prices in active markets (all Level 1 Measurements) and consist of the following at December 31, 2020 and 2019:

| <u>Investment Type</u>         | <u>2020</u>         | <u>2019</u>         |
|--------------------------------|---------------------|---------------------|
| Equities                       | \$ 782,283          | \$ 694,632          |
| Corporate and government bonds | <u>379,683</u>      | <u>367,772</u>      |
|                                | <u>\$ 1,161,966</u> | <u>\$ 1,062,404</u> |

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2020 and 2019:

December 31, 2020:

|                             | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>     |
|-----------------------------|---------------------------------------|------------------------------------|------------------|
| Interest and dividends      | \$ 31,758                             | \$ -                               | \$ 31,758        |
| Net realized gains          | 55,591                                | -                                  | 55,591           |
| Net unrealized gains        | <u>(8,080)</u>                        | <u>-</u>                           | <u>(8,080)</u>   |
| Total return on investments | <u>\$ 79,269</u>                      | <u>\$ -</u>                        | <u>\$ 79,269</u> |

December 31, 2019:

|                             | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>      |
|-----------------------------|---------------------------------------|------------------------------------|-------------------|
| Interest and dividends      | \$ 50,839                             | \$ -                               | \$ 50,839         |
| Net realized gains          | 71,115                                | -                                  | 71,115            |
| Net unrealized losses       | <u>103,728</u>                        | <u>-</u>                           | <u>103,728</u>    |
| Total return on investments | <u>\$ 225,682</u>                     | <u>\$ -</u>                        | <u>\$ 225,682</u> |

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(5) Donor-Restricted Endowments

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

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

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

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

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2020 and 2019, the Organization did not have underwater endowments.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

Endowment net asset composition by type of fund as of December 31, 2020 and 2019 is as follows:

December 31, 2020:

|                                  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|----------------------------------|-------------------------------|----------------------------|---------------------|
| Board-designated endowment funds | \$ 576,607                    | \$ -                       | \$ 576,607          |
| Donor-restricted endowment funds | <u>-</u>                      | <u>713,634</u>             | <u>713,634</u>      |
| Total funds                      | <u>\$ 576,607</u>             | <u>\$ 713,634</u>          | <u>\$ 1,290,241</u> |

December 31, 2019:

|                                  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|----------------------------------|-------------------------------|----------------------------|---------------------|
| Board-designated endowment funds | \$ 512,615                    | \$ -                       | \$ 512,615          |
| Donor-restricted endowment funds | <u>-</u>                      | <u>713,634</u>             | <u>713,634</u>      |
| Total funds                      | <u>\$ 512,615</u>             | <u>\$ 713,634</u>          | <u>\$ 1,226,249</u> |

Changes in endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

December 31, 2020:

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|---|-------------------------------|----------------------------|---------------------|
| Endowment net assets, beginning of year | \$ 512,615                    | \$ 713,634                 | \$ 1,226,249        |
| Distributions                           | (8,101)                       | -                          | (8,101)             |
| Investment income (net of fees)         | 24,582                        | -                          | 24,582              |
| Net unrealized/realized gain (loss)     | <u>47,511</u>                 | <u>-</u>                   | <u>47,511</u>       |
| Endowment net assets, end of year       | <u>\$ 576,607</u>             | <u>\$ 713,634</u>          | <u>\$ 1,290,241</u> |

December 31, 2019:

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|---|-------------------------------|----------------------------|---------------------|
| Endowment net assets, beginning of year | \$ 437,183                    | \$ 713,634                 | \$ 1,150,817        |
| Distributions                           | (120,765)                     | -                          | (120,765)           |
| Investment income (net of fees)         | 21,354                        | -                          | 21,354              |
| Net unrealized/realized gain (loss)     | <u>174,843</u>                | <u>-</u>                   | <u>174,843</u>      |
| Endowment net assets, end of year       | <u>\$ 512,615</u>             | <u>\$ 713,634</u>          | <u>\$ 1,226,249</u> |

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(6) Property and Equipment

Property and equipment consist of the following as of December 31, 2020 and 2019:

|                                | <u>2020</u>        | <u>2019</u>        |
|--------------------------------|--------------------|--------------------|
| Land                           | \$ 585,000         | \$ 585,000         |
| Building and improvements      | 3,138,929          | 3,138,929          |
| Office furniture and equipment | <u>241,374</u>     | <u>241,374</u>     |
| Total property and equipment   | 3,965,303          | 3,965,303          |
| Less accumulated depreciation  | <u>(1,297,826)</u> | <u>(1,217,160)</u> |
| Property and equipment, net    | <u>\$2,667,477</u> | <u>\$2,748,143</u> |

Total depreciation expense for the years ended December 31, 2020 and 2019 was \$80,666 and \$80,406, respectively.

