

UNITED WAY OF ACADIANA, INC.

Financial Report

Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

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

Report on the Financial Statements

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of Acadiana, Inc. as of December 31, 2022 and 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Acadiana, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about United Way of Acadiana Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we; exercise professional judgment and maintain professional skepticism throughout the audit. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit 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 United Way of Acadiana Inc's internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Acadiana Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 September 28, 2023, 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
September 28, 2023

FINANCIAL STATEMENTS

UNITED WAY OF ACADIANA, INC.

Statements of Financial Position
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,268,312	\$ 1,356,745
Investments	2,289,626	706,419
Pledges receivable, net of allowance for doubtful accounts (\$433,726 and \$121,881 at December 31, 2022 and 2021, respectively)	538,834	758,619
Grants receivable	246,173	269,099
Other receivables	201,643	155,045
Prepaid expenses	<u>26,699</u>	<u>38,293</u>
Total current assets	<u>4,571,287</u>	<u>3,284,220</u>
Property and equipment, net of accumulated depreciation (\$1,459,185 and \$1,378,520 at December 31, 2022 and 2021, respectively)	<u>2,506,118</u>	<u>2,586,783</u>
Other assets:		
Assets restricted for endowment- Investments	<u>713,634</u>	<u>713,634</u>
Total assets	<u>\$ 7,791,039</u>	<u>\$ 6,584,637</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 270,563	\$ 78,180
Accrued liabilities	36,735	3,821
Payable to other United Ways	44,047	134,556
Payable to other organizations	31,679	36,830
Compensated absences	24,791	26,175
Advances	51,726	50,701
Current maturities of long-term debt	<u>77,357</u>	<u>23,376</u>
Total current liabilities	536,898	353,639
Noncurrent liabilities:		
Long-term debt, less current portion	<u>51,438</u>	<u>128,492</u>
Total liabilities	<u>588,336</u>	<u>482,131</u>
Net assets:		
Without donor restrictions	4,572,521	4,915,296
With donor restrictions	<u>2,630,182</u>	<u>1,187,210</u>
Total net assets	<u>7,202,703</u>	<u>6,102,506</u>
Total liabilities and net assets	<u>\$ 7,791,039</u>	<u>\$ 6,584,637</u>

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities
Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Contributions and pledges	\$ 1,140,296	\$ 2,000,140	\$ 3,140,436
Less: donor designations	(86,628)	-	(86,628)
Less: uncollectible pledges	<u>(409,512)</u>	<u>-</u>	<u>(409,512)</u>
Net contributions and pledges	644,156	2,000,140	2,644,296
Grant revenue	1,880,370	305,110	2,185,480
In-kind income	104,068	-	104,068
Lease income	306,570	-	306,570
Program income	262,566	-	262,566
Service fees	10,902	-	10,902
Other	450,607	-	450,607
Interest and dividends	66,505	387	66,892
Net realized and unrealized gains (losses) on investments	(361,172)	-	(361,172)
Net assets released from restrictions	<u>862,665</u>	<u>(862,665)</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,227,237</u>	<u>1,442,972</u>	<u>5,670,209</u>
Expenses:			
Program services-			
Community impact	1,355,775	-	1,355,775
Disaster management	33,794	-	33,794
Early Head Start	1,849,327	-	1,849,327
Other programs	<u>633,402</u>	<u>-</u>	<u>633,402</u>
Total program services	<u>3,872,298</u>	<u>-</u>	<u>3,872,298</u>
Supporting services-			
Management and general	516,954	-	516,954
Fundraising	<u>180,760</u>	<u>-</u>	<u>180,760</u>
Total supporting services	<u>697,714</u>	<u>-</u>	<u>697,714</u>
Total expenses	<u>4,570,012</u>	<u>-</u>	<u>4,570,012</u>
Change in net assets	(342,775)	1,442,972	1,100,197
Net assets, beginning of year	<u>4,915,296</u>	<u>1,187,210</u>	<u>6,102,506</u>
Net assets, end of year	<u>\$ 4,572,521</u>	<u>\$ 2,630,182</u>	<u>\$ 7,202,703</u>

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities
Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Contributions and pledges	\$ 1,507,919	\$ 171,696	\$ 1,679,615
Less: donor designations	(53,095)	-	(53,095)
Less: uncollectible pledges	<u>(121,881)</u>	<u>-</u>	<u>(121,881)</u>
Net contributions and pledges	1,332,943	171,696	1,504,639
Grant revenue	1,530,325	601,773	2,132,098
In-kind income	59,759	-	59,759
Lease income	223,424	-	223,424
Program income	282,019	-	282,019
Service fees	44,984	-	44,984
Other	925,347	47,100	972,447
Interest and dividends	32,066	-	32,066
Net realized and unrealized gains (losses) on investments	190,744	-	190,744
Net assets released from restrictions	<u>749,988</u>	<u>(749,988)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,371,599</u>	<u>70,581</u>	<u>5,442,180</u>
Expenses:			
Program services-			
Community impact	1,335,648	-	1,335,648
Disaster management	87,431	-	87,431
Early Head Start	1,646,871	-	1,646,871
Other programs	<u>524,970</u>	<u>-</u>	<u>524,970</u>
Total program services	<u>3,594,920</u>	<u>-</u>	<u>3,594,920</u>
Supporting services-			
Management and general	222,171	-	222,171
Fundraising	<u>255,037</u>	<u>-</u>	<u>255,037</u>
Total supporting services	<u>477,208</u>	<u>-</u>	<u>477,208</u>
Total expenses	<u>4,072,128</u>	<u>-</u>	<u>4,072,128</u>
Change in net assets	1,299,471	70,581	1,370,052
Net assets, beginning of year	<u>3,615,825</u>	<u>1,116,629</u>	<u>4,732,454</u>
Net assets, end of year	<u>\$ 4,915,296</u>	<u>\$ 1,187,210</u>	<u>\$ 6,102,506</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, 2022

