

UNITED WAY OF ACADIANA, INC.

Financial Report

Years Ended December 31, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
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, 2015 and 2014, 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 audit. We conducted our audit 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.

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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 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years 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 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 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 14, 2016, on our consideration of the United Way of Acadiana, Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Acadiana, Inc.'s internal control over financial reporting and compliance.

Darnall, Sikes, Gardes & Frederick
(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
June 14, 2016

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UNITED WAY OF ACADIANA, INC.

Statements of Financial Position
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 999,726	\$ 947,272
Pledge receivables, net of allowance of \$288,500 and \$290,625 at 2015 and 2014, respectively	1,827,740	2,078,141
Grants receivable	32,687	44,869
Other receivables	12,081	14,160
Prepaid expenses	<u>79,115</u>	<u>49,425</u>
Total current assets	<u>2,951,349</u>	<u>3,133,867</u>
Property and equipment, net of accumulated depreciation of \$860,922 and \$754,535 at 2015 and 2014, respectively	<u>3,019,280</u>	<u>3,111,236</u>
OTHER ASSETS		
Assets restricted for endowment:		
Cash	34,760	42,460
Investments	<u>1,060,343</u>	<u>1,223,131</u>
	<u>1,095,103</u>	<u>1,265,591</u>
 TOTAL ASSETS	 <u>\$ 7,065,732</u>	 <u>\$ 7,510,694</u>

	<u>2015</u>	<u>2014</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 72,094	\$ 72,556
Accrued liabilities	6,895	594
Payable to other United Ways	683,076	594,440
Payable to other organizations	322,586	223,030
Deferred revenue	209,548	124,411
Compensated absences payable	<u>31,186</u>	<u>25,879</u>
Total liabilities	<u>1,325,385</u>	<u>1,040,910</u>
NET ASSETS		
Unrestricted:		
Undesignated	2,507,985	2,998,247
Board designated - reserve fund	555,391	554,647
Temporarily restricted	693,509	900,978
Permanently restricted	<u>1,983,462</u>	<u>2,015,912</u>
Total net assets	<u>5,740,347</u>	<u>6,469,784</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,065,732</u>	<u>\$ 7,510,694</u>

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

UNITED WAY OF ACADIANA, INC.

Statements of Activities
Years Ended December 31, 2015 and 2014

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUE, GAINS AND OTHER SUPPORT				
Public support and revenue:				
Gross campaign results	\$ 3,494,802	\$ -	\$ -	\$ 3,494,802
Less: donor designations	(972,448)	-	-	(972,448)
Less: provision for uncollectible	<u>(115,823)</u>	<u>-</u>	<u>-</u>	<u>(115,823)</u>
Net campaign revenue	2,406,531	-	-	2,406,531
Grant revenue	-	1,875,920	5,764	1,881,684
Service fees	95,828	-	-	95,828
Interest and dividends	1,067	28,304	-	29,371
In-kind income	-	230,618	-	230,618
Rental income	214,668	-	-	214,668
Net realized and unrealized gains (losses) on investments	-	(86,215)	-	(86,215)
Other	27,830	26,085	-	53,915
Net assets released from restrictions, net	<u>2,282,181</u>	<u>(2,282,181)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>\$ 5,028,105</u>	<u>\$ (207,469)</u>	<u>\$ 5,764</u>	<u>\$ 4,826,400</u>
EXPENSES AND LOSSES				
Program services:				
Community Impact	\$ 2,482,901	\$ -	\$ -	\$ 2,482,901
Disaster management	72,555	-	-	72,555
Early Head Start	1,670,547	-	38,214	1,708,761
Other programs	<u>367,274</u>	<u>-</u>	<u>-</u>	<u>367,274</u>
Total program services	4,593,277	-	38,214	4,631,491
Supporting services:				
Organizational administration	306,933	-	-	306,933
Fund-raising	<u>617,413</u>	<u>-</u>	<u>-</u>	<u>617,413</u>
Total supporting services	<u>924,346</u>	<u>-</u>	<u>-</u>	<u>924,346</u>
Total expenses	<u>5,517,623</u>	<u>-</u>	<u>38,214</u>	<u>5,555,837</u>
Increase (decrease) in net assets	(489,518)	(207,469)	(32,450)	(729,437)
Net assets at beginning of year (as restated)	<u>3,552,894</u>	<u>900,978</u>	<u>2,015,912</u>	<u>6,469,784</u>
Net assets at ending of year	<u>\$ 3,063,376</u>	<u>\$ 693,509</u>	<u>\$ 1,983,462</u>	<u>\$ 5,740,347</u>