Certain land and buildings, with a carrying amount of \$1,406,245 were acquired with funds received under a grant contract with the U.S. Department of Health and Human Services for an Early Head Start Expansion Program. Under federal guidelines, the real property shall be used for the originally authorized purpose as long as needed for that purpose or other federally sponsored projects or programs that have purposes consistent with those authorized for support by the Federal awarding agency. When the real property is no longer needed for federally supported programs or projects, the entity shall request disposition instructions from the agency. Depending on the outcome of the disposition, the entity may be required to compensate the awarding agency for the federal portion of the current fair market value of the property. This real property is included in the Organization's property and equipment, net of accumulated depreciation in the statement of financial position at a book value of \$1,076,302 and \$1,114,956 which represents the carrying amount less accumulated depreciation of \$329,943 and \$291,289 at December 31, 2020 and 2019, respectively. Depreciation expense for the years ended December 31, 2020 and 2019 was \$38,654.

(7) Deferred Revenue

Deferred revenues on the statement of financial position represent service fees charged to third parties prior to the satisfaction of the corresponding performance obligations. Deferred revenues are recognized as revenues once the performance obligations are satisfied. The Organization had deferred revenues of \$37,225 and \$42,731 as of December 31, 2020 and 2019, respectively.

(8) Advances

The Organization reports advances on the statement of financial position. Advances arise when the Organization receives resources with donor-imposed conditions before the condition has been met. In subsequent periods, when the Organization has met or substantially met the condition, or the condition is explicitly waived by the donor, the liability for advances is removed from the statement of financial position and the revenue is recognized. The Organization had advances in the amount of \$193,467 and \$305,976 for the years ended December 31, 2020 and 2019, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(9) Long-term Debt

Long-term debt at December 31, 2020 and 2019 consist of the following:

|  | <u>2020</u>       | <u>2019</u>       |
|--|-------------------|-------------------|
| On June 1, 2017, the organization entered into a \$83,500 note payable, maturing on June 1, 2032, monthly payments of \$578 including interest of 2.625%, secured by a multiple indebtedness mortgage.   | \$ 67,106         | \$ 72,207         |
| On December 14, 2017, the organization entered into a \$150,000 non-interest note payable, maturing on May 16, 2023, and monthly payments of \$1,500 (60% of the principal amount). Absent an event of default, payment of all monthly principal payments in the amounts set forth above will be deemed to have paid in full. The remaining 40% of the principal balance will be forgiven. | 108,000           | 121,500           |
| On April 14, 2020, the organization entered into a \$416,500 note payable with a financial institution maturing on April 1, 2022, monthly payments of \$23,139, interest at 1.00%. Under the terms of the Paycheck Protection Program, the principal and accrued interest may be partially or completely forgiven.   | <u>416,500</u>    | <u>-</u>          |
|  | 591,606           | 193,707           |
| Less current portion   | <u>(342,101)</u>  | <u>(23,102)</u>   |
| Long-term debt   | <u>\$ 249,505</u> | <u>\$ 170,605</u> |

Scheduled maturities of long-term debt as of December 31, 2020 are as follows:

|                           |                   |
|---------------------------|-------------------|
| Years ending December 31: |                   |
| 2021                      | \$ 342,101        |
| 2022                      | 121,013           |
| 2023                      | 77,519            |
| 2024                      | 5,666             |
| 2025                      | 5,816             |
| Thereafter                | <u>39,491</u>     |
| Total                     | <u>\$ 591,606</u> |

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(10) Net Assets without Donor Restrictions

