

UNITED WAY OF ACADIANA, INC.

Financial Report

Years Ended December 31, 2019 and 2018

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

WWW.KSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

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, 2019 and 2018, 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, 2019 and 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 21 to the financial statements, United Way of Acadiana, Inc., implemented the provisions of the Financial Accounting Standards Board's Accounting Standard Update (ASU) 2014-09, Revenues from Contracts with Customers. Our opinion is not modified with respect to this matter.

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 July 2, 2020, 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
July 2, 2020

FINANCIAL STATEMENTS

UNITED WAY OF ACADIANA, INC.

Statements of Financial Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 885,746	\$ 1,355,100
Investments	348,770	414,365
Pledges receivable, net of allowance for doubtful accounts (\$352,790 and \$338,609 at December 31, 2019 and 2018, respectively)	1,304,808	1,524,384
Grants receivable	42,915	2,263
Other receivables	15,312	98,918
Prepaid expenses	31,354	40,494
Total current assets	<u>2,628,905</u>	<u>3,435,524</u>
Property and equipment, net of accumulated depreciation (\$1,217,160 and \$1,136,754 at December 31, 2019 and 2018, respectively)	<u>2,748,143</u>	<u>2,801,480</u>
Other assets:		
Assets restricted for endowment- Investments	<u>713,634</u>	<u>713,634</u>
Total assets	<u>\$ 6,090,682</u>	<u>\$ 6,950,638</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 39,131	\$ 66,847
Accrued liabilities	5,222	13,964
Payable to other United Ways	893,469	865,991
Payable to other organizations	101,402	104,536
Compensated absences	15,145	26,035
Deferred revenue	42,731	-
Advances	305,976	722,521
Current maturities of long-term debt	23,102	22,970
Total current liabilities	1,426,178	1,822,864
Noncurrent liabilities:		
Long-term debt, less current portion	<u>170,605</u>	<u>193,707</u>
Total liabilities	<u>1,596,783</u>	<u>2,016,571</u>
Net assets:		
Without donor restrictions	3,535,199	3,874,809
With donor restrictions	958,700	1,059,258
Total net assets	<u>4,493,899</u>	<u>4,934,067</u>
Total liabilities and net assets	<u>\$ 6,090,682</u>	<u>\$ 6,950,638</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 Restrictions</u>	<u>With Donor 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) 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 Activities
Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Contributions and pledges	\$ 2,630,335	\$ 173,735	\$2,804,070
Less: donor designations	(931,948)	-	(931,948)
Less: uncollectible pledges	<u>(91,429)</u>	<u>-</u>	<u>(91,429)</u>
Net contributions and pledges	1,606,958	173,735	1,780,693
Grant revenue	1,614,080	921,432	2,535,512
In-kind income	237,045	-	237,045
Rental income	201,491	-	201,491
Service fees	92,863	-	92,863
Other	199,304	25,890	225,194
Interest and dividends	52,627	-	52,627
Net realized and unrealized gains (losses) on investments	(84,938)	-	(84,938)
Net assets released from restrictions	<u>1,257,169</u>	<u>(1,257,169)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,176,599</u>	<u>(136,112)</u>	<u>5,040,487</u>
Expenses:			
Program services-			
Community impact	2,135,863	-	2,135,863
Disaster management	75,953	-	75,953
Early Head Start	1,889,886	-	1,889,886
Other programs	<u>287,725</u>	<u>-</u>	<u>287,725</u>
Total program services	<u>4,389,427</u>	<u>-</u>	<u>4,389,427</u>
Supporting services-			
Management and general	314,476	-	314,476
Fundraising	<u>529,516</u>	<u>-</u>	<u>529,516</u>
Total supporting services	<u>843,992</u>	<u>-</u>	<u>843,992</u>
Total expenses	<u>5,233,419</u>	<u>-</u>	<u>5,233,419</u>
Change in net assets	(56,820)	(136,112)	(192,932)
Net assets, beginning of year	<u>3,931,629</u>	<u>1,195,370</u>	<u>5,126,999</u>
Net assets, end of year	<u>\$ 3,874,809</u>	<u>\$ 1,059,258</u>	<u>\$ 4,934,067</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				Total Program Services	Supporting Services			Total Expenses
	Community Impact	Disaster Management	Early Head Start	Other Programs		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	<u>665,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>665,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>665,059</u>
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.

