

UNITED WAY OF ACADIANA, INC.

Financial Report

Years Ended December 31, 2016 and 2015

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INDEPENDENT AUDITORS' 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, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' 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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2017, 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 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.

Report on December 31, 2015 Financial Statements

The financial statements of United Way of Acadiana, Inc. as of December 31, 2015 were audited by other accountants and they expressed an unmodified opinion on those financial statements and the related notes in their report dated June 14, 2016, but they have not performed any auditing procedures since that date.

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

Lafayette, Louisiana
June 5, 2017

FINANCIAL STATEMENTS

UNITED WAY OF ACADIANA, INC.

Statements of Financial Position
December 31, 2016 and 2015

| | <u>2016</u> | <u>2015</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 942,070 | \$ 999,726 |
| Pledges receivable, net of allowance for doubtful accounts (\$422,315 and \$288,500 at December 31, 2016 and 2015, respectively) | 1,503,965 | 1,827,740 |
| Grants receivable | 21,917 | 32,687 |
| Other receivables | 18,139 | 12,081 |
| Prepaid expenses | 41,093 | 79,115 |
| Total current assets | <u>2,527,184</u> | <u>2,951,349</u> |
| Property and equipment, net of accumulated depreciation (\$960,965 and \$860,922 at December 31, 2016 and 2015, respectively) | <u>2,919,237</u> | <u>3,019,280</u> |
| Other assets: | | |
| Assets restricted for endowment- | | |
| Cash and cash equivalents | 53,597 | 34,760 |
| Investments | 1,118,149 | 1,060,343 |
| Total assets restricted for endowment | <u>1,171,746</u> | <u>1,095,103</u> |
| Total assets | <u>\$ 6,618,167</u> | <u>\$ 7,065,732</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable | \$ 39,585 | \$ 72,094 |
| Accrued liabilities | 14,753 | 6,895 |
| Payable to other United Ways | 716,174 | 683,076 |
| Payable to other organizations | 127,826 | 322,586 |
| Compensated absences | 24,234 | 31,186 |
| Deferred revenue | 162,967 | 209,548 |
| Total current liabilities | <u>1,085,539</u> | <u>1,325,385</u> |
| Net assets: | | |
| Unrestricted- | | |
| Designated for specific purposes | 959,655 | 2,374,585 |
| Undesignated | 1,281,123 | 443,478 |
| Total unrestricted net assets | <u>2,240,778</u> | <u>2,818,063</u> |
| Temporarily restricted | 2,578,216 | 2,208,650 |
| Permanently restricted | 713,634 | 713,634 |
| Total net assets | <u>5,532,628</u> | <u>5,740,347</u> |
| Total liabilities and net assets | <u>\$ 6,618,167</u> | <u>\$ 7,065,732</u> |

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities
Year Ended December 31, 2016

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Support, revenues and reclassifications: | | | | |
| Contributions and pledges | \$ 2,904,895 | \$ 854,229 | \$ - | \$ 3,759,124 |
| Less: donor designations | (803,618) | (25,232) | - | (828,850) |
| Less: uncollectible pledges | <u>(286,088)</u> | <u>-</u> | <u>-</u> | <u>(286,088)</u> |
| Net contributions and pledges | 1,815,189 | 828,997 | - | 2,644,186 |
| Grant revenue | 1,620,382 | 444,881 | - | 2,065,263 |
| In-kind income | 1,304,383 | - | - | 1,304,383 |
| Rental income | 196,633 | - | - | 196,633 |
| Service fees | 89,940 | - | - | 89,940 |
| Other | 26,745 | 25,835 | - | 52,580 |
| Interest and dividends | 890 | 29,760 | - | 30,650 |
| Net realized and unrealized gains (losses) on investments | - | 82,782 | - | 82,782 |
| Net assets released from restrictions | <u>1,042,689</u> | <u>(1,042,689)</u> | <u>-</u> | <u>-</u> |
| Total support, revenues and reclassifications | <u>6,096,851</u> | <u>369,566</u> | <u>-</u> | <u>6,466,417</u> |
| Expenses and losses: | | | | |
| Program services- | | | | |
| Community impact | 2,339,768 | - | - | 2,339,768 |
| Disaster management | 1,460,241 | - | - | 1,460,241 |
| Early Head Start | 1,791,679 | - | - | 1,791,679 |
| Other programs | <u>309,187</u> | <u>-</u> | <u>-</u> | <u>309,187</u> |
| Total program services | <u>5,900,875</u> | <u>-</u> | <u>-</u> | <u>5,900,875</u> |
| Supporting services- | | | | |
| Management and general | 270,545 | - | - | 270,545 |
| Fundraising | <u>502,716</u> | <u>-</u> | <u>-</u> | <u>502,716</u> |
| Total supporting services | <u>773,261</u> | <u>-</u> | <u>-</u> | <u>773,261</u> |
| Total expenses | <u>6,674,136</u> | <u>-</u> | <u>-</u> | <u>6,674,136</u> |
| Change in net assets | (577,285) | 369,566 | - | (207,719) |
| Net assets, beginning of year | <u>2,818,063</u> | <u>2,208,650</u> | <u>713,634</u> | <u>5,740,347</u> |
| Net assets, end of year | <u>\$ 2,240,778</u> | <u>\$ 2,578,216</u> | <u>\$ 713,634</u> | <u>\$ 5,532,628</u> |