The following represents net assets without donor restrictions for the years ended December 31, 2020 and 2019:

|                                   | <u>2020</u>         | <u>2019</u>         |
|-----------------------------------|---------------------|---------------------|
| Designated by the Board-          |                     |                     |
| Reserve Fund                      | \$ 198,677          | \$ 198,677          |
| PACT Allocations/Agency Contracts | 109,188             | 109,999             |
| Endowment Fund Earnings:          |                     |                     |
| Community Fund                    | 219,973             | 197,515             |
| Operational Fund                  | 192,881             | 171,618             |
| UNOCAL Venture Grant Fund         | <u>163,753</u>      | <u>143,482</u>      |
|                                   | 884,472             | 821,291             |
| Undesignated                      | <u>2,561,664</u>    | <u>2,713,908</u>    |
|                                   | <u>\$ 3,446,136</u> | <u>\$ 3,535,199</u> |

(11) Net Assets Released from Donor Restrictions

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by donors during the fiscal years ended December 31, 2020 and 2019 are as follows:

|   | <u>2020</u>       | <u>2019</u>        |
|---|-------------------|--------------------|
| Purpose restrictions accomplished:          |                   |                    |
| Earn, Save, Succeed                         | \$ -              | \$ 163,649         |
| Dolly Parton Imagination Library            | 7,790             | 10,000             |
| Leader in Me                                | 447,910           | 1,022,886          |
| Stuff the Bus                               | 6,897             | 23,197             |
| UW Readers                                  | 104               | 104                |
| Hurricane and Disaster Relief Contributions | 3,894             | 7,711              |
| Disaster Response - 2016 Flood              | 2,083             | 72,215             |
| Bank On                                     | 6,642             | -                  |
| Lost My Tips                                | 54,450            | -                  |
| Feed the Envie                              | 5,560             | -                  |
| Women United                                | 43,306            | -                  |
| Learn United                                | 15,756            | -                  |
| Got IT                                      | 1,085             | -                  |
| EITC  | 72,829            | -                  |
| My Community Cares                          | 23,081            | -                  |
| COVID-19                                    | <u>35,189</u>     | <u>-</u>           |
| Total                                       | <u>\$ 726,576</u> | <u>\$1,299,762</u> |

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(12) Net Assets with Donor Restrictions

The following represents net assets with donor restrictions for the years ended December 31, 2020 and 2019:

|   | <u>2020</u>         | <u>2019</u>       |
|---|---------------------|-------------------|
| Subject to expenditure for specified purpose: |                     |                   |
| Adopt a School                                | \$ 148              | \$ 148            |
| Bank On                                       | 10,554              | 13,196            |
| Leader in Me                                  | 99,420              | 151,855           |
| Partners in Early Childhood Education         | 150                 | 150               |
| Stuff the Bus                                 | 18,818              | 10,245            |
| Got IT  | 3,415               | 1,000             |
| Hurricane and Disaster Relief Contributions   | 68,053              | 64,336            |
| Disaster Response - 2016 Flood                | 1,110               | 3,194             |
| Hurricane Harvey                              | 942                 | 942               |
| Learn United                                  | 6,744               | -                 |
| COVID   | 104,849             | -                 |
| My Community Cares                            | 20,624              | -                 |
| Dolly Parton Imagination Library              | 1,266               | -                 |
| Hurricane Laura                               | 65,852              | -                 |
| Hurricane Delta                               | 1,050               | -                 |
| Subject to spending policy and appropriation: |                     |                   |
| Investments in perpetuity-                    |                     |                   |
| Community Fund                                | 243,289             | 243,289           |
| Operational Fund                              | 230,345             | 230,345           |
| UNOCAL Venture Grant Fund                     | <u>240,000</u>      | <u>240,000</u>    |
| Total net assets with donor restrictions      | <u>\$ 1,116,629</u> | <u>\$ 958,700</u> |

(13) Timing of Revenue Recognition

A summary of the timing of service fee revenue recognized in accordance with Topic 606 for the years ending December 31 follows:

|                                | <u>2020</u>      | <u>2019</u>      |
|--------------------------------|------------------|------------------|
| Timing:                        |                  |                  |
| Services transferred over time | <u>\$ 45,132</u> | <u>\$ 62,681</u> |