	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	\$ 292,908	\$ 7,199	\$ 1,072,867	\$ 232,713	\$ 1,605,687	\$ 194,159	\$ 70,468	\$ 264,627	\$ 1,870,314
Payroll taxes	24,287	561	79,365	17,084	121,297	13,129	5,356	18,485	139,782
Employee benefits	40,871	628	124,525	36,759	202,783	22,525	5,646	28,171	230,954
Total payroll and related expenses	<u>358,066</u>	<u>8,388</u>	<u>1,276,757</u>	<u>286,556</u>	<u>1,929,767</u>	<u>229,813</u>	<u>81,470</u>	<u>311,283</u>	<u>2,241,050</u>
Other expenses-									
Advertising	6,074	-	3,448	195	9,717	1,638	9,388	11,026	20,743
Childcare supplies	-	-	54,860	57,715	112,575	-	-	-	112,575
Conferences and meetings	3,343	-	26,823	1,352	31,518	2,352	1,171	3,523	35,041
Contract services	17,235	-	140,146	4,692	162,073	121,439	30,885	152,324	314,397
Depreciation	3,361	-	38,654	31,509	73,524	2,731	4,411	7,142	80,666
Dolly Parton Imagination Library	6,100	-	-	-	6,100	-	-	-	6,100
Dues and subscriptions	5,626	-	8,821	-	14,447	1,274	-	1,274	15,721
Equipment	12,612	-	-	-	12,612	6,449	-	6,449	19,061
Event expenses	44,208	12	-	1,227	45,447	5,277	19,832	25,109	70,556
In-kind donations	-	-	104,068	-	104,068	-	-	-	104,068
Insurance	2,847	10	18,912	37,632	59,401	34,958	1,449	36,407	95,808
Interest expense	-	-	-	-	-	2,508	-	2,508	2,508
Leader in Me - Franklin Convey	320,224	-	-	-	320,224	-	-	-	320,224
Maintenance	1,930	-	50,370	17,442	69,742	15,544	-	15,544	85,286
Miscellaneous	2,778	24	3,737	-	6,539	7,033	24,386	31,419	37,958
Postage	-	-	271	302	573	1,755	52	1,807	2,380
Printing and publications	2,914	-	1,103	888	4,905	2,385	2,222	4,607	9,512
Professional fees	-	-	5,815	-	5,815	79,043	-	79,043	84,858
Supplies	5,714	-	22,517	4,501	32,732	(252)	3,532	3,280	36,012
Telephone	-	360	9,211	2,349	11,920	587	400	987	12,907
Travel and transportation	1,998	-	31,854	27	33,879	-	334	334	34,213
United Way Worldwide dues	15,897	-	17,401	3,158	36,456	2,420	1,228	3,648	40,104
Unmet needs/utility assistance	-	-	-	107,700	107,700	-	-	-	107,700
Utilities	-	-	34,559	76,157	110,716	-	-	-	110,716
Total other expenses	<u>452,861</u>	<u>406</u>	<u>572,570</u>	<u>346,846</u>	<u>1,372,683</u>	<u>287,141</u>	<u>99,290</u>	<u>386,431</u>	<u>1,759,114</u>
Grants to agencies	<u>544,848</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>569,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,848</u>
Total expenses	<u>\$ 1,355,775</u>	<u>\$ 33,794</u>	<u>\$ 1,849,327</u>	<u>\$ 633,402</u>	<u>\$ 3,872,298</u>	<u>\$ 516,954</u>	<u>\$ 180,760</u>	<u>\$ 697,714</u>	<u>\$ 4,570,012</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, 2021