Statement of Functional Expenses
Year Ended December 31, 2018

	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	\$ 278,579	\$ 44,611	\$ 974,784	\$ 84,779	\$ 1,382,753	\$ 213,885	\$ 278,192	\$ 492,077	\$ 1,874,830
Payroll taxes	21,753	3,567	74,374	6,816	106,510	15,496	20,409	35,905	142,415
Employee benefits	25,154	1,755	117,930	12,136	156,975	28,043	24,827	52,870	209,845
Total payroll and related expenses	<u>325,486</u>	<u>49,933</u>	<u>1,167,088</u>	<u>103,731</u>	<u>1,646,238</u>	<u>257,424</u>	<u>323,428</u>	<u>580,852</u>	<u>2,227,090</u>
Other expenses-									
Advertising	18,762	256	632	-	19,650	890	10,070	10,960	30,610
Campaign incentives	-	-	-	-	-	-	41,284	41,284	41,284
Childcare supplies	-	-	61,384	-	61,384	-	-	-	61,384
Conferences and meetings	1,856	12	14,880	914	17,662	1,563	1,482	3,045	20,707
Contract services	77,114	272	121,409	33,732	232,527	13,440	9,262	22,702	255,229
Depreciation	3,653	-	38,654	34,242	76,549	4,566	3,196	7,762	84,311
Dolly Parton Imagination Library	119,316	-	-	-	119,316	-	-	-	119,316
Dues and subscriptions	13,912	197	3,557	250	17,916	4,860	1,515	6,375	24,291
Equipment	194	-	3,420	-	3,614	8,664	1,728	10,392	14,006
Event expenses	4,459	-	-	23,696	28,155	17,904	43,119	61,023	89,178
In-kind donations	28,833	-	198,211	-	227,044	-	10,000	10,000	237,044
Indirect costs	69,800	-	56,284	-	126,084	(126,084)	-	(126,084)	-
Insurance	1,151	689	30,102	18,402	50,344	3,427	815	4,242	54,586
Interest expense	-	-	-	-	-	2,022	-	2,022	2,022
Leader in Me - Franklin Convey	790,062	-	-	-	790,062	-	-	-	790,062
Maintenance	8,853	-	58,841	26,577	94,271	17,195	3,765	20,960	115,231
Materials assistance	-	20,626	-	-	20,626	-	-	-	20,626
Miscellaneous	478	-	5,982	3,680	10,140	12,872	21,828	34,700	44,840
Occupancy expense	10,964	-	12,201	(56,349)	(33,184)	15,225	17,959	33,184	-
Postage	161	49	504	-	714	8,583	455	9,038	9,752
Printing and publications	828	7	6,533	269	7,637	7,662	14,162	21,824	29,461
Professional fees	-	-	4,975	-	4,975	48,778	-	48,778	53,753
Saving incentive program	11,713	-	-	-	11,713	-	-	-	11,713
Supplies	3,022	466	11,978	8,919	24,385	5,101	11,919	17,020	41,405
Telephone	720	780	10,585	10,968	23,053	1,920	4,360	6,280	29,333
Travel and transportation	1,968	2,034	38,675	692	43,369	5,883	4,657	10,540	53,909
United Way Worldwide dues	17,912	632	15,626	2,629	36,799	2,581	4,512	7,093	43,892
Utilities	-	-	28,365	75,373	103,738	-	-	-	103,738
Total other expenses	<u>1,185,731</u>	<u>26,020</u>	<u>722,798</u>	<u>183,994</u>	<u>2,118,543</u>	<u>57,052</u>	<u>206,088</u>	<u>263,140</u>	<u>2,381,683</u>
Grants to agencies	<u>624,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>624,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>624,646</u>
Total expenses	<u>\$ 2,135,863</u>	<u>\$ 75,953</u>	<u>\$ 1,889,886</u>	<u>\$ 287,725</u>	<u>\$ 4,389,427</u>	<u>\$ 314,476</u>	<u>\$ 529,516</u>	<u>\$ 843,992</u>	<u>\$ 5,233,419</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ (440,168)	\$ (192,932)
Adjustments to reconcile change in net assets to net cash used by operating activities -		
Depreciation	80,406	84,311
Net realized and unrealized gains on investments	(174,843)	84,938
Changes in assets and liabilities-		
(Increase) decrease in:		
Pledges receivable	219,576	(93,909)
Grants and other receivables	42,954	55,777
Prepaid expenses	9,140	(2,351)
Increase (decrease) in:		
Accounts payable	(27,716)	25,514
Accrued liabilities	(8,742)	2,001
Other payables	24,344	59,715
Compensated absences	(10,890)	2,121
Deferred revenue and advances	<u>(373,814)</u>	<u>(351,329)</u>
Net cash used by operating activities	<u>(659,753)</u>	<u>(326,144)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(27,069)	(10,831)
Purchases of assets restricted for endowment fund	-	(269,975)
Proceeds from sale of investments	<u>240,438</u>	<u>300,606</u>
Net cash provided by investing activities	<u>213,369</u>	<u>19,800</u>
Cash flows from financing activities:		
Proceeds from notes payable	-	33,500
Principal payments on notes payable	<u>(22,970)</u>	<u>(15,414)</u>
Net cash provided (used) by financing activities	<u>(22,970)</u>	<u>18,086</u>
Net decrease in cash and cash equivalents	(469,354)	(288,258)
Cash and cash equivalents, beginning of year	<u>1,355,100</u>	<u>1,643,358</u>
Cash and cash equivalents, end of year	<u>\$ 885,746</u>	<u>\$ 1,355,100</u>
Supplemental disclosure for the statements of cash flows:		
Interest paid	<u>\$ 1,966</u>	<u>\$ 2,022</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 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, 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) during the year ended December 31, 2019. 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, 2019 and 2018, 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.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

The Organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

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, 2019 and 2018, the accrued compensated absences amounted to \$15,145 and \$26,035, respectively.

K. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$19,371 and \$30,610 for the years ended December 31, 2019 and 2018, 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, 2019, the Organization had 467 volunteers who provided 13,296 hours of donated services valued at \$338,123. For the year ended December 31, 2018, the Organization had 826 volunteers who provided 13,494 hours of donated services valued at \$333,162. 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>2019</u>	<u>2018</u>
Program services:		
Community Impact-		
Professional services	\$ 27,112	\$ 28,834
Early Head Start-		
Materials	89,334	145,438
Professional services	<u>68,485</u>	<u>52,773</u>
Total program services	<u>184,931</u>	<u>227,045</u>
Supporting services:		
Fundraising-		
Materials	<u>-</u>	<u>10,000</u>
Total	<u>\$ 184,931</u>	<u>\$ 237,045</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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.

N. Reclassifications

For comparative purposes, certain accounts in the prior year financial statements have been reclassified in order to conform to the presentation of the current year financial statements.

(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>2019</u>	<u>2018</u>
Financial assets, at year-end	\$3,311,185	\$4,108,664
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions-		
Restricted by donors in perpetuity	(713,634)	(713,634)
Restricted by donors with purpose restrictions	(1,545,913)	(2,023,534)
Board designations-		
Operating reserve	(198,677)	(307,918)
Specific programs	<u>(622,614)</u>	<u>(987,181)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 230,347</u>	<u>\$ 76,397</u>

As of December 31, 2019 and 2018, respectively, the Organization had \$230,347 and \$76,397 of financial assets available within 1 year of the statement of financial position date to meet cash needs for general expenditures consisting of pledges receivable of \$184,832 and \$63,379, grants receivable of \$30,203 and \$2,263, and other receivables of \$15,312 and \$10,755. 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.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(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, 2019 and 2018 consists of the following:

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>

December 31, 2018:

2018 Campaign	\$ 1,594,283	
Less: allowance for uncollectible pledges	<u>(152,977)</u>	\$ 1,441,306
2017 Campaign	255,210	
Less: allowance for uncollectible pledges	<u>(185,632)</u>	69,578
2013 Campaign	13,500	
Less: allowance for uncollectible pledges	<u>-</u>	<u>13,500</u>
		<u>\$ 1,524,384</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, 2019 and 2018:

<u>Investment Type</u>	<u>2019</u>	<u>2018</u>
Equities	\$ 694,632	\$ 696,333
Corporate and government bonds	<u>367,772</u>	<u>431,666</u>
	<u>\$ 1,062,404</u>	<u>\$ 1,127,999</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2019 and 2018:

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

December 31, 2019:

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

December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 52,627	\$ -	\$ 52,627
Net realized gains	36,616	-	36,616
Net unrealized losses	<u>(121,554)</u>	<u>-</u>	<u>(121,554)</u>
Total return on investments	<u>\$(32,311)</u>	<u>\$ -</u>	<u>\$(32,311)</u>

(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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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, 2019, the Organization did not have underwater endowments.