(14) Retirement Benefits

Under a defined contribution 403 (b) retirement plan, the Organization matches up to 3% of eligible employee's salary. For the years ending December 31, 2020 and 2019, the Organization made contributions in the amount of \$10,536 and \$24,866, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(15) Fair Value Measurements

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

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

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

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

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

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2020 and 2019:

| <u>Investment Type</u>         | <u>December 31, 2020</u> |                     |                |                |
|--------------------------------|--------------------------|---------------------|----------------|----------------|
|                                | <u>Total</u>             | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u> |
| Equities                       | \$ 782,283               | \$ 782,283          | \$ -           | \$ -           |
| Corporate and government bonds | 379,683                  | 379,683             | -              | -              |
|                                | <u>\$ 1,161,966</u>      | <u>\$ 1,161,966</u> | <u>\$ -</u>    | <u>\$ -</u>    |
| <u>Investment Type</u>         | <u>December 31, 2019</u> |                     |                |                |
| <u>Total</u>                   | <u>Level 1</u>           | <u>Level 2</u>      | <u>Level 3</u> |                |
| Equities                       | \$ 694,632               | \$ 694,632          | \$ -           | \$ -           |
| Corporate and government bonds | 367,772                  | 367,772             | -              | -              |
|                                | <u>\$ 1,062,404</u>      | <u>\$ 1,062,404</u> | <u>\$ -</u>    | <u>\$ -</u>    |

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(16) Concentration of Credit Risk

The Organization maintains cash balances at financial institutions, which at times may exceed federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2020 and 2019, the Organization's cash balances exceeded FDIC coverage by \$1,299,236 and \$547,952, respectively.

(17) Commitments and Contingencies

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

(18) Risk Management

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

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

The Organization's agency head did not receive any compensation, benefits, or other payments from public funds for the year ended December 31, 2020.

(20) Upcoming Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Organization is evaluating the potential impact of the amendment on the Organization's financial statements. The effect of implementation of this new pronouncement on the Organization financial statements has not yet been determined.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(21) Subsequent Events Review

Uncertainty Occurring After Financial Statement Date – As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the Organization's ongoing operations; however, the extent and severity of the potential impact is unknown at this time.

Evaluation Date – The Organization's management has evaluated subsequent events through June 22, 2021, the date which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

UNITED WAY OF ACADIANA, INC.

Schedules of Cash Account Balances  
Years Ended December 31, 2020 and 2019

|  | <u>Type</u>      | <u>2020</u>                | <u>2019</u>              |
|--|------------------|----------------------------|--------------------------|
| Iberia Bank (Operating Account)  | Checking Account | \$ 986,278                 | \$ 200,534               |
| Iberia Bank (Hurricane Fund/Leader In Me)                                | Checking Account | 324,416                    | 322,690                  |
| Iberia Bank (Reserve Fund)   | Checking Account | <u>198,873</u>             | <u>198,677</u>           |
| Total Cash and Cash Equivalents<br>in Current Assets                     |                  | 1,509,567                  | 721,901                  |
| Cash Restricted for Endowment Fund:<br>Summit Financial (Endowment Fund) | Money Market     | <u>128,276</u>             | <u>163,845</u>           |
| Total Cash and Cash Equivalents  |                  | <u><u>\$ 1,637,843</u></u> | <u><u>\$ 885,746</u></u> |

UNITED WAY OF ACADIANA, INC.