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities
Year Ended December 31, 2015

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Support, revenues and reclassifications: | | | | |
| Contributions and pledges | \$ 3,140,597 | \$ 354,205 | \$ - | \$ 3,494,802 |
| Less: donor designations | (972,448) | - | - | (972,448) |
| Less: uncollectible pledges | <u>(115,823)</u> | <u>-</u> | <u>-</u> | <u>(115,823)</u> |
| Net contributions and pledges | 2,052,326 | 354,205 | - | 2,406,531 |
| Grant revenue | 1,516,780 | 364,904 | - | 1,881,684 |
| In-kind income | 230,618 | - | - | 230,618 |
| Rental income | 214,668 | - | - | 214,668 |
| Service fees | 95,828 | - | - | 95,828 |
| Other | 38,618 | 15,297 | - | 53,915 |
| Interest and dividends | 885 | 28,486 | - | 29,371 |
| Net realized and unrealized gains (losses) on investments | - | (86,215) | - | (86,215) |
| Net assets released from restrictions | <u>1,019,960</u> | <u>(1,019,960)</u> | <u>-</u> | <u>-</u> |
| Total support, revenues and reclassifications | <u>5,169,683</u> | <u>(343,283)</u> | <u>-</u> | <u>4,826,400</u> |
| Expenses and losses: | | | | |
| Program services- | | | | |
| Community impact | 2,482,901 | - | - | 2,482,901 |
| Disaster management | 72,555 | - | - | 72,555 |
| Early Head Start | 1,708,761 | - | - | 1,708,761 |
| Other programs | <u>367,274</u> | <u>-</u> | <u>-</u> | <u>367,274</u> |
| Total program services | <u>4,631,491</u> | <u>-</u> | <u>-</u> | <u>4,631,491</u> |
| Supporting services- | | | | |
| Management and general | 306,933 | - | - | 306,933 |
| Fundraising | <u>617,413</u> | <u>-</u> | <u>-</u> | <u>617,413</u> |
| Total supporting services | <u>924,346</u> | <u>-</u> | <u>-</u> | <u>924,346</u> |
| Total expenses | <u>5,555,837</u> | <u>-</u> | <u>-</u> | <u>5,555,837</u> |
| Change in net assets | (386,154) | (343,283) | - | (729,437) |
| Net assets, beginning of year | <u>3,204,217</u> | <u>2,551,933</u> | <u>713,634</u> | <u>6,469,784</u> |
| Net assets, end of year | <u>\$ 2,818,063</u> | <u>\$ 2,208,650</u> | <u>\$ 713,634</u> | <u>\$ 5,740,347</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, 2016