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS AND OTHER SUPPORT				
Public support and revenue:				
Gross campaign results	\$ 3,348,672	\$ -	\$ -	\$ 3,348,672
Less: donor designations	(750,932)	-	-	(750,932)
Less: provision for uncollectible	<u>(105,757)</u>	<u>-</u>	<u>-</u>	<u>(105,757)</u>
Net campaign revenue	2,491,983	-	-	2,491,983
Grant revenue	-	1,713,245	11,081	1,724,326
Service fees	84,391	-	-	84,391
Interest and dividends	8,953	28,773	-	37,726
In-kind income	-	297,731	-	297,731
Rental income	226,170	-	-	226,170
Net realized and unrealized gains (losses) on investments	-	84,979	-	84,979
Other	34,600	35,444	-	70,044
Net assets released from restrictions, net	<u>2,343,991</u>	<u>(2,343,991)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>\$ 5,190,088</u>	<u>\$ (183,819)</u>	<u>\$ 11,081</u>	<u>\$ 5,017,350</u>
EXPENSES AND LOSSES				
Program services:				
Community Impact	\$ 2,334,513	\$ -	\$ -	\$ 2,334,513
Disaster management	28,888	-	-	28,888
Early Head Start	1,642,653	-	36,909	1,679,562
Other programs	<u>397,657</u>	<u>-</u>	<u>-</u>	<u>397,657</u>
Total program services	4,403,711	-	36,909	4,440,620
Supporting services:				
Organizational administration	418,383	-	-	418,383
Fund-raising	<u>665,865</u>	<u>-</u>	<u>-</u>	<u>665,865</u>
Total supporting services	<u>1,084,248</u>	<u>-</u>	<u>-</u>	<u>1,084,248</u>
Total expenses	<u>5,487,959</u>	<u>-</u>	<u>36,909</u>	<u>5,524,868</u>
Increase (decrease) in net assets	(297,871)	(183,819)	(25,828)	(507,518)
Net assets at beginning of year	<u>3,850,765</u>	<u>1,084,797</u>	<u>2,041,740</u>	<u>6,977,302</u>
Net assets at ending of year (as restated)	<u>\$ 3,552,894</u>	<u>\$ 900,978</u>	<u>\$ 2,015,912</u>	<u>\$ 6,469,784</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, 2015

	Program Services				Supporting Services		Total
	Community Impact	Disaster Management	Early Head Start	Other Programs	Organizational Administration	Fund-raising	
Salaries and wages	\$ 358,578	\$ 19,146	\$ 900,830	\$ 158,595	\$ 193,799	\$ 360,502	\$ 1,991,450
Payroll taxes	26,786	1,375	68,420	11,858	14,013	26,470	148,922
Employee benefits	35,237	1,915	142,875	23,285	35,994	38,063	277,369
Total payroll and related expenses	<u>420,601</u>	<u>22,436</u>	<u>1,112,125</u>	<u>193,738</u>	<u>243,806</u>	<u>425,035</u>	<u>2,417,741</u>
OTHER EXPENSES							
Advertising	25,124	-	679	1,433	-	1,338	28,574
Childcare supplies	-	-	55,959	-	-	-	55,959
Conferences and meetings	8,012	-	13,394	1,069	3,091	8,578	34,144
Contract services	140,478	-	119,741	9,071	17,096	16,032	302,418
Depreciation	5,454	-	38,214	51,130	6,817	4,772	106,387
Dolly Parton Imagination Library books	235,029	-	-	-	-	-	235,029
Dues and subscriptions	19,088	177	1,509	500	3,915	-	25,189
Equipment	-	-	2,028	-	9,290	-	11,318
Event expense	27	-	1,361	16,132	12,106	26,741	56,367
In kind donation	68,679	-	130,261	-	-	31,678	230,618
Indirect cost	35,562	-	68,622	1,000	(105,184)	-	-
Insurance	1,909	133	27,138	29,954	1,167	1,222	61,523
Maintenance	7,278	-	35,965	18,642	20,039	3,718	85,642
Miscellaneous	8,117	172	10,972	17,597	7,555	32,976	77,389
Occupancy expense	15,810	-	6,861	(50,543)	11,929	15,943	-
Postage	176	46	594	300	8,788	3,319	13,223
Printing and publications	2,279	117	3,176	1,961	7,284	19,790	34,607
Professional fees	-	-	3,250	-	36,500	-	39,750
Supplies	7,296	28	22,376	6,829	7,814	9,561	53,904
Telephone	960	-	8,825	9,320	1,920	2,280	23,305
Travel and transportation	9,494	1,388	20,346	1,946	11,152	11,042	55,368
United Way Worldwide dues	12,935	308	10,471	1,848	1,848	3,388	30,798
Utilities	-	-	14,894	55,347	-	-	70,241
Total other expenses	<u>603,707</u>	<u>2,369</u>	<u>596,636</u>	<u>173,536</u>	<u>63,127</u>	<u>192,378</u>	<u>1,631,753</u>
Allocations/grants	<u>1,458,593</u>	<u>47,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,506,343</u>
TOTAL EXPENSES	<u>\$ 2,482,901</u>	<u>\$ 72,555</u>	<u>\$ 1,708,761</u>	<u>\$ 367,274</u>	<u>\$ 306,933</u>	<u>\$ 617,413</u>	<u>\$ 5,555,837</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, 2014