	Program Services					Supporting Services			
	Community Impact	Disaster Management	Early Head Start	Other Programs	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Total Expenses
Salaries and wages	\$ 164,960	\$ 31,750	\$ 968,664	\$ 299,297	\$ 1,464,671	\$ 73,780	\$ 185,010	\$ 258,790	\$ 1,723,461
Payroll taxes	11,763	2,360	72,423	20,799	107,345	5,695	13,450	19,145	126,490
Employee benefits	9,061	4,105	106,842	37,973	157,981	10,552	12,182	22,734	180,715
Total payroll and related expenses	<u>185,784</u>	<u>38,215</u>	<u>1,147,929</u>	<u>358,069</u>	<u>1,729,997</u>	<u>90,027</u>	<u>210,642</u>	<u>300,669</u>	<u>2,030,666</u>
Other expenses-									
Advertising	14,123	-	412	4,189	18,724	370	459	829	19,553
Campaign incentives	-	-	-	-	-	-	179	179	179
Childcare supplies	-	-	58,324	-	58,324	-	-	-	58,324
Conferences and meetings	34,500	22	6,236	539	41,297	617	453	1,070	42,367
Contract services	80,490	16,370	132,455	775	230,090	45,958	-	45,958	276,048
Depreciation	3,363	-	38,654	31,530	73,547	4,204	2,943	7,147	80,694
Dolly Parton Imagination Library	10,434	-	-	-	10,434	-	-	-	10,434
Dues and subscriptions	7,485	50	1,988	255	9,778	700	901	1,601	11,379
Equipment	-	-	-	-	-	7,680	-	7,680	7,680
Event expenses	30,872	971	-	660	32,503	591	6,921	7,512	40,015
In-kind donations	-	-	59,759	-	59,759	-	-	-	59,759
Indirect costs	-	-	9,722	-	9,722	(6,037)	-	(6,037)	3,685
Insurance	2,687	84	27,947	22,590	53,308	2,175	2,991	5,166	58,474
Interest expense	-	-	-	-	-	4,294	-	4,294	4,294
Leader in Me - Franklin Convey	361,660	-	-	-	361,660	-	-	-	361,660
Maintenance	-	-	46,886	15,315	62,201	33,009	582	33,591	95,792
Miscellaneous	11	-	4,713	46	4,770	9,295	21,204	30,499	35,269
Occupancy expense	-	-	15,822	-	15,822	(15,822)	-	(15,822)	-
Postage	80	-	254	103	437	5,002	218	5,220	5,657
Printing and publications	863	-	1,116	1	1,980	5,262	674	5,936	7,916
Professional fees	-	-	9,803	-	9,803	28,426	-	28,426	38,229
Supplies	1,583	680	13,462	7,804	23,529	3,662	2,963	6,625	30,154
Telephone	-	90	8,607	7,037	15,734	419	880	1,299	17,033
Travel and transportation	1,431	640	16,278	-	18,349	-	346	346	18,695
United Way Worldwide dues	14,051	921	17,323	5,522	37,817	2,339	2,681	5,020	42,837
Unmet needs/material assistance	-	29,388	-	-	29,388	-	-	-	29,388
Utilities	-	-	29,181	70,535	99,716	-	-	-	99,716
Total other expenses	<u>563,633</u>	<u>49,216</u>	<u>498,942</u>	<u>166,901</u>	<u>1,278,692</u>	<u>132,144</u>	<u>44,395</u>	<u>176,539</u>	<u>1,455,231</u>
Grants to agencies	<u>586,231</u>	-	-	-	<u>586,231</u>	-	-	-	<u>586,231</u>
Total expenses	<u>\$ 1,335,648</u>	<u>\$ 87,431</u>	<u>\$ 1,646,871</u>	<u>\$ 524,970</u>	<u>\$ 3,594,920</u>	<u>\$ 222,171</u>	<u>\$ 255,037</u>	<u>\$ 477,208</u>	<u>\$ 4,072,128</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,100,197	\$ 1,370,052
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	80,666	80,694
Net realized and unrealized (gains) losses on investments	361,172	(190,744)
Changes in assets and liabilities-		
(Increase) decrease in:		
Pledges receivable	219,785	176,935
Grants and other receivables	(23,672)	(101,304)
Prepaid expenses	11,594	(4,347)
Increase (decrease) in:		
Accounts payable	192,383	30,865
Accrued liabilities	32,914	(10,719)
Contracts payable	-	(375,000)
Other payables	(95,660)	(565,580)
Compensated absences	(1,384)	(4,878)
Deferred revenue and advances	<u>1,025</u>	<u>(179,991)</u>
Net cash provided by operating activities	<u>1,879,020</u>	<u>225,983</u>
Cash flows from investing activities:		
Purchases of investments	<u>(1,944,380)</u>	<u>(67,343)</u>
Cash flows from financing activities:		
Principal payments on notes payable	<u>(23,073)</u>	<u>(439,738)</u>
Net decrease in cash and cash equivalents	(88,433)	(281,098)
Cash and cash equivalents, beginning of year	<u>1,356,745</u>	<u>1,637,843</u>
Cash and cash equivalents, end of year	<u>\$ 1,268,312</u>	<u>\$ 1,356,745</u>
Supplemental disclosure for the statements of cash flows:		
Interest paid	<u>\$ 2,508</u>	<u>\$ 4,294</u>

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

(1) Nature of Organization and Significant Accounting Policies

A. Organization and Purpose

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

B. Basis of Accounting

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

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

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

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

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

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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

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

C. Cash and Cash Equivalents

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

D. Provision for Uncollectible Pledges

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

E. Investments

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

F. Property and Equipment

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

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

G. Revenue and Expense Recognition

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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

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

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

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

H. Functional Allocation of Expenses

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

I. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. Accounting principles generally accepted in the United States of American require the Organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclose in the financial statements. The Organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

J. Compensated Absences

The Organization allows employees paid vacation, sick days, and personal days off, depending on job classification, length of service, and other factors. Upon separation, employees are paid for any unused vacation through the date of separation at their current rate of pay. At December 31, 2022 and 2021, the accrued compensated absences amounted to \$24,791 and \$26,175, respectively.

K. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$20,743 and \$19,553 for the years ended December 31, 2022 and 2021, 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, 2022, the Organization had 377 volunteers who provided 2,307 hours of donated services valued at \$73,363. For the year ended December 31, 2021, the Organization had 3,221 volunteers who provided 2,841 hours of donated services valued at \$77,275. 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>2022</u>	<u>2021</u>
Program services:		
Early Head Start-		
Materials	\$ 74,789	\$ 25,373
Professional services	<u>29,279</u>	<u>34,386</u>
Total program services	<u>\$ 104,068</u>	<u>\$ 59,759</u>

M. Use of Estimates

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(2) Liquidity and Availability of Financial Assets

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

	<u>2022</u>	<u>2021</u>
Financial assets, at year-end	\$ 5,258,222	\$ 3,959,561
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	(2,044,000)	(695,663)
Board designations-		
Operating reserve	(199,215)	(199,000)
Specific programs	<u>(882,333)</u>	<u>(986,650)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,419,040</u>	<u>\$ 1,364,614</u>

As of December 31, 2022 and 2021, respectively, the Organization had \$1,419,040 and \$1,364,614 of financial assets available within 1 year of the statement of financial position date to meet cash needs for general expenditures consisting of investments of \$508,116 and \$240,427, pledges receivable of \$463,108 and \$700,043, grants receivable of \$246,173 and \$269,099, and other receivables of \$201,643 and \$155,045. As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligation become due.