| | 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 | \$ 336,446 | \$ 55,361 | \$ 937,257 | \$ 121,276 | \$ 1,450,340 | \$ 196,378 | \$ 287,469 | \$ 483,847 | \$ 1,934,187 |
| Payroll taxes | 27,360 | 2,392 | 71,526 | 9,220 | 110,498 | 14,342 | 21,493 | 35,835 | 146,333 |
| Employee benefits | 36,614 | 2,134 | 135,417 | 16,810 | 190,975 | 31,189 | 28,311 | 59,500 | 250,475 |
| Total payroll and related expenses | <u>400,420</u> | <u>59,887</u> | <u>1,144,200</u> | <u>147,306</u> | <u>1,751,813</u> | <u>241,909</u> | <u>337,273</u> | <u>579,182</u> | <u>2,330,995</u> |
| Other expenses- | | | | | | | | | |
| Advertising | 29,336 | - | 1,372 | 563 | 31,271 | - | 1,123 | 1,123 | 32,394 |
| Childcare supplies | - | - | 59,900 | - | 59,900 | - | - | - | 59,900 |
| Conferences and meetings | 1,943 | 315 | 27,839 | 1,975 | 32,072 | 40,655 | 5,276 | 45,931 | 78,003 |
| Contract services | 214,719 | - | 120,736 | 9,103 | 344,558 | 4,242 | 28,242 | 32,484 | 377,042 |
| Depreciation | 4,891 | - | 38,910 | 45,850 | 89,651 | 6,113 | 4,279 | 10,392 | 100,043 |
| Dolly Parton Imagination Library | 221,374 | - | - | - | 221,374 | - | - | - | 221,374 |
| Dues and subscriptions | 16,532 | 544 | 4,043 | - | 21,119 | 6,433 | 31 | 6,464 | 27,583 |
| Equipment | - | - | - | - | - | 11,154 | - | 11,154 | 11,154 |
| Event expenses | - | 1,906 | - | 25,152 | 27,058 | 9,871 | 22,112 | 31,983 | 59,041 |
| In-kind donations | 33,400 | 1,104,621 | 164,065 | - | 1,302,086 | 188 | 2,109 | 2,297 | 1,304,383 |
| Indirect costs | 73,533 | - | 67,334 | - | 140,867 | (140,867) | - | (140,867) | - |
| Insurance | 1,922 | 374 | 28,615 | 24,258 | 55,169 | (7,123) | 1,005 | (6,118) | 49,051 |
| Maintenance | 7,117 | - | 34,774 | 13,790 | 55,681 | 16,382 | 8,447 | 24,829 | 80,510 |
| Materials assistance | - | 87,896 | - | - | 87,896 | - | - | - | 87,896 |
| Miscellaneous | 110 | 5,554 | 12,265 | 15,875 | 33,804 | 8,298 | 46,446 | 54,744 | 88,548 |
| Occupancy expense | 14,437 | - | 6,265 | (46,155) | (25,453) | 10,893 | 14,560 | 25,453 | - |
| Postage | 67 | - | 353 | 9 | 429 | 8,193 | 1,027 | 9,220 | 9,649 |
| Printing and publications | 997 | 660 | 3,264 | 1,437 | 6,358 | 4,271 | 9,160 | 13,431 | 19,789 |
| Professional fees | - | - | 5,950 | - | 5,950 | 36,350 | - | 36,350 | 42,300 |
| Saving incentive program | 24,105 | - | - | - | 24,105 | - | - | - | 24,105 |
| Supplies | 3,551 | 5,212 | 13,577 | 9,262 | 31,602 | 4,709 | 10,934 | 15,643 | 47,245 |
| Telephone | 960 | 180 | 9,165 | 9,831 | 20,136 | 2,000 | 3,000 | 5,000 | 25,136 |
| Travel and transportation | 2,616 | 850 | 21,243 | 1,155 | 25,864 | 5,110 | 4,415 | 9,525 | 35,389 |
| United Way Worldwide dues | 15,252 | 2,318 | 11,679 | 2,015 | 31,264 | 1,764 | 3,277 | 5,041 | 36,305 |
| Utilities | - | - | 16,130 | 47,761 | 63,891 | - | - | - | 63,891 |
| Total other expenses | <u>666,862</u> | <u>1,210,430</u> | <u>647,479</u> | <u>161,881</u> | <u>2,686,652</u> | <u>28,636</u> | <u>165,443</u> | <u>194,079</u> | <u>2,880,731</u> |
| Grants to agencies | <u>1,272,486</u> | <u>189,924</u> | <u>-</u> | <u>-</u> | <u>1,462,410</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,462,410</u> |
| Total expenses | <u>\$ 2,339,768</u> | <u>\$ 1,460,241</u> | <u>\$ 1,791,679</u> | <u>\$ 309,187</u> | <u>\$ 5,900,875</u> | <u>\$ 270,545</u> | <u>\$ 502,716</u> | <u>\$ 773,261</u> | <u>\$ 6,674,136</u> |

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

UNITED WAY OF ACADIANA, INC.