Schedules of Grant Disbursements  
Years Ended December 31, 2020 and 2019

|   | <u>2020</u>       | <u>2019</u>       |
|---|-------------------|-------------------|
| Acadia Council on Aging   | \$ 6,875          | \$ 7,500          |
| Acadiana Outreach Center  | 9,646             | 12,584            |
| American Red Cross  | 58,333            | 62,500            |
| ASSIST Agency   | 3,981             | 3,524             |
| Big Brothers Big Sisters of Acadiana                              | 23,263            | 33,054            |
| Boys & Girls Clubs of Acadiana                                    | 38,960            | 55,840            |
| Catholic Services of Acadiana                                     | 69,160            | 88,640            |
| Empowering the Community for Excellence                           | 5,890             | 8,558             |
| Evangeline Area Boy Scouts  | 9,978             | 19,910            |
| Faith House, Inc.   | 29,814            | 38,258            |
| Family Service Division Program - 16th Judicial District Attorney | 15,295            | 21,181            |
| Foodnet   | 2,734             | 5,469             |
| Hearts of Hope  | 14,575            | 22,300            |
| Junior Achievement  | 2,500             | -                 |
| Lafayette Council on Aging  | 6,875             | 7,500             |
| LAUW (pass through to 232-Help/LA 211)                            | 125,400           | 128,028           |
| Love Our Schools  | -                 | 25,000            |
| New Hope Community Development of Acadiana                        | 5,435             | 6,739             |
| Second Harvest Food Bank  | 17,740            | 19,358            |
| St Martin Parish Access to Care                                   | 32,901            | 50,105            |
| The Family Tree   | 9,375             | 12,500            |
| VITA, Inc.  | 27,128            | 36,511            |
| Total   | <u>\$ 515,858</u> | <u>\$ 665,059</u> |

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA\* - retired 2020

\* A Professional Accounting Corporation

## 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*

WWW.KCSRPCAS.COM

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the United Way of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the United Way of Acadiana, Inc.'s (Organization) internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Way of Acadiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

Lafayette, Louisiana  
June 22, 2021

# KOLDER, SLAVEN & COMPANY, LLC

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

WWW.KCSRCPAS.COM

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

### Report on Compliance for Each Major Federal Program

We have audited United Way of Acadiana, Inc.'s (Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

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

#### *Auditor's Responsibility*

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

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

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

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2020.

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

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

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

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

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

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

Lafayette, Louisiana  
June 22, 2021

UNITED WAY OF ACADIANA, INC.

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2020

| Federal Grantor/Pass-Through Grantor/<br>Program Title            | Pass-through<br>Identifying<br>Number | CFDA<br>Number | Expenditures       |
|---|---------------------------------------|----------------|--------------------|
| Direct Programs:  |                                       |                |                    |
| U. S. Department of Treasury -<br>Volunteer Income Tax Assistance | N/A                                   | 21.009         | \$ 52,829          |
| U.S. Department of Health and Human Services:                     |                                       |                |                    |
| Head Start Cluster:   |                                       |                |                    |
| COVID - 19 Head Start   | N/A                                   | 93.600         | 64,830             |
| Head Start  | N/A                                   | 93.600         | <u>1,554,650</u>   |
| Head Start Cluster  |                                       |                | <u>1,619,480</u>   |
| Total Direct Awards   |                                       |                | 1,672,309          |
| U.S. Department of Agriculture:                                   |                                       |                |                    |
| Passed through Louisiana Department of Education                  |                                       |                |                    |
| Child and Adult Care Food Program                                 | Unknown                               | 10.558         | <u>49,224</u>      |
| Total Federal Awards  |                                       |                | <u>\$1,721,533</u> |

UNITED WAY OF ACADIANA, INC.  
Lafayette, Louisiana

Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2020

(1) General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of United Way of Acadiana, Inc. (a nonprofit organization). United Way of Acadiana, Inc.'s reporting entity is defined in Note 1 to the financial statements for the year ended December 31, 2020. All federal financial assistance received directly from federal agencies is included in the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to United Way of Acadiana, Inc.'s financial statements for the year ended December 31, 2020. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

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

UNITED WAY OF ACADIANA, INC.  
Lafayette, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2020

Part I. Summary of Auditor's Results:

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

Part II. Findings – Financial Statements Audit:

Internal Control Findings –

There were no findings reported under this section.

Compliance Findings –

There were no findings reported under this section.

UNITED WAY OF ACADIANA, INC.  
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2020

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

Internal Control Findings -

There were no findings reported under this section.

Compliance Findings -

There were no findings reported under this section.

UNITED WAY OF ACADIANA, INC.  
Lafayette, Louisiana

Summary Schedule of Prior Year Audit Findings  
Year Ended December 31, 2020

A. Compliance Findings-

There were no findings reported under this section.

B. Internal Control Findings-

There were no findings reported under this section.