(3) Pledges Receivable

Pledges receivable are due within a year from the date of the contribution. The annual campaign pledges receivable for the years ended December 31, 2022 and 2021 consists of the following:

December 31, 2022:

2022 Campaign	\$ 538,590	
Less: allowance for uncollectible pledges	<u>(63,431)</u>	
		\$ 475,159
2021 Campaign	433,970	
Less: allowance for uncollectible pledges	<u>(370,295)</u>	
		<u>63,675</u>
		<u>\$ 538,834</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

December 31, 2021:

2021 Campaign	\$ 834,390	
Less: allowance for uncollectible pledges	<u>(75,771)</u>	\$ 758,619
2020 Campaign	46,110	
Less: allowance for uncollectible pledges	<u>(46,110)</u>	<u>-</u>
		<u>\$ 758,619</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, 2022 and 2021:

<u>Investment Type</u>	<u>2022</u>	<u>2021</u>
Equities	\$1,747,493	\$1,015,314
Fixed income	<u>1,255,767</u>	<u>404,739</u>
	<u>\$3,003,260</u>	<u>\$1,420,053</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2022 and 2021:

December 31, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 66,505	\$ 387	\$ 66,892
Net realized gains	13,252	-	13,252
Net unrealized gains (losses)	<u>(374,424)</u>	<u>-</u>	<u>(374,424)</u>
Total return on investments	<u>\$ (268,163)</u>	<u>\$ 387</u>	<u>\$ (267,776)</u>

December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 32,066	\$ -	\$ 32,066
Net realized gains	42,535	-	42,535
Net unrealized gains (losses)	<u>148,209</u>	<u>-</u>	<u>148,209</u>
Total return on investments	<u>\$ 222,810</u>	<u>\$ -</u>	<u>\$ 222,810</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(5) Donor-Restricted Endowments

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

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

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

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

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2022 and 2021, the Organization did not have underwater endowments.

Endowment net asset composition by type of fund as of December 31, 2022 and 2021 is as follows:

December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 673,142	\$ -	\$ 673,142
Donor-restricted endowment funds	-	713,634	713,634
Total funds	<u>\$ 673,142</u>	<u>\$ 713,634</u>	<u>\$ 1,386,776</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 783,795	\$ -	\$ 783,795
Donor-restricted endowment funds	-	713,634	713,634
Total funds	<u>\$ 783,795</u>	<u>\$ 713,634</u>	<u>\$ 1,497,429</u>

Changes in endowment net assets for the years ended December 31, 2022 and 2021 are as follows:

December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 783,795	\$ 713,634	\$ 1,497,429
Investment income (net of fees)	30,200	-	30,200
Net unrealized/realized gain (loss)	<u>(140,853)</u>	<u>-</u>	<u>(140,853)</u>
Endowment net assets, end of year	<u>\$ 673,142</u>	<u>\$ 713,634</u>	<u>\$ 1,386,776</u>

December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 576,607	\$ 713,634	\$ 1,290,241
Investment income (net of fees)	16,444	-	16,444
Net unrealized/realized gain (loss)	<u>190,744</u>	<u>-</u>	<u>190,744</u>
Endowment net assets, end of year	<u>\$ 783,795</u>	<u>\$ 713,634</u>	<u>\$ 1,497,429</u>

(6) Property and Equipment

Property and equipment consist of the following as of December 31, 2022 and 2021:

	2022	2021
Land	\$ 585,000	\$ 585,000
Building and improvements	3,138,929	3,138,929
Office furniture and equipment	<u>241,374</u>	<u>241,374</u>
Total property and equipment	3,965,303	3,965,303
Less accumulated depreciation	<u>(1,459,185)</u>	<u>(1,378,520)</u>
Property and equipment, net	<u>\$ 2,506,118</u>	<u>\$ 2,586,783</u>

Total depreciation expense for the years ended December 31, 2022 and 2021 was \$80,666 and \$80,694, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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 \$998,995 and \$1,037,649 which represents the carrying amount less accumulated depreciation of \$407,250 and \$368,596 at December 31, 2022 and 2021, respectively. Depreciation expense for the years ended December 31, 2022 and 2021 was \$38,654.

(7) Leases

The Organization leases warehouse space to various tenants. The warehouse leases are operating lease agreements with varying terms that range from month-to-month to five years.

The following is an analysis of the carrying amounts of the underlying assets related to the operating leases:

	<u>2022</u>	<u>2021</u>
Land	\$ 502,010	\$ 502,010
Building and improvements	<u>1,732,655</u>	<u>1,732,655</u>
Total cost	2,234,665	2,234,665
Less accumulated depreciation	<u>(812,543)</u>	<u>(771,803)</u>
Total cost, net	<u>\$1,422,122</u>	<u>\$1,462,862</u>

The following is an analysis of the maturity of the undiscounted operating lease payments:

Years ending December 31:	
2023	\$ 64,280
2024	45,500
2025	45,500
2026	45,500
2027	<u>34,128</u>
Total	<u>\$ 234,908</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(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 \$51,726 and \$50,701 for the years ended December 31, 2022 and 2021, respectively.