Statement of Functional Expenses
Year Ended December 31, 2015

| | Program Services | | | | Total Program Services | Supporting Services | | | Total Expenses |
|------------------------------------|---------------------|------------------------|---------------------|-------------------|------------------------------|---------------------------|-------------------|------------------------|---------------------|
| | Community Impact | Disaster Management | Early Head Start | Other Programs | | Management and General | Fund- Raising | Supporting Services | |
| Salaries and wages | \$ 358,578 | \$ 19,146 | \$ 900,830 | \$ 158,595 | \$ 1,437,149 | \$ 193,799 | \$ 360,502 | \$ 554,301 | \$ 1,991,450 |
| Payroll taxes | 26,786 | 1,375 | 68,420 | 11,858 | 108,439 | 14,013 | 26,470 | 40,483 | 148,922 |
| Employee benefits | 35,237 | 1,915 | 142,875 | 23,285 | 203,312 | 35,994 | 38,063 | 74,057 | 277,369 |
| Total payroll and related expenses | <u>420,601</u> | <u>22,436</u> | <u>1,112,125</u> | <u>193,738</u> | <u>1,748,900</u> | <u>243,806</u> | <u>425,035</u> | <u>668,841</u> | <u>2,417,741</u> |
| Other expenses- | | | | | | | | | |
| Advertising | 25,124 | - | 679 | 1,433 | 27,236 | - | 1,338 | 1,338 | 28,574 |
| Childcare supplies | - | - | 55,959 | - | 55,959 | - | - | - | 55,959 |
| Conferences and meetings | 8,012 | - | 13,394 | 1,069 | 22,475 | 3,091 | 8,578 | 11,669 | 34,144 |
| Contract services | 140,478 | - | 119,741 | 9,071 | 269,290 | 17,096 | 16,032 | 33,128 | 302,418 |
| Depreciation | 5,454 | - | 38,214 | 51,130 | 94,798 | 6,817 | 4,772 | 11,589 | 106,387 |
| Dolly Parton Imagination Library | 235,029 | - | - | - | 235,029 | - | - | - | 235,029 |
| Dues and subscriptions | 19,088 | 177 | 1,509 | 500 | 21,274 | 3,915 | - | 3,915 | 25,189 |
| Equipment | - | - | 2,028 | - | 2,028 | 9,290 | - | 9,290 | 11,318 |
| Event expenses | 27 | - | 1,361 | 16,132 | 17,520 | 12,106 | 26,741 | 38,847 | 56,367 |
| In-kind donations | 68,679 | - | 130,261 | - | 198,940 | - | 31,678 | 31,678 | 230,618 |
| Indirect costs | 35,562 | - | 68,622 | 1,000 | 105,184 | (105,184) | - | (105,184) | - |
| Insurance | 1,909 | 133 | 27,138 | 29,954 | 59,134 | 1,167 | 1,222 | 2,389 | 61,523 |
| Maintenance | 7,278 | - | 35,965 | 18,642 | 61,885 | 20,039 | 3,718 | 23,757 | 85,642 |
| Miscellaneous | 8,117 | 172 | 10,972 | 17,597 | 36,858 | 7,555 | 32,976 | 40,531 | 77,389 |
| Occupancy expense | 15,810 | - | 6,861 | (50,543) | (27,872) | 11,929 | 15,943 | 27,872 | - |
| Postage | 176 | 46 | 594 | 300 | 1,116 | 8,788 | 3,319 | 12,107 | 13,223 |
| Printing and publications | 2,765 | 117 | 3,176 | 1,961 | 8,019 | 7,284 | 19,790 | 27,074 | 35,093 |
| Professional fees | - | - | 3,250 | - | 3,250 | 36,500 | - | 36,500 | 39,750 |
| Supplies | 6,810 | 28 | 22,376 | 6,829 | 36,043 | 7,814 | 9,561 | 17,375 | 53,418 |
| Telephone | 960 | - | 8,825 | 9,320 | 19,105 | 1,920 | 2,280 | 4,200 | 23,305 |
| Travel and transportation | 9,494 | 1,388 | 20,346 | 1,946 | 33,174 | 11,152 | 11,042 | 22,194 | 55,368 |
| United Way Worldwide dues | 12,935 | 308 | 10,471 | 1,848 | 25,562 | 1,848 | 3,388 | 5,236 | 30,798 |
| Utilities | - | - | 14,894 | 55,347 | 70,241 | - | - | - | 70,241 |
| Total other expenses | <u>603,707</u> | <u>2,369</u> | <u>596,636</u> | <u>173,536</u> | <u>1,376,248</u> | <u>63,127</u> | <u>192,378</u> | <u>255,505</u> | <u>1,631,753</u> |
| Grants to agencies | <u>1,458,593</u> | <u>47,750</u> | <u>-</u> | <u>-</u> | <u>1,506,343</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,506,343</u> |
| Total expenses | <u>\$ 2,482,901</u> | <u>\$ 72,555</u> | <u>\$ 1,708,761</u> | <u>\$ 367,274</u> | <u>\$ 4,631,491</u> | <u>\$ 306,933</u> | <u>\$ 617,413</u> | <u>\$ 924,346</u> | <u>\$ 5,555,837</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, 2016 and 2015