	Program Services				Supporting Services		Total
	Community Impact	Disaster Management	Early Head Start	Other Programs	Organizational Administration	Fund-raising	
Salaries and wages	\$ 337,951	\$ 21,829	\$ 874,746	\$ 164,620	\$ 249,061	\$ 363,249	\$ 2,011,456
Payroll taxes	26,154	1,629	67,860	12,137	17,119	26,920	151,819
Employee benefits	32,374	2,173	145,071	22,542	39,783	35,264	277,207
Total payroll and related expenses	<u>396,479</u>	<u>25,631</u>	<u>1,087,677</u>	<u>199,299</u>	<u>305,963</u>	<u>425,433</u>	<u>2,440,482</u>
OTHER EXPENSES							
Advertising	50,923	-	3,130	271	-	5,081	59,405
Childcare supplies	-	-	35,868	-	-	-	35,868
Conferences and meetings	5,367	300	17,389	2,252	8,060	6,267	39,635
Contract services	80,293	-	97,730	12,202	17,073	9,909	217,207
Depreciation	5,560	-	36,909	52,128	6,950	4,865	106,412
Dolly Parton Imagination Library books	212,320	-	-	-	-	-	212,320
Dues and subscriptions	19,069	121	2,975	433	5,950	-	28,548
Equipment	-	-	11,131	-	6,610	-	17,741
Event expense	1,500	-	-	24,455	12,398	22,180	60,533
In kind donation	46,770	-	146,665	935	3,000	100,361	297,731
Indirect cost	12,878	-	77,185	-	(90,063)	-	-
Insurance	1,882	138	20,844	27,449	23,638	1,214	75,165
Maintenance	9,980	-	34,692	25,889	16,188	1,650	88,399
Miscellaneous	1,661	-	8,198	20,392	11,985	28,634	70,870
Occupancy expense	18,381	-	7,947	(58,731)	13,868	18,535	-
Postage	147	-	459	1,311	10,023	2,028	13,968
Printing and publications	4,413	40	5,255	1,906	6,751	16,105	34,470
Professional fees	-	-	3,750	-	34,250	-	38,000
Supplies	9,459	-	22,181	7,975	8,147	8,638	56,400
Telephone	880	-	9,160	8,822	2,400	2,590	23,852
Travel and transportation	7,652	-	23,758	1,967	12,813	8,770	54,960
United Way Worldwide dues	12,727	158	9,155	2,150	2,379	3,605	30,174
Utilities	-	-	17,504	66,552	-	-	84,056
Total other expenses	<u>501,862</u>	<u>757</u>	<u>591,885</u>	<u>198,358</u>	<u>112,420</u>	<u>240,432</u>	<u>1,645,714</u>
Allocations/grants	<u>1,436,172</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,438,672</u>
TOTAL EXPENSES (RESTATED)	<u>\$ 2,334,513</u>	<u>\$ 28,888</u>	<u>\$ 1,679,562</u>	<u>\$ 397,657</u>	<u>\$ 418,383</u>	<u>\$ 665,865</u>	<u>\$ 5,524,868</u>

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

UNITED WAY OF ACADIANA, INC.

Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (729,437)	\$ (507,518)
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	106,387	106,412
Net realized and unrealized gain (loss) on investments	86,215	(84,979)
Decrease (increase) in:		
Pledges receivable	250,401	376,537
Grants and other receivables	14,261	(25,807)
Prepaid expenses	(29,690)	3,352
Increase (decrease) in:		
Payables	(462)	41,358
Accrued liabilities	6,301	(11,032)
Other payables	188,192	(38,133)
Deferred revenue	85,137	124,411
Compensated absences	5,307	25,879
Net cash provided (used) by operating activities	<u>(17,388)</u>	<u>10,480</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(14,431)	(23,788)
Purchases of assets restricted for endowment fund	(235,935)	(254,183)
Proceeds from sale of investments	<u>312,508</u>	<u>307,398</u>
Net cash provided (used) by investing activities	<u>62,142</u>	<u>29,427</u>
Net increase (decrease) in cash and cash equivalents	44,754	39,907
CASH AND CASH EQUIVALENTS, beginning of year	<u>989,732</u>	<u>949,825</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,034,486</u>	<u>\$ 989,732</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid during the year	<u>\$ -</u>	<u>\$ -</u>

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The United Way of Acadiana, Inc., a nonprofit corporation (“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 service problems in communities within the service delivery region. The Organization also conducts an annual fund-raising 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.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, Presentation of Financial Statements for Not-for-Profit Entities. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations or grantor-imposed restrictions.

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

Permanently restricted net assets - Net assets subject to donor-imposed stipulations or grantor-imposed restrictions that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

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

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

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Early Head Start - Serves 103 families with children from birth to three years of age and pregnant women residing in Vermilion Parish and Lafayette Parish, with the emphasis on the 70501, 70503, 70506, and 70507 zip code areas. The program provides high-quality early childhood education that enhances participating children's physical, social, emotional, and intellectual development through both home-based and center-based services. The program also assists parents in moving towards self-sufficiency.

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

Income Tax Exemption

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the code. It is also exempt from Louisiana income tax. However, should the Organization engage in activities unrelated to its exempt purpose, taxable income could result. The Organization had no material unrelated business income for the fiscal year under audit.