Endowment net asset composition by type of fund as of December 31, 2019 and 2018 is as follows:

December 31, 2019:

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

December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 437,183	\$ -	\$ 437,183
Donor-restricted endowment funds	-	713,634	713,634
Total funds	<u>\$ 437,183</u>	<u>\$ 713,634</u>	<u>\$ 1,150,817</u>

Changes in endowment net assets for the years ended December 31, 2019 and 2018 are as follows:

December 31, 2019:

	Without Donor Restrictions	With Donor 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)	174,843	-	174,843
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)

December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 567,218	\$ 713,634	\$1,280,852
Distributions	(63,200)	-	(63,200)
Investment income (net of fees)	18,103	-	18,103
Net unrealized/realized gain (loss)	(84,938)	-	(84,938)
Endowment net assets, end of year	<u>\$ 437,183</u>	<u>\$ 713,634</u>	<u>\$1,150,817</u>

(6) Property and Equipment

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

	2019	2018
Land	\$ 585,000	\$ 585,000
Building and improvements	3,138,929	3,111,860
Office furniture and equipment	<u>241,374</u>	<u>241,374</u>
Total property and equipment	3,965,303	3,938,234
Less accumulated depreciation	<u>(1,217,160)</u>	<u>(1,136,754)</u>
Property and equipment, net	<u>\$2,748,143</u>	<u>\$2,801,480</u>

Total depreciation expense for the years ended December 31, 2019 and 2018 was \$80,406 and \$84,311, 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 \$1,114,956 and \$1,153,610, which represents the carrying amount less accumulated depreciation of \$291,289 and \$252,635 at December 31, 2019 and 2018, respectively. Depreciation expense for the years ended December 31, 2019 and 2018 was \$38,654 and \$38,654, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(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 \$42,731 as of December 31, 2019.

(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 \$305,976 and \$722,521 for the years ended December 31, 2019 and 2018, respectively.

(9) Long-term Debt

Long-term debt at December 31, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</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.	\$ 72,207	\$ 77,177
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.	<u>121,500</u>	<u>139,500</u>
	193,707	216,677
Less current portion	<u>(23,102)</u>	<u>(22,970)</u>
Long-term debt	<u>\$ 170,605</u>	<u>\$ 193,707</u>

Scheduled maturities of long-term debt as of December 31, 2019 are as follows:

Years ending December 31:	
2020	\$ 23,102
2021	23,237
2022	23,376
2023	73,019
2024	5,666
Thereafter	<u>45,307</u>
Total	<u>\$ 193,707</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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Designated by the Board-		
Reserve Fund	\$ 198,677	\$ 307,918
PACT Allocations/Agency Contracts	109,999	549,998
Endowment Fund Earnings:		
Community Fund	197,515	253,175
Operational Fund	171,618	77,252
UNOCAL Venture Grant Fund	<u>143,482</u>	<u>106,756</u>
	821,291	1,295,099
Undesignated	<u>2,713,908</u>	<u>2,579,710</u>
	<u>\$ 3,535,199</u>	<u>\$ 3,874,809</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, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished:		
Adopt a School	\$ -	\$ 2,109
Earn, Save, Succeed	163,649	190,900
Dolly Parton Imagination Library	10,000	-
Leader in Me	1,022,886	948,081
Stuff the Bus	23,197	19,031
UW Readers	104	21,728
Hurricane and Disaster Relief Contributions	7,711	13,268
Disaster Response - 2016 Flood	<u>72,215</u>	<u>62,052</u>
Total	<u>\$ 1,299,762</u>	<u>\$ 1,257,169</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, 2019 and 2018:

	2019	2018
Subject to expenditure for specified purpose:		
Adopt a School	\$ 148	\$ 148
Bank On	13,196	13,196
Earn, Save, Succeed	-	37,662
Leader in Me	151,855	137,105
Partners in Early Childhood Education	150	150
Stuff the Bus	10,245	12,282
Got IT	1,000	-
Hurricane and Disaster Relief Contributions	64,336	68,796
Disaster Response - 2016 Flood	3,194	75,343
Hurricane Harvey	942	942
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	240,000	240,000
Total net assets with donor restrictions	\$ 958,700	\$ 1,059,258

(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:

Timing:	2019	2018
Services transferred over time	\$ 62,681	\$ 92,864

(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, 2019 and 2018, the Organization made contributions in the amount of \$24,866 and \$29,590, 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, 2019 and 2018:

Investment Type	December 31, 2019			
	Total	Level 1	Level 2	Level 3
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>

Investment Type	December 31, 2018			
	Total	Level 1	Level 2	Level 3
Equities	\$ 696,333	\$ 696,333	\$ -	\$ -
Corporate and government bonds	431,666	431,666	-	-
	<u>\$ 1,127,999</u>	<u>\$ 1,127,999</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, 2019 and 2018, the Organization's cash balances exceeded FDIC coverage by \$547,952 and \$855,360, 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, 2019.