(9) Long-term Debt

Long-term debt at December 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</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.	\$ 56,945	\$ 61,868
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>71,850</u>	<u>90,000</u>
	128,795	151,868
Less current portion	<u>(77,357)</u>	<u>(23,376)</u>
Long-term debt	<u>\$ 51,438</u>	<u>\$ 128,492</u>

Scheduled maturities of long-term debt as of December 31, 2022 are as follows:

Years ending December 31:	
2023	\$ 77,357
2024	5,666
2025	5,816
2026	5,971
2027	6,130
Thereafter	<u>27,855</u>
Total	<u>\$ 128,795</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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Designated by the Board-		
Reserve Fund	\$ 199,215	\$ 199,000
PACT Allocations/Agency Contracts	209,192	202,855
Endowment Fund Earnings:		
Community Fund	254,634	294,364
Operational Fund	224,546	260,843
UNOCAL Venture Grant Fund	<u>193,961</u>	<u>228,588</u>
	1,081,548	1,185,650
Undesignated	<u>3,490,973</u>	<u>3,729,646</u>
	<u>\$4,572,521</u>	<u>\$4,915,296</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, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Purpose restrictions accomplished:		
Community Impact Support	\$ 41,441	\$ 113,939
Dolly Parton Imagination Library	-	1,882
Leader in Me	308,130	442,929
Stuff the Bus	28,823	595
Hurricane and Disaster Relief Contributions	41,425	29,628
Hurricane Delta/Laura	2,550	-
Bank On	4,309	12,745
Lafayette Education Foundation	267,935	-
Learn United	6,744	-
Got IT	2,013	941
EITC	110,204	54,441
My Community Cares	45,360	51,930
COVID-19	<u>3,731</u>	<u>40,958</u>
Total	<u>\$ 862,665</u>	<u>\$ 749,988</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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Adopt a School	\$ 148	\$ 148
Bank On	-	4,309
Community Impact Support	-	41,441
Earned Income Tax Credit (EITC)	23,493	25,888
Leader in Me	-	113,848
Partners in Early Childhood Education	150	150
Stuff the Bus	-	28,823
Got IT	461	2,474
Hurricane and Disaster Relief Contributions	73,650	100,933
Disaster Response - 2016 Flood	1,110	1,110
Hurricane Harvey	942	942
Learn United	-	6,744
COVID	61,661	63,892
My Community Cares	-	45,360
Hurricane Delta/Laura	34,965	37,514
Lafayette Education Foundation	1,719,968	-
Subject to spending policy and appropriation:		
Investments in perpetuity-		
Community Fund	243,289	243,289
Operational Fund	230,345	230,345
UNOCAL Venture Grant Fund	<u>240,000</u>	<u>240,000</u>
Total net assets with donor restrictions	<u>\$2,630,182</u>	<u>\$1,187,210</u>

(13) 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, 2022 and 2021, the Organization made contributions in the amount of \$30,932 and \$9,141, respectively.

(14) 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).

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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, 2022 and 2021:

Investment Type	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Equities	\$1,747,493	\$1,747,493	\$ -	\$ -
Fixed income	1,255,767	1,255,767	-	-
	<u>\$3,003,260</u>	<u>\$3,003,260</u>	<u>\$ -</u>	<u>\$ -</u>

Investment Type	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Equities	\$1,015,314	\$1,015,314	\$ -	\$ -
Fixed income	404,739	404,739	-	-
	<u>\$1,420,053</u>	<u>\$1,420,053</u>	<u>\$ -</u>	<u>\$ -</u>

(15) 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, 2022 and 2021, the Organization's cash balances exceeded FDIC coverage by \$992,351 and \$1,182,018, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(16) 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.

(17) 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.

(18) 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, 2022.

(19) New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, *Leases*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

Because the Organization elected the practical expedient to not reassess lease identification, classification, and initial direct costs, Topic 842 had no effect to beginning net assets or statement of financial position accounts related to lessor accounting.

(20) Subsequent Events Review

The Organization's management has evaluated subsequent events through September 28, 2023, 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, 2022 and 2021

	<u>Type</u>	<u>2022</u>	<u>2021</u>
Iberia Bank (Operating Account)	Checking Account	\$ 754,038	\$ 755,332
Iberia Bank (Hurricane Fund/Leader In Me)	Checking Account	211,575	325,036
Iberia Bank (Reserve Fund)	Checking Account	<u>199,215</u>	<u>199,000</u>
Total Cash and Cash Equivalents in Current Assets		1,164,828	1,279,368
Cash Restricted for Endowment Fund: Summit Financial (Endowment Fund)	Money Market	<u>103,484</u>	<u>77,377</u>
Total Cash and Cash Equivalents		<u>\$ 1,268,312</u>	<u>\$ 1,356,745</u>

UNITED WAY OF ACADIANA, INC.

Schedules of Grant Disbursements
Years Ended December 31, 2022 and 2021

	2022	2021
Acadia Council on Aging	\$ 10,000	\$ 10,000
Acadiana Outreach Center	13,000	13,000
American Red Cross	41,666	50,001
ARCH	7,500	3,750
ASSIST Agency	6,200	6,200
Big Brothers Big Sisters of Acadiana	30,000	30,000
Boy Scouts	-	2,500
Boys & Girls Clubs of Acadiana	45,000	50,000
CASA of SoLA	1,500	-
Catholic Charities of Acadiana	65,000	67,000
Clearport	12,335	7,730
Empowering the Community for Excellence	3,750	5,000
Escape from poverty	5,000	5,000
Evangeline Area Boy Scouts	-	-
Faith House, Inc.	38,250	40,500
Family Service Division Program - 16th Judicial District Attorney	10,000	20,000
Foster The Love	500	-
Girl Scouts of Louisiana	2,500	-
Hearts of Hope	18,000	18,000
Hospice of Acadiana Foundation	3,750	3,750
Iberia Comprehensive Community Health Center	5,000	-
Junior Achievement	5,000	5,000
Lafayette Council on Aging	5,000	10,000
LAUW (pass through to 232-Help/LA 211)	120,000	120,000
New Hope Community Development of Acadiana	5,000	3,750
Second Harvest Food Bank	25,800	25,800
St Martin Parish Access to Care/Telehealth for Tots	41,597	40,750
The Family Tree	12,500	12,500
VITA, Inc.	36,000	36,000
Total	<u>\$ 569,848</u>	<u>\$ 586,231</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
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Casey L. Ardoin, CPA, CFE*
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Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