The Organization's management believes it is no longer subject to income tax examinations for fiscal years prior to December 31, 2012.

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

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Revenue Recognition

In accordance with ASC 958-605, Revenue Recognition of Not-for-Profit Entities, unconditional promises to give (pledges) are recognized as revenue when they are received or unconditionally pledged. All pledges are available for unrestricted use unless specifically restricted by the donor. Pledges that are designated by the donor for specific beneficiaries are considered agency transactions, and are not considered contributions and thus are reduced from pledges.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provision for Uncollectible Pledges

The provision for uncollectible pledges is computed based on a five-year historical average adjusted by management estimates of current economic factors, applied to individual campaigns, including donor designations.

Investments

The Organization has adopted FASB ASC Subtopic 958-320, “*Not-for-Profit Entities—Investments—Debt and Equity Securities.*” Under FASB ASC Subtopic 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and equipment

Property and equipment includes office furniture, equipment, land, buildings and improvements stated at cost. Donated items are recorded at their estimated fair market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided over the estimated useful lives of the respective assets using straight-line depreciation methods, which range from three to forty years. Additions and betterments of \$5,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed in the current year.

Donated Services and Equipment

Donated services and equipment are reflected in the accompanying statements at their estimated values at the date of receipt. The donations of services are recognized if the services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing these skills and would typically need to be purchased if not provided by donations. Donated services that could be reasonably estimated are reflected in the statement of activities as public support and revenue (in-kind income) and are allocated on the statement of functional expenses between program services and supporting services. A substantial number of volunteers have donated significant amounts of time in the Organization’s program services and its fundraising campaign that could not be reasonably estimated. No amounts have been reflected in the financial statements for these services that could not be reasonably estimated.

Estimates

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

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

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$28,574 and \$59,405 for 2015 and 2014, respectively.

Fair Values of Financial Instruments

The Organization utilizes the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. See Note 11 for details on fair values used for company assets and liabilities and the input level for their valuation.

Compensated Absences

The obligation of accumulated paid time off is recorded in the Statements of Financial Position and Statements of Activities. Employees of the Organization are entitled to paid vacation, paid 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 at the employee's current rate of pay. Compensated absences payable was \$31,186 and 25,879 for 2015 and 2014, respectively

Reclassification

Certain 2014 amounts have been reclassified to conform with the 2015 financial statement presentation. Total net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent Events

The Organization has evaluated subsequent events through June 14, 2016, the date the financial statements were available to be issued.

NOTE 2 CONCENTRATION OF CREDIT RISK

At December 31, 2015, the Organization had deposits with a financial institution that exceeded the Federal Deposit Insurance Corporation insured limit of \$250,000 by approximately \$512,770 in aggregate. The Organization has not experienced any losses in such accounts and believes that there is not any significant credit risk associated with cash.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 3 CAMPAIGN PLEDGE RECEIVABLE

Annual campaign pledge receivables consist of the following:

December 31, 2015

2015 Campaign	\$ 1,837,357	
Less: allowance for doubtful pledges	<u>(139,835)</u>	
		\$ 1,697,522
2014 Campaign	\$ 263,883	
Less: allowance for doubtful pledges	<u>(148,665)</u>	
		<u>115,218</u>
2013 Campaign	\$ 15,000	
Less: allowance for doubtful pledges	<u>-</u>	
		<u>15,000</u>
		<u>\$ 1,827,740</u>

December 31, 2014

2014 Campaign	\$ 2,119,186	
Less: allowance for doubtful pledges	<u>(148,665)</u>	
		\$ 1,970,521
2013 Campaign	\$ 249,580	
Less: allowance for doubtful pledges	<u>(141,960)</u>	
		<u>107,620</u>
		<u>\$ 2,078,141</u>

The above pledge receivable constitutes unconditional promises that are expected to be realized in one year or less, therefore no discounting to present value of future cash flows is necessary.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 4 INVESTMENTS

Investments securities are carried at fair value based on quoted prices in active markets (all Level 1 Measurements) and consist of the following at December 31, 2015 and 2014 respectively:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>2015</u>			
Equities	\$ 508,475	\$ 678,797	\$ 170,322
Corporate and government bonds	<u>382,409</u>	<u>381,546</u>	<u>(863)</u>
	<u>\$ 890,884</u>	<u>\$ 1,060,343</u>	<u>\$ 169,459</u>
<u>2014</u>			
Equities	\$ 547,926	\$ 845,335	\$ 297,409
Corporate and government bonds	<u>366,673</u>	<u>377,796</u>	<u>11,123</u>
	<u>\$ 914,599</u>	<u>\$ 1,223,131</u>	<u>\$ 308,532</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2015 and 2014.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>2015</u>				
Interest and dividends	\$ 1,067	\$ 28,304	\$ -	\$ 29,371
Net realized gains (losses)	-	56,239	-	56,239
Net unrealized gains (losses)	<u>-</u>	<u>(142,454)</u>	<u>-</u>	<u>(142,454)</u>
	<u>\$ 1,067</u>	<u>\$ (57,911)</u>	<u>\$ -</u>	<u>\$ (56,844)</u>
<u>2014</u>				
Interest and dividends	\$ 8,953	\$ 28,773	\$ -	\$ 37,726
Net realized gains (losses)	-	75,553	-	75,553
Net unrealized gains (losses)	<u>-</u>	<u>9,426</u>	<u>-</u>	<u>9,426</u>
	<u>\$ 8,953</u>	<u>\$ 113,752</u>	<u>\$ -</u>	<u>\$ 122,705</u>