| | <u>2016</u> | <u>2015</u> |
|---|-------------------|---------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (207,719) | \$ (729,437) |
| Adjustments to reconcile change in net assets to net cash used by operating activities - | | |
| Depreciation | 100,043 | 106,387 |
| Net realized and unrealized gain (loss) on investments | (82,782) | 86,215 |
| Changes in assets and liabilities- | | |
| (Increase) decrease in: | | |
| Pledges receivable | 323,775 | 250,401 |
| Grants and other receivables | 4,712 | 14,261 |
| Prepaid expenses | 38,022 | (29,690) |
| Increase (decrease) in: | | |
| Accounts payable | (32,509) | (462) |
| Accrued liabilities | 7,858 | 6,301 |
| Other payables | (161,662) | 188,192 |
| Compensated absences | (6,952) | 5,307 |
| Deferred revenue | <u>(46,581)</u> | <u>85,137</u> |
| Net cash used by operating activities | <u>(63,795)</u> | <u>(17,388)</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | - | (14,431) |
| Purchases of assets restricted for endowment fund | (288,311) | (235,935) |
| Proceeds from sale of investments | <u>313,287</u> | <u>312,508</u> |
| Net cash provided by investing activities | <u>24,976</u> | <u>62,142</u> |
| Net increase (decrease) in cash and cash equivalents | (38,819) | 44,754 |
| Cash and cash equivalents, beginning of year | <u>1,034,486</u> | <u>989,732</u> |
| Cash and cash equivalents, end of year | <u>\$ 995,667</u> | <u>\$ 1,034,486</u> |
| Supplemental disclosure for the statements of cash flows: | | |
| Interest paid | <u>\$ -</u> | <u>\$ -</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:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

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

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

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

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

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (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. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

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. In the absence of donor stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of implying a time restriction on contributions of such assets that expires over useful lives of the assets. 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 |

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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 temporarily restricted or permanently restricted support that increases those net asset classes. 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. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting. When a restriction expires, that is when a stipulated time restriction ends or purpose restrictions are accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

H. Functional Allocation of Expenses

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

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. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

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

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, 2016 and 2015, the accrued compensated absences amounted to \$24,234 and \$31,186, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

K. 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, 2016, the Organization had 2,329 volunteers who provided 18,353 hours of donated services valued at \$432,397. For the year ended December 31, 2015, there were 4,821 volunteers who provided 15,879 hours of donated services valued at \$366,329. 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>2016</u> | <u>2015</u> |
|---------------------------|--------------------|-------------------|
| Program services: | | |
| Community Impact- | | |
| Professional services | \$ 33,400 | \$ 68,679 |
| Disaster Management- | | |
| Materials | 1,104,621 | - |
| Early Head Start- | | |
| Materials | 93,716 | 40,804 |
| Professional services | <u>70,349</u> | <u>89,457</u> |
| Total program services | <u>1,302,086</u> | <u>198,940</u> |
| Supporting services: | | |
| Management and general- | | |
| Materials | 188 | - |
| Fundraising- | | |
| Materials | 2,109 | 7,500 |
| Professional services | <u>-</u> | <u>24,178</u> |
| Total supporting services | <u>2,297</u> | <u>31,678</u> |
| Total | <u>\$1,304,383</u> | <u>\$ 230,618</u> |

L. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$32,394 and \$28,574 for the years ended December 31, 2016 and 2015, respectively.

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)

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 statements.