(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, 2019, including interim periods within those fiscal years. The Organization is evaluating the potential impact of the amendment on the Organization's financial statements.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(21) Change in Accounting Pronouncements

The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09 Revenue from Contracts with Customers (Topic 606), using the modified retrospective approach with January 1, 2019 as the initial date of application; applying to all contracts not completed at the date of application. The Organization elected to use all available practical expedients provided in the transition guidance, which includes the omission of prior-period information about remaining performance obligations which are not material to the prior year restated information.

Prior to the adoption of Topic 606, service fees were recognized at the time promises to give (pledges) for funds raised on the behalf of third parties were made by the donor. The adoption of Topic 606 resulted in recognizing all service fees over the performance obligations. The adoption of Topic 606 did not result in a restatement of net assets as of January 1, 2018 and had no effect on revenues for the year ending December 31, 2018.

During the year ended December 31, 2018, the Organization adopted FASB ASU 2016-14 Not-for-Profit Entities (Topic 958): “Presentation of Financial Statements for Non-Profit Entities”. The update was applied to the financial statements retroactively.

Implementation of ASU 2016-14 changed the classification of net assets from three groups to two groups: net assets with donor restrictions and net assets without donor restrictions. In addition, a reporting of expenses by their natural expense classification as well as their functional classification was added, as presented in the Statements of Functional Expenses in the accompanying financial statements. Also, quantitative information in the notes to the financial statements on how an Organization manages its liquid available resources and liquidity risks is required.

(22) Subsequent Event 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 July 2, 2020, 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, 2019 and 2018

	<u>Type</u>	<u>2019</u>	<u>2018</u>
Iberia Bank (Operating Account)	Checking Account	\$ 200,534	\$ 266,724
Chase (Reserve Account)	Checking Account	-	276,207
Whitney National Bank (CFC Account)	Checking Account	-	5,073
Iberia Bank (Hurricane Fund/Leader In Me)	Checking Account	322,690	752,568
Iberia Bank (Reserve Fund)	Checking Account	<u>198,677</u>	<u>31,711</u>
Total Cash and Cash Equivalents in Current Assets		721,901	1,332,283
Cash Restricted for Endowment Fund: Summit Financial (Endowment Fund)	Money Market	<u>163,845</u>	<u>22,817</u>
Total Cash and Cash Equivalents		<u>\$ 885,746</u>	<u>\$ 1,355,100</u>

UNITED WAY OF ACADIANA, INC.

Schedules of Grant Disbursements
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Acadia Council on Aging	\$ 7,500	\$ 11,250
Acadiana Outreach Center	12,584	9,438
American Red Cross	62,500	75,000
ASSIST Agency	3,524	2,643
Big Brothers Big Sisters of Acadiana	33,054	24,790
Boys & Girls Clubs of Acadiana	55,840	41,880
Catholic Services of Acadiana	88,640	66,480
Empowering the Community for Excellence	8,558	6,419
Evangeline Area Boy Scouts	19,910	14,933
Faith House, Inc.	38,258	28,694
Family Service Division Program - 16th Judicial District Attorney	21,181	15,886
Foodnet	5,469	8,203
Hearts of Hope	22,300	16,725
Lafayette Council on Aging	7,500	-
Lafayette Parish School Board - Student Services	-	50,000
LAUW (pass through to 232-Help/LA 211)	128,028	125,945
Leader.org	-	19,250
Love Our Schools	25,000	-
New Hope Community Development of Acadiana	6,739	5,054
Second Harvest Food Bank	19,358	14,519
St Martin Parish Access to Care	50,105	37,579
The Family Tree	12,500	22,575
VITA, Inc.	36,511	27,383
Total	<u>\$ 665,059</u>	<u>\$ 624,646</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
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Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
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Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

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.KCSRCPAS.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, 2019, 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 July 2, 2020.

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) 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 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
July 2, 2020

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.KCSRPCAS.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, 2019. 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, 2019.

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
July 2, 2020

UNITED WAY OF ACADIANA, INC.

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-through Identifying Number	CFDA Number	Expenditures
U. S. Department of Treasury:			
Direct Program -			
Volunteer Income Tax Assistance	N/A	21.009	\$ 52,829
U.S. Department of Health and Human Services:			
Direct Program -			
Head Start	N/A	93.600	<u>1,584,626</u>
Total Direct Awards			1,637,455
U.S. Department of Agriculture:			
Passed through Louisiana Department of Education			
Child and Adult Care Food Program	Unknown	10.558	<u>57,313</u>
Total Federal Awards			<u>\$1,694,768</u>

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

(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, 2019. 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, 2019. 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, 2019

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 (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, 2019

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, 2019

A. Compliance Findings-

There were no findings reported under this section.

B. Internal Control Findings-

There were no findings reported under this section.