NOTE 5 INVESTMENTS – DONOR DESIGNATED ENDOWMENTS

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 5 INVESTMENTS – DONOR DESIGNATED ENDOWMENTS (CONTINUED)

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

Interpretation of Relevant Law. The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization’s investment policies

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

Endowment net asset composition as of December 31, 2015 and 2014 is as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
<u>2015</u>			
Donor-restricted endowment funds	\$ 381,469	\$ 713,634	\$ 1,095,103

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 5 INVESTMENTS – DONOR DESIGNATED ENDOWMENTS (CONTINUED)

	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	Total Net Endowment <u>Assets</u>
<u>2014</u>			
Donor-restricted endowment funds	\$ <u>551,957</u>	\$ <u>713,634</u>	\$ <u>1,265,591</u>

Changes in endowment net assets as of December 31, 2014 and 2013 are as follows:

	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	Total Net Endowment <u>Assets</u>
<u>2015</u>			
Endowment net assets, beginning of year	\$ 551,957	\$ 713,634	\$ 1,265,591
Distributions	(101,000)	-	(101,000)
Investment Income (net of fees)	16,727	-	16,727
Net appreciation (depreciation)	<u>(86,215)</u>	<u>-</u>	<u>(86,215)</u>
Endowment net assets, end of year	\$ <u>381,469</u>	\$ <u>713,634</u>	\$ <u>1,095,103</u>
<u>2014</u>			
Endowment net assets, beginning of year	\$ 549,946	\$ 713,634	\$ 1,263,580
Distributions	(100,000)	-	(100,000)
Investment Income (net of fees)	17,032	-	17,032
Net appreciation (depreciation)	<u>84,979</u>	<u>-</u>	<u>84,979</u>
Endowment net assets, end of year	\$ <u>551,957</u>	\$ <u>713,634</u>	\$ <u>1,265,591</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 6 PROPERTY AND EQUIPMENT

A summary of changes in capital assets is as follows:

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Land	\$ 585,000	\$ -	\$ -	\$ 585,000
Office furniture and equipment	248,874	-	-	248,874
Building and improvements	<u>3,031,897</u>	<u>14,431</u>	-	<u>3,046,328</u>
Total	<u>3,865,771</u>	<u>14,431</u>	-	<u>3,880,202</u>
Accumulated depreciation	<u>(754,535)</u>	<u>(106,387)</u>	-	<u>(860,922)</u>
Capital assets, net	<u>\$ 3,111,236</u>	<u>\$ (91,956)</u>	<u>\$ -</u>	<u>\$ 3,019,280</u>
	January 1, 2014	Additions	Deletions	December 31, 2014
Land	\$ 585,000	\$ -	\$ -	\$ 585,000
Office furniture and equipment	236,167	12,707	-	248,874
Building and improvements	<u>3,020,816</u>	<u>11,081</u>	-	<u>3,031,897</u>
Total	<u>3,841,983</u>	<u>23,788</u>	-	<u>3,865,771</u>
Accumulated depreciation	<u>(648,122)</u>	<u>(106,413)</u>	-	<u>(754,535)</u>
Capital assets, net	<u>\$ 3,193,861</u>	<u>\$ (82,625)</u>	<u>\$ -</u>	<u>\$ 3,111,236</u>

Certain land and buildings, with a carrying amount of \$1,406,245 were acquired with funds received under a grant contract with the U.S. Department of Health and Human Services for an Early Head Start Expansion Program. Under federal guidelines, the real property shall be used for the originally authorized purpose as long as needed for that purpose or other federally sponsored projects or programs that have purposes consistent with those authorized for support by the Federal awarding agency. When the real property is no longer needed for federally supported programs or projects, the entity shall request disposition instructions from the agency. Depending on the outcome of the disposition, the entity may be required to compensate the awarding agency for the federal portion of the current fair market value of the property.

This real property is shown as permanently restricted net assets in the statements of financial position at a book value of \$1,269,828 and \$1,302,279, which represents the carrying amount less accumulated depreciation of \$136,417 and \$98,203 at December 31, 2015 and 2014, respectively. Depreciation expense for the years ended December 31, 2015 and 2014 was \$38,214 and \$36,909, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 7 NET CAMPAIGN REVENUE

Net campaign revenue consists of the following:

	<u>Unrestricted</u>
<u>December 31, 2015</u>	
2015 campaign pledges	\$ 3,494,802
Less donor designations	(972,448)
Less estimated uncollected pledges	<u>(139,835)</u>
	2,382,519
Changes in estimated uncollectible pledges:	
2014 campaign	2,726
2013 campaign	<u>21,286</u>
Net campaign revenue	<u>\$ 2,406,531</u>