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

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, 2022, 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 September 28, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on 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 financial statement. 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-002.

United Way of Acadiana, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on United Way of Acadiana, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. United Way of Acadiana, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
September 28, 2023

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
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C. Burton Kolder, CPA*
Of Counsel

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

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Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022

* A Professional Accounting Corporation

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Way of Acadiana, Inc.'s (Organization) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibility under those standards and the Uniform Guidance are further described in the Auditors Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of United Way of Acadiana and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of United Way of Acadiana, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to United Way of Acadiana, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Way of Acadiana, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about United Way of Acadiana, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we exercise professional judgment and maintain professional skepticism throughout the audit. We identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding United Way of Acadiana's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances. We obtain an understanding of United Way of Acadiana, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 United Way of Acadiana, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-005 and 2022-006. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on United Way of Acadiana, Inc.'s response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. United Way of Acadiana, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-004 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on United Way of Acadiana, Inc.'s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. United Way of Acadiana, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
September 28, 2023

UNITED WAY OF ACADIANA, INC.

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-through Identifying Number	CFDA Number	<u>Expenditures</u>
Direct Programs:			
U. S. Department of Treasury - Volunteer Income Tax Assistance	N/A	21.009	<u>\$ 52,829</u>
U.S. Department of Health and Human Services:			
Head Start Cluster:			
COVID - 19 Head Start	N/A	93.600	10,388
Head Start	N/A	93.600	<u>1,631,209</u>
Head Start Cluster			<u>1,641,597</u>
Total Direct Awards			1,694,426
U.S. Department of Agriculture:			
Passed through Louisiana Department of Education			
Child and Adult Care Food Program	Unknown	10.558	<u>53,568</u>
Total Federal Awards			<u>\$1,747,994</u>

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

(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, 2022. 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, 2022. 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, 2022

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 was one material weakness reported.
3. One instance 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*, was disclosed during the audit.
4. There was one significant deficiency in internal control over the major federal award program disclosed during the audit. One material weakness was 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 audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.
7. The program tested as a major program was: Head Start Cluster (93.600).
8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. United Way of Acadiana, Inc. was determined to not be a low-risk auditee.

Part II. Findings – Financial Statements Audit:

A. Internal Control Findings –

2022-001 Inadequate Controls Over the Recordation of Transactions and Reconciliations of Account Balances

Fiscal year finding initially occurred: 2021

CRITERIA: The Organization should have control policies and procedures designed to ensure that all transactions are properly recorded, and account balances are reconciled on a timely basis. Additionally, internal controls are necessary in order to safeguard assets from misappropriation.

CONDITION: The Organization does not have adequate controls over the recordation of transactions and the monthly reconciliations of account balances. Specific areas involved the following – (1) banking and bank reconciliations (2) pledges, grants, and other receivables (3) allowance for doubtful accounts/bad debt expense - pledges (4) deferred revenues (5) pledge revenues.

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

CAUSE: Due to inadequate policies and procedures, the Organization's general ledger transactions are not being properly recorded and monthly reconciliations are not being performed timely.

EFFECT: The Organization's general ledger accounts required material adjustments at the end of their fiscal period in order to correct account balances. As a result, management was unable to produce accurate monthly financial statements to the governing body of the organization.

RECOMMENDATION: The Organization should adhere to their policies and procedures to ascertain that transactions are properly recorded, and account balances are reconciled on a timely basis.

MANAGEMENT'S CORRECTIVE ACTION PLAN: In early 2022, the longstanding Finance Director at United Way of Acadiana resigned, resulting in subsequent changes in this role. However, in August 2023, we successfully recruited an experienced Finance Director. This newly appointed Finance Director is collaborating with a reputable third-party CPA firm to review and enhance our policies and procedures, with a focus on ensuring proper recording of account balances and timely reconciliations.

All the revised policies and procedures will be approved by the board of directors, and comprehensive training will be provided to all UWA staff to guarantee adherence to these updated guidelines.

B. Compliance Findings –

2022-002 Failure to File Audited Financial Statements Timely

Fiscal year finding initially occurred: 2021

CRITERIA: In accordance with Louisiana Revised Statute 24:513, the Organization must complete and submit an audit of their financial statements within six months of the close of their fiscal year to the Legislative Auditor's office.

CONDITION: The Organization's annual audited financial statements were not filed timely for the fiscal year ended December 31, 2022.

CAUSE: The Organization's management did not take the appropriate actions to ensure its annual financial statement audit was completed within six months of the close of their fiscal year.

EFFECT: The Organization did not comply with Louisiana Revised Statute 24.513.

RECOMMENDATION: The Organization should take necessary actions to ensure their annual financial statement audit is completed and submitted within six months of the close of their fiscal year.