(2) 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, 2016 and 2015 consists of the following:

December 31, 2016:

| | | |
|---|------------------|---------------------|
| 2016 Campaign | \$ 1,552,928 | |
| Less: allowance for uncollectible pledges | <u>(208,113)</u> | \$ 1,344,815 |
| 2015 Campaign | 359,852 | |
| Less: allowance for uncollectible pledges | <u>(214,202)</u> | 145,650 |
| 2013 Campaign | 13,500 | |
| Less: allowance for uncollectible pledges | <u>-</u> | <u>13,500</u> |
| | | <u>\$ 1,503,965</u> |

December 31, 2015:

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

(3) 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, 2016 and 2015:

| <u>Investment Type</u> | <u>December 31, 2016</u> | | <u>December 31, 2015</u> | |
|--------------------------------|--------------------------|---------------------|--------------------------|---------------------|
| | <u>Cost</u> | <u>Fair Value</u> | <u>Cost</u> | <u>Fair Value</u> |
| Equities | \$ 532,128 | \$ 756,986 | \$ 508,475 | \$ 678,797 |
| Corporate and government bonds | <u>363,551</u> | <u>361,163</u> | <u>382,409</u> | <u>381,546</u> |
| | <u>\$ 895,679</u> | <u>\$ 1,118,149</u> | <u>\$ 890,884</u> | <u>\$ 1,060,343</u> |

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2016 and 2015.

December 31, 2016:

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|-------------------------------|---------------------|-----------------------------------|-----------------------------------|-------------------|
| Interest and dividends | \$ 890 | \$ 29,760 | \$ - | \$ 30,650 |
| Net realized gains (losses) | - | 28,601 | - | 28,601 |
| Net unrealized gains (losses) | - | 54,181 | - | 54,181 |
| Total return on investments | <u>\$ 890</u> | <u>\$ 112,542</u> | <u>\$ -</u> | <u>\$ 113,432</u> |

December 31, 2015:

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|-------------------------------|---------------------|-----------------------------------|-----------------------------------|--------------------|
| Interest and dividends | \$ 1,067 | \$ 28,304 | \$ - | \$ 29,371 |
| Net realized gains (losses) | - | 56,239 | - | 56,239 |
| Net unrealized gains (losses) | - | (142,454) | - | (142,454) |
| Total return on investments | <u>\$ 1,067</u> | <u>\$ (57,911)</u> | <u>\$ -</u> | <u>\$ (56,844)</u> |

(4) Donor Designated Endowments

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

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

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

As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

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

Donor-restricted endowment funds consist of the following as of December 31, 2016 and 2015:

December 31, 2016:

| | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|----------------------------------|-----------------------------------|-----------------------------------|---------------------|
| Donor-restricted endowment funds | <u>\$ 458,112</u> | <u>\$ 713,634</u> | <u>\$ 1,171,746</u> |

December 31, 2015:

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

Changes in endowment net assets for the years ended December 31, 2016 and 2015 were as follows:

December 31, 2016:

| | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---|-----------------------------------|-----------------------------------|---------------------|
| Endowment net assets, beginning of year | \$ 381,469 | \$ 713,634 | \$ 1,095,103 |
| Distributions | (25,000) | - | (25,000) |
| Investment income (net of fees) | 18,861 | - | 18,861 |
| Net unrealized/realized gain (loss) | <u>82,782</u> | <u>-</u> | <u>82,782</u> |
| Endowment net assets, end of year | <u>\$ 458,112</u> | <u>\$ 713,634</u> | <u>\$ 1,171,746</u> |

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

December 31, 2015:

| | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------------|---------------------------|--------------|
| Endowment net assets, beginning of year | \$ 551,957 | \$ 713,634 | \$ 1,265,591 |
| Distributions | (101,000) | - | (101,000) |
| Investment income (net of fees) | 16,727 | - | 16,727 |
| Net unrealized/realized gain (loss) | (86,215) | - | (86,215) |
| Endowment net assets, end of year | \$ 381,469 | \$ 713,634 | \$ 1,095,103 |

(5) Property and Equipment

Property and equipment consist of the following as of December 31, 2016 and 2015:

| | 2016 | 2015 |
|--------------------------------|--------------|--------------|
| Land | \$ 585,000 | \$ 585,000 |
| Building and improvements | 3,046,328 | 3,046,328 |
| Office furniture and equipment | 248,874 | 248,874 |
| Total property and equipment | 3,880,202 | 3,880,202 |
| Less accumulated depreciation | (960,965) | (860,922) |
| Property and equipment, net | \$ 2,919,237 | \$ 3,019,280 |

Total depreciation expense for the years ended December 31, 2016 and 2015 was \$100,043 and \$106,387, 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 shown as temporarily restricted net assets in the statements of financial position at a book value of \$1,230,918 and \$1,269,828, which represents the carrying amount less accumulated depreciation of \$175,327 and \$136,417 at December 31, 2016 and 2015, respectively. Depreciation expense for the years ended December 31, 2016 and 2015 was \$38,910 and \$38,214, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(6) Deferred Grant Revenue

The Organization reports deferred grant revenues on the Statement of Financial Position. Deferred revenues arise when the Organization receives resources before it has a legal claim to them. In subsequent periods, when the Organization has a legal claim to the resources, the liability for deferred grant revenue is removed from the Statement of Financial Position and the revenue is recognized. The Organization had deferred grant revenue in the amount of \$157,000 and \$195,009 for the years ended December 31, 2016 and 2015, respectively. Deferred grant revenue is included in deferred revenue on the statement of financial position.