	<u>Unrestricted</u>
<u>December 31, 2014</u>	
2014 campaign pledges	\$ 3,348,672
Less donor designations	(750,932)
Less estimated uncollected pledges	<u>(148,665)</u>
	2,449,075
Changes in estimated uncollectible pledges:	
2013 campaign	36,842
2012 campaign	<u>6,066</u>
Net campaign revenue	<u>\$ 2,491,983</u>

NOTE 8 DEFERRED GRANT REVENUE

The Organization reports deferred grant revenues on the Statement of Financial Position. Deferred revenues arise when the Organization receives resources before it has a legal claim to them. In subsequent periods, when the Organization has a legal claim to the resources, the liability for deferred grant revenue is removed from the Statement of Financial Position and the revenue is recognized. The Organization had deferred grant revenue in the amount of \$195,009 and \$109,872 for the years ended December 31, 2015 and 2014, respectively. Deferred grant revenue is included in deferred revenue on the statement of financial position.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Bank On	\$ 12,307	\$ 12,307
Women's Leadership Council	21,993	21,993
Earn It, Keep It, Save It	51,462	135,098
Born Learning	-	3,358
UW Readers	68,958	98,550
Leader in Me - Youngsville Middle School	21,016	21,113
Hurricane and Disaster Relief Contributions	23,363	29,895
Partners in Early Childhood Education	150	-
Stuff the Bus	3,859	-
I Am a Leader Foundation	108,932	26,706
Endowment Fund Earnings:		
Community Fund	218,432	303,121
Operational Fund	84,655	107,081
UNOCAL Venture Grant Fund	<u>78,382</u>	<u>141,756</u>
Total temporarily restricted net assets	<u>\$ 693,509</u>	<u>\$ 900,978</u>

NOTE 10 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of endowment fund investments of which the principal is invested and maintained in perpetuity and facilities purchased with Early Head Start Grant funds.

Net assets were permanently restricted for the following purposes at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Endowment Fund:		
Community Fund	\$ 243,289	\$ 243,289
UNOCAL Venture Grant Fund	240,000	240,000
Operational Fund	230,345	230,345
Early Head Start Facilities, net of depreciation	<u>1,269,828</u>	<u>1,302,278</u>
Total permanently restricted net assets	<u>\$ 1,983,462</u>	<u>\$ 2,015,912</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 11 FAIR VALUE MEASUREMENTS

The Organization has adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the inputs used to develop those assumptions and measure of fair value. The hierarchy requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing methods, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

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

Cash and cash equivalents—The carrying amount of cash and short-term instruments approximate their fair value due to their short-term nature.

Receivables—The carrying amount of these items approximate their fair value due to their short-term nature.

Investments—Fair values for investment securities are based on quoted market prices. The carrying value of restricted securities approximate fair values.

Accounts payable and other current liabilities—The carrying amount of these items approximate their fair value due to their short-term nature.

Long-term debt—The carrying amounts of all long-term debt instruments approximate fair value.

The Organization's adoption of FASB ASC 820 did not have a material impact on its financial statements. The Organization has segregated all financial assets and liabilities that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on inputs used to determine the fair value at the measurement date in the following tables.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

<u>Description</u>	Fair Value Measurements at December 31, 2015			
	December 31, 2015	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 678,797	\$ 678,797	\$ -	\$ -
Corporate Bonds	<u>381,546</u>	<u>381,546</u>	-	-
	<u>\$ 1,060,343</u>	<u>\$ 1,060,343</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Description</u>	Fair Value Measurements at December 31, 2014			
	December 31, 2014	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 845,335	\$ 845,335	\$ -	\$ -
Corporate Bonds	<u>377,796</u>	<u>377,796</u>	-	-
	<u>\$ 1,223,131</u>	<u>\$ 1,223,131</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 12 EMPLOYEE BENEFIT PLANS

Effective November of 2004, the Board voted to implement a Simple IRA plan beginning January 2005. The Board of Directors also voted in November 2004 to match employee contributions to the Simple IRA plan up to 3%. United Way of Acadiana, Inc. contributed \$34,097 in 2015 and \$26,491 in 2014 to the Simple IRA plan.

NOTE 13 GRANTS PAYABLE

For the year ended December 31, 2015, the Organization had authorized grants payable remaining in the amount of \$1,819,194 for the 2015-2017 grant period.

These grants are contingent upon the compliance and reporting requirements of the recipients, and the funding ability of the United Way of Acadiana, Inc. The conditional grants will be considered unconditional when the contingency requirements are met by the recipients. No liability has been recorded on the balance sheet since the contingencies had not been fulfilled as of December 31, 2015.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

NOTE 14 PRIOR PERIOD ADJUSTMENT

During the current year, the Organization was able to determine an estimated value of the compensation for future absences. As a result of this determination, a prior period adjustment was made to record compensated absences as of December 31, 2014. The adjustment resulted in a decrease in net assets and net income in the amount of \$25,879.

INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION



**Darnall, Sikes,
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
United Way of 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 non-profit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated June 14, 2016.