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

MANAGEMENT'S CORRECTIVE ACTION PLAN: United Way of Acadiana has engaged the services of a reputable CPA firm, and we have also recruited a full-time in-house Finance Director, along with two additional support staff members. These additional team members are instrumental in ensuring that the financial statement audit is not only completed, but also submitted within the specified timeframe as required.

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

Internal Control Findings -

Material Weakness

U.S. Department of Health and Human Services:

2022-003 Controls Over Activities Allowed/Allowable Costs

Fiscal year finding initially occurred: 2021

Head Start Cluster (93.600)

CRITERIA: In accordance with the Uniform Guidance, the Organization should have internal controls over some or all of the compliance requirements for major federal programs.

CONDITION: The Organization's internal controls over activities allowed/allowable costs were determined to be ineffective during the performance of internal control testing over the major federal program.

CAUSE: The Organization did not adhere to their established controls and procedures over activities allowed/allowable costs.

EFFECT: The Organization may include costs that are not allowable in their cost of assistance. A sample of 93 transactions totaling \$128,271 was selected for testing from a population of 1,641 transactions. There were 7 disbursement transactions that were not approved by two employees in accordance with the organization's policy and 1 payroll timesheet did not have evidence of the employee or supervisor approval. There were 8 payroll transactions that did not have documentation to support the organization's policy that salaried employees work a minimum of 40 hours a week. There were two disbursement transactions charged to the program that were not related to the Head Start activities. One of these unallowable transactions was charged to the COVID 19 funding allocation. Our sample was a non-statistical sample.

RECOMMENDATION: The Organization should review their established policies and procedures for effectiveness and ensure all employees adhere to all established procedures. Additionally, management should ensure all costs charged to the program are allowable under the grant guidelines.

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

MANAGEMENT'S CORRECTIVE ACTION PLAN: United Way of Acadiana has welcomed a new Finance Director with experience in establishing internal controls. We are committed to implementing comprehensive internal controls that encompass enhancing financial reporting processes to ensure accuracy, transparency, and compliance with regulatory standards; budget oversight, risk management and expenditure and cash flow management.

2022-004 Controls Over Reporting

Fiscal year finding initially occurred: 2021

Head Start Cluster (93.600)

CRITERIA: In accordance with the federal program guidelines, the Organization is required to file the SF-429 Real Property Status Report, SF-429A General Reporting, and the SF-425 Federal Financial Report. The Organization should have internal controls over the preparation and timely submission of these required reports.

CONDITION: The Organization did not have adequate internal controls over the preparation and timely submission of the required reports for their major federal program.

CAUSE: The Organization has established controls and procedures over reporting; however, the controls are not operating effectively.

EFFECT: The Organization's SF-429 and SF-429A was filed approximately 36 days after the prescribed due date.

RECOMMENDATION: The Organization should review their established policies and procedures and ensure that the required federal program reporting is submitted within the prescribed timelines.

MANAGEMENT'S CORRECTIVE ACTION PLAN: United Way of Acadiana has initiated finance training in collaboration with Head Start consultants through the Head Start Program. This training partnership has provided UWA with valuable insights into best practices, and we have already begun to benefit from this support.

We are committed to expanding our training efforts and refining our policies and procedures to further enhance our capabilities. Our objective is to guarantee punctual and precise submission of all reports, reinforcing our dedication to transparency and accountability.

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

Compliance Findings -

U.S. Department of Health and Human Services:

2022-005 Controls Over Activities Allowed/Allowable Costs

Fiscal year finding initially occurred: 2021

Head Start Cluster (93.600)

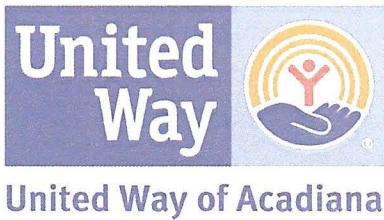
See internal control finding 2022-003.

2022-006 Controls Over Reporting

Fiscal year finding initially occurred: 2021

Head Start Cluster (93.600)

See internal control finding 2022-004.



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Corrective Action Plan
September 28, 2023

U.S. Department of Health and Human Services

The United Way of Acadiana, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2022.

Audit conducted by:
Kolder, Slaven & Company, LLC
183 S. Beadle Road
Lafayette, Louisiana 70508

Audit Period: January 1, 2022- December 31, 2022

The findings from the December 31, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS- FINANCIAL STATEMENT AUDIT

Internal Control:

Material Weakness-

2022-001: Inadequate Controls Over the Recordation of Transactions and Reconciliations of Account Balances

Recommendation: The Organization should adhere to their policies and procedures to ascertain that transactions are properly recorded, and account balances are reconciled on a timely basis.

Corrective Action Plan: In early 2022, the longstanding Finance Director at United Way of Acadiana resigned, resulting in subsequent changes in this role. However, in August 2023, we successfully recruited an experienced Finance Director. This newly appointed Finance Director is collaborating with a reputable third-party CPA firm to review and enhance our policies and procedures, with a focus on ensuring proper recording of account balances and timely reconciliations.

All the revised policies and procedures will be approved by the board of directors, and comprehensive training will be provided to all UWA staff to guarantee adherence to these updated guidelines.

Compliance:

2022-002: Failure to File Audited Financial Statements Timely

Recommendation: The Organization should take necessary actions to ensure their annual financial statement audit is completed and submitted within six months of the close of their fiscal year.



United Way of Acadiana

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Corrective Action Plan: United Way of Acadiana has engaged the services of a reputable CPA firm, and we have also recruited a full-time in-house Finance Director, along with two additional support staff members. These additional team members are instrumental in ensuring that the financial statement audit is not only completed, but also submitted within the specified timeframe as required.