(7) Designated Net Assets

The following represents amounts designated by the Board of Directors of the Organization for the years ended December 31, 2016 and 2015:

| | 2016 | 2015 |
|-----------------------------------|------------|--------------|
| Reserve Fund | \$ 305,887 | \$ 555,391 |
| PACT Allocations/Agency Contracts | 653,768 | 1,819,194 |
| Total | \$ 959,655 | \$ 2,374,585 |

(8) Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following as of December 31, 2016 and 2015:

| | 2016 | 2015 |
|--|--------------|--------------|
| Unspent funds from the following: | | |
| Bank On | \$ 13,196 | \$ 13,171 |
| Women's Leadership Council | - | 21,993 |
| Earn It, Keep It, Save It | 30,634 | 56,876 |
| UW Readers | 43,110 | 71,253 |
| Leader in Me - Youngsville Middle School | 9,473 | 21,016 |
| Hurricane and Disaster Relief Contributions | 66,458 | 73,933 |
| Partners in Early Childhood Education | 150 | 150 |
| Stuff the Bus | 6,037 | 10,822 |
| I Am a Leader Foundation | 315,175 | 288,139 |
| Disaster Response | 399,760 | - |
| Adopt a School | 5,193 | - |
| Endowment Fund Earnings: | | |
| Community Fund | 253,087 | 218,432 |
| Operational Fund | 92,457 | 84,655 |
| UNOCAL Venture Grant Fund | 112,568 | 78,382 |
| Remaining estimated useful live of Early Head Start facilities and improvements purchased with federal funds | 1,230,918 | 1,269,828 |
| Total temporarily restricted net assets | \$ 2,578,216 | \$ 2,208,650 |

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(9) Permanently Restricted Net Assets

Permanently restricted endowment net assets consist of the following as of December 31, 2016 and 2015:

| | 2016 | 2015 |
|---|------------|------------|
| Endowment Fund: | | |
| Community Fund | \$243,289 | \$243,289 |
| Operational Fund | 230,345 | 230,345 |
| UNOCAL Venture Grant Fund | 240,000 | 240,000 |
| Total permanently restricted net assets | \$ 713,634 | \$ 713,634 |

(10) Retirement Benefits

The Organization implemented a Simple IRA plan beginning January 2005 for its employees. The Organization will match up to 3% of eligible employee’s salary. For the years ending December 31, 2016 and 2015, the Organization made contributions in the amount of \$35,591 and \$34,097, respectively.

(11) 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, accounts receivable, and accounts payable.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

- 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, 2016 and 2015:

| Investment Type | December 31, 2016 | | | |
|--------------------------------|---------------------|---------------------|-------------|-------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Equities | \$ 756,986 | \$ 756,986 | \$ - | \$ - |
| Corporate and government bonds | 361,163 | 361,163 | - | - |
| | <u>\$ 1,118,149</u> | <u>\$ 1,118,149</u> | <u>\$ -</u> | <u>\$ -</u> |

| Investment Type | December 31, 2015 | | | |
|--------------------------------|---------------------|---------------------|-------------|-------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Equities | \$ 678,797 | \$ 678,797 | \$ - | \$ - |
| Corporate and government bonds | 381,546 | 381,546 | - | - |
| | <u>\$ 1,060,343</u> | <u>\$ 1,060,343</u> | <u>\$ -</u> | <u>\$ -</u> |

(12) 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, 2016 and 2015, the Organization's cash balances exceeded FDIC coverage by \$505,585 and \$512,770, respectively.

(13) 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.

(14) 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.