Internal Control Over Financial Reporting

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

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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 United Way of Acadiana, Inc.'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 suitable for any other purpose.

Darnall, Sikes, Gardes & Frederick
(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
June 14, 2016



**Darnall, Sikes,
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Kathleen T. Darnall, CPA
Kevin S. Young, CPA
Christy S. Dew, CPA, MPA
Rachel W. Ashford, CPA
Veronica L. LeBleu, CPA, MBA
Christine Guidry Berwick, CPA, MBA
Brandon L. Porter, CPA
Jacob C. Roberie, CPA
Brandon R. Dunphy, CPA
Tanya S. Nowlin, CPA, CGMA, Ph.D.
Nicole B. Bruchez, CPA, MBA
Seth C. Norris, CPA
Ryan Earles, CPA
Jenifer Z. Marcial, CPA
Robert C. Darnall, CPA, M.S., CVA
Elizabeth H. Olinde, CPA
Kai Seah, CPA
Katie Debailon, CPA
Casey E. Cantu, CPA
Nicolaus D. Simon, CPA
Emile M. Joseph III, CPA
Jeromy T. Bourque, CPA
Ben Baudoin, CPA
Barrett B. Perry, CPA, MBA
Andre J. Huval, CPA

Report on Compliance for Each Major Federal Program

We have audited United Way of Acadiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the United Way of Acadiana, Inc.'s major federal program for the year ended December 31, 2015. The United Way of Acadiana, Inc.'s major federal program is 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of United Way of Acadiana, Inc.'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 Regulations* 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 United Way of Acadiana, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 United Way of Acadiana, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, the United Way of Acadiana, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of United Way of Acadiana, Inc. 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 United Way of Acadiana, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the 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 United Way of Acadiana, Inc.'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.

Darnall, Sikes, Gardes & Frederick
(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
June 14, 2016

UNITED WAY OF ACADIANA, INC.

Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2015

2014-001 – Financial Reporting

Status: We noted no exceptions with regards to this finding during the current year audit.

2014-002 – Earmarking

Status: We noted no exceptions with regards to this finding during the current year audit.

UNITED WAY OF ACADIANA, INC.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2015

Part 1 Summary of Audit Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unmodified opinion has been issued on the United Way of Acadiana, Inc.'s financial statements as of and for the years ended December 31, 2015 and 2014.

Internal Control Deficiencies – Financial Reporting

We noted no instances of internal control deficiencies during the audit of the financial statements which are required to be reported under *Government Auditing Standards*.

Material Noncompliance – Financial Reporting

We noted no instances of material noncompliance during the audit of the financial statements which are required to be reported under *Government Auditing Standards*.

FEDERAL AWARDS

Major Program – Identification

The United Way of Acadiana, Inc. at December 31, 2015, had one major program:

Early Head Start Expansion Program, CFDA #93.600, which received funds directly from the United States Department of Health and Human Services, Administration for Children and Families.

Low-Risk Auditee

An entity is considered a low-risk auditee if it meets *all* of the following criteria, specified in the Uniform Guidance 2 CFR section 200.520, for each of the previous two years:

- Single audits were performed on an annual basis in accordance with the Uniform Guidance.
- The auditor's opinions on the financial statements and the schedule of expenditures of federal awards were unmodified.
- No material weaknesses in internal control, as defined by the Yellow Book, were identified.
- The auditor did not report a substantial doubt about the auditee's ability to continue as a going concern.

UNITED WAY OF ACADIANA, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2015

Part 1 Summary of Audit Results (continued)

FEDERAL AWARDS

Low-Risk Auditee (continued)

- None of the federal programs had audit findings from *any* of the following in *either* of the preceding two years in which they were classified as Type A programs:
 - Internal control deficiencies that were identified as material weaknesses.
 - A modified opinion on a major program in the auditor's report on major programs.
 - Known or likely questioned costs which exceeded five percent of the total federal awards expended for a Type A program during the audit period.

For the fiscal year ended December 31, 2015, the United Way of Acadiana, Inc. was determined to be a low-risk auditee.

Major Program – Threshold

The dollar threshold to distinguish Type A and Type B programs is \$750,000 for the fiscal year ended December 31, 2015.

Auditor's Report – Major Program

An unmodified opinion has been issued on the United Way of Acadiana, Inc.'s compliance with the requirements of its major program as of and for the year ended December 31, 2015.

Internal Control Deficiencies – Major Program

There were no significant deficiencies noted during the audit of the major federal programs.

Compliance Findings Related to Federal Programs

The audit disclosed no instances of material noncompliance during the audit of major programs.

UNITED WAY OF ACADIANA, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2015

- Part 2 Findings Relating to an Audit in Accordance with *Government Auditing Standards*
- There were no findings relating to *Government Auditing Standards* for the year ended December 31, 2015.
- Part 3 Findings and Questioned Costs Relating to Federal Programs
- This section is not applicable for the year ending December 31, 2015.
- Part 4 Management Letter
- No management letter was issued for the year ended December 31, 2015.

UNITED WAY OF ACADIANA, INC.