FINDINGS- FEDERAL AWARD PROGRAMS AUDIT

Internal Control:

U.S. Department of Health and Human Services

Head Start Cluster – Assistance Listing No. 93.600

Material weakness-

2022-003 Controls Over Activities Allowed/Allowable Costs

Recommendation: The Organization should review their established policies and procedures for effectiveness and ensure all employees adhere to all established procedures. Additionally, management should ensure all costs charged to the program are allowable under the grant guidelines.

Corrective Action Plan: United Way of Acadiana has welcomed a new Finance Director with experience in establishing internal controls. We are committed to implementing comprehensive internal controls that encompass enhancing financial reporting processes to ensure accuracy, transparency, and compliance with regulatory standards, budget oversight, risk management and expenditure and cash flow management.

Significant deficiency-

2022-004 Controls Over Reporting

Recommendation: The Organization should review their established policies and procedures and ensure that the required federal program reporting is submitted within the prescribed timelines.

Corrective Action Plan: United Way of Acadiana has initiated finance training in collaboration with Head Start consultants through the Head Start Program. This training partnership has provided UWA with valuable insights into best practices, and we have already begun to benefit from this support.

We are committed to expanding our training efforts and refining our policies and procedures to further enhance our capabilities. Our objective is to guarantee punctual and precise submission of all reports, reinforcing our dedication to transparency and accountability.

Compliance:

U.S. Department of Health and Human Services



United Way of Acadiana

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Head Start Cluster – Assistance Listing No. 93.600

2022-005 Controls Over Activities Allowed/Allowable Costs

See Internal Control finding 2022-003.

2022-006 Controls Over Reporting

See Internal Control finding 2022-004.

The findings noted above will be evaluated and corrective action will be taken as indicated on the respective finding. Should any federal or state pass-through agencies have questions regarding this plan, please contact Tiffany Handford, Director of Finance, at 337-232-8302.

Sincerely,

Tiffany Handford
Director of Finance

United Way of Acadiana | 2022-2023



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United Way of Acadiana, Inc.
Summary Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2022

FINDINGS - FINANCIAL STATEMENT AUDIT:

Internal Control Findings –

2021-001 Inadequate Controls Over the Recordation of Transactions and Reconciliations of Account Balances

Condition

The Organization does not have adequate controls over the recordation of transactions and the monthly reconciliations of account balances. Specific areas involved the following – (1) banking and bank reconciliations (2) pledges, grants, and other receivables (3) allowance for doubtful accounts/bad debt expense - pledges (4) deferred revenues (5) pledge revenues.

Recommendation

The Organization should adhere to their policies and procedures to ascertain that transactions are properly recorded, and account balances are reconciled on a timely basis.

Current Status:

In early 2022, the longstanding Finance Director at United Way of Acadiana resigned, resulting in subsequent changes in this role. However, in August 2023, we successfully recruited an experienced Finance Director. This newly appointed Finance Director is collaborating with a reputable third-party CPA firm to review and enhance our policies and procedures, with a focus on ensuring proper recording of account balances and timely reconciliations.

All the revised policies and procedures will be approved by the board of directors, and comprehensive training will be provided to all UWA staff to guarantee adherence to these updated guidelines.

Compliance Finding:
2021-002 Failure to File Audited Financial Statements Timely

Condition

The Organization's annual audited financial statements were not filed timely for the fiscal year ended December 31, 2021.

Recommendation

The Organization should take necessary actions to ensure their annual financial statement audit is completed and submitted within six months of the close of their fiscal year.

Current Status:

United Way of Acadiana has engaged the services of a reputable CPA firm, and we have also recruited a full-time in-house Finance Director, along with two additional support staff members. These additional team members are instrumental in ensuring that the financial statement audit is not only completed, but also submitted within the specified timeframe as required.

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT:

Internal Control Findings –

U.S. Department of Health and Human Services:

2021-003 Controls Over Activities Allowed/Allowable Costs

Head Start Cluster (93.600)

Condition

The Organization's internal controls over activities allowed/allowable costs were determined to be ineffective during the performance of internal control testing over the major federal program.

Recommendation

The Organization should review their established policies and procedures for effectiveness and ensure all employees adhere to all established procedures. Additionally, management should ensure all costs charged to the program are allowable under the grant guidelines.

Current Status:

United Way of Acadiana has welcomed a new Finance Director with experience in establishing internal controls. We are committed to implementing comprehensive internal controls that encompass enhancing

financial reporting processes to ensure accuracy, transparency, and compliance with regulatory standards; budget oversight, risk management and expenditure and cash flow management.

2021-004 Controls Over Reporting

Condition

The Organization did not have adequate internal controls over the preparation and timely submission of the required reports for their major federal program.

Recommendation

The Organization should review their established policies and procedures and ensure that the required federal program reporting is submitted within the prescribed timelines.

Current Status:

United Way of Acadiana has initiated finance training in collaboration with Head Start consultants through the Head Start Program. This training partnership has provided UWA with valuable insights into best practices, and we have already begun to benefit from this support.

We are committed to expanding our training efforts and refining our policies and procedures to further enhance our capabilities. Our objective is to guarantee punctual and precise submission of all reports, reinforcing our dedication to transparency and accountability.

Compliance Findings –

U.S. Department of Health and Human Services:

2021-005 Controls Over Activities Allowed/Allowable Costs

Head Start Cluster (93.600)

See Internal Control Finding 2021-003

2021-006 Controls Over Reporting

See Internal Control Finding 2021-004

Sincerely,



Tiffany Handford
Director of Finance