(15) Subsequent Event Review

The Organization's management has evaluated subsequent events through June 5, 2017, 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, 2016 and 2015

| | <u>Type</u> | <u>2016</u> | <u>2015</u> |
|--|------------------|-------------------|---------------------|
| Iberia Bank (operating account) | Checking Account | \$ 566,970 | \$ 365,329 |
| Chase (reserve account) | Checking Account | 274,133 | 273,405 |
| Whitney National Bank (CFC account) | Checking Account | 5,073 | 5,073 |
| Iberia Bank (hurricane fund) | Checking Account | 64,140 | 73,933 |
| Iberia Bank (reserve fund) | Checking Account | <u>31,754</u> | <u>281,986</u> |
| Total Cash and Cash Equivalents in Current Assets | | <u>942,070</u> | <u>999,726</u> |
| Cash Restricted for Endowment Fund: Summit Financial (endowment fund) | Money Market | <u>53,597</u> | <u>34,760</u> |
| Total Cash and Cash Equivalents | | <u>\$ 995,667</u> | <u>\$ 1,034,486</u> |

UNITED WAY OF ACADIANA, INC.

Schedules of Grant Disbursements
Years Ended December 31, 2016 and 2015

| | <u>2016</u> | <u>2015</u> |
|---|---------------------|---------------------|
| 232-HELP/Louisiana 211 | \$ 145,000 | \$ 140,500 |
| Acadia Council on Aging | 6,013 | 6,167 |
| Acadiana Outreach Center | 23,725 | 8,500 |
| Acadiana Symphony Association | 18,870 | 35,300 |
| American Red Cross | 110,000 | 75,000 |
| ASSIST Agency | 37,256 | 13,353 |
| Big Brothers Big Sisters of Acadiana | 79,396 | 83,675 |
| Boys & Girls Clubs of Acadiana | 146,158 | 108,600 |
| Catholic Services of Acadiana | 114,073 | 123,804 |
| Central Rayne Kindergarten | 11,210 | 9,867 |
| Empowering the Community for Excellence | 10,500 | 3,750 |
| Evangeline Area Boy Scouts | 47,822 | 25,850 |
| Faith House, Inc. | 88,384 | 105,638 |
| Family Service Division Program - 16th Judicial District Attorney | 50,875 | 37,500 |
| Foodnet | 25,875 | 15,200 |
| Girl Scouts of Louisiana - Pines to the Gulf (GSLPG) | 10,406 | 27,967 |
| Hearts of Hope | 46,713 | 42,442 |
| I am a Leader Foundation | - | 149,020 |
| Imani Temple #49 of the African-American Catholic Congregation | 5,000 | - |
| Junior Achievement of Acadiana | 6,066 | 5,779 |
| Lafayette Association for Retarded Citizens | - | 1,867 |
| Lafayette Community Health Care Clinic | 64,980 | 141,375 |
| Lafayette Council on Aging | - | 5,833 |
| Lafayette Parish School Board - Student Services | 15,000 | - |
| Lafayette Strong | 824 | 47,250 |
| Leader.org | 46,410 | - |
| Martin Petitjean Elementary School | 8,127 | 6,416 |
| New Hope Community Development of Acadiana | 16,188 | 8,750 |
| Progressive Community Outreach Center | 5,000 | - |
| Rebuilding Together Acadiana & Lafayette Habitat for Humanity | 2,600 | - |
| Ross Elementary School | 15,725 | 15,000 |
| Second Harvest Food Bank | 83,375 | 59,583 |
| SMILE | 42,000 | - |
| Special Olympics Louisiana | 9,250 | 5,000 |
| Spirit of Faith Church | 7,000 | - |
| St. Barnabas Episcopal Church | 10,000 | - |
| St. Martin Council on Aging | 11,012 | 6,167 |
| St Martin Parish Access to Care | 27,750 | 67,500 |
| The Family Tree | 24,565 | 5,675 |
| Vermilion Parish Public Schools | - | 14,583 |
| VITA, Inc. | 89,262 | 103,432 |
| Total | <u>\$ 1,462,410</u> | <u>\$ 1,506,343</u> |

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITORS' 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, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2017.

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, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 5, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

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, 2016. The Organization's major federal programs are identified in the summary of auditors' 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.

Auditors' 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, 2016.

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, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 5, 2017

UNITED WAY OF ACADIANA, INC.

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

| 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 | \$ 48,246 |
| U.S. Department of Health and Human Services: | | | |
| Direct Program - | | | |
| Head Start* | N/A | 93.600 | <u>1,506,662</u> |
| Total Direct Awards | | | 1,554,908 |
| U.S. Department of Education: | | | |
| Passed through Lafayette Parish School System | | | |
| Gaining Early Awareness and Readiness for | | | |
| Undergraduate Programs: Gear Up | P334A140080 | 84.334 | 20,603 |
| U.S. Department of