Management's Corrective Action Plan
Year Ended December 31, 2015

Response to findings:

No current year findings were noted; therefore, this section is not applicable for the year ended December 31, 2015.

UNITED WAY OF ACADIANA, INC.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

Federal Grantor/Pass Through Grantor/ Program Name	CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
United States Department of Education			
Passed Through Louisiana Department of Education			
Lafayette Parish School System			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334A140080	\$ 86,421
United States Department of Agriculture			
Passed Through Louisiana Department of Education			
Louisiana Serve Commission			
Child and Adult Care Food Program	10.558	Unknown	59,105
United States Department of the Treasury			
Direct Awards			
Internal Revenue Service			
Volunteer Income Tax Assistance	21.009	15VITA0057	48,246
United States Department of Health and Human Services			
Direct Awards			
Administration for Children and Families			
Early Head Start Expansion	93.600	06CH718201	<u>1,467,087</u>
Total expenditures of federal awards			<u>\$ 1,660,859</u>

UNITED WAY OF ACADIANA, INC.

Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the United Way of Acadiana, Inc. under programs of the federal government for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of United Way of Acadiana, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization. All federal awards received directly from federal agencies are included in the schedule, as well as federal awards passed-through other government agencies. Pass-through entity identifying numbers are presented where available.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting as described in Note 1 of the financial statements. 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.

NOTE 3 RELATIONSHIP TO THE FINANCIAL STATEMENTS

Federal expenditures are included in the Statement of Activities under various "Program Services" line items.

SUPPLEMENTARY INFORMATION

UNITED WAY OF ACADIANA, INC.

Schedules of Cash Account Balances
Years Ending December 31, 2015 and 2014

	<u>Type</u>	<u>2015</u>	<u>2014</u>
Iberia Bank (operating account)	Checking Account	\$ 365,329	\$ 316,119
Chase (reserve account)	Checking Account	273,405	272,942
Whitney National Bank (CFC account)	Checking Account	5,073	5,073
Iberia Bank (hurricane fund)	Checking Account	73,933	71,433
Iberia Bank (reserve account)	Checking Account	<u>281,986</u>	<u>281,705</u>
Total Cash and Cash Equivalents in Current Assets		<u>\$ 999,726</u>	<u>\$ 947,272</u>
Cash Restricted for Endowment Fund:			
Summit Financial (endowment fund)	Money Market	<u>\$ 34,760</u>	<u>\$ 42,460</u>
Total Cash and Cash Equivalents in Endowment Fund		<u>\$ 34,760</u>	<u>\$ 42,460</u>
Total Cash and Cash Equivalents		<u>\$ 1,034,486</u>	<u>\$ 989,732</u>

UNITED WAY OF ACADIANA, INC.

Schedules of Grant Disbursements
Years Ending December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
16th JDA	\$ 37,500	\$ 40,000
232-HELP Contract	140,500	142,500
Acadiana Council on Aging	6,167	5,000
Acadiana Outreach Center	8,500	-
Acadiana Symphony Association	35,300	15,300
American Red Cross - Acadiana	75,000	100,000
Assist Agency	13,353	11,533
Big Brothers/Big Sisters	83,675	84,100
Boys and Girls Club of Acadiana	108,600	144,400
Catholic Services of Acadiana, Inc.	123,804	-
Central Rayne Kindergarten	9,867	15,869
Empowering the Community for Excellence	3,750	-
Evangeline Area Council, Boy Scouts of America	25,850	-
Faith House, Inc.	105,638	99,193
The Family Tree, Inc.	5,675	40,100
Food Net	15,200	13,200
Girl Scouts of LA - Pines to the Gulf	27,967	38,300
Hearts of Hope	42,442	56,100
I am a Leader Foundation	149,020	112,374
Junior Achievement of Acadiana	5,779	10,000
Lafayette Association for Retarded Citizens	1,867	3,200
Lafayette Catholic Services	-	119,350
Lafayette Community Health Care Clinic	141,375	125,100
Lafayette Council on Aging	5,833	10,000
Lafayette Strong	47,250	-
Martin Petitjean Elementary	6,416	8,555
New Hope Community Development of Acadiana	8,750	-
Ross Elementary	15,000	26,000
Second Harvest Food Bank	59,583	55,000
Special Olympics Louisiana, Inc.	5,000	-
St. Martin Council on Aging	6,167	5,000
St. Martin Parish School Board	67,500	30,000
Vermilion Parish Public Schools	14,583	25,000
VITA - Volunteer Instructors Teaching Adults	103,432	94,600
Youngsville Middle	-	8,898
	<u>\$ 1,506,343</u>	<u>\$ 1,438,672</u>

UNITED WAY OF ACADIANA, INC.

Schedules of Compensation, Benefits, and Other Payments
to Agency Head
Years Ended December 31, 2015 and 2014

Agency Head Name: **Margaret Trahan, President/Chief Executive Officer**

Purpose	2015	2014
Salary	\$ 122,088	\$ 119,753
Benefits - insurance and retirement	10,987	11,280
Cell phone	960	960
Travel	447	584
Total	<u>\$ 134,482</u>	<u>\$ 132,577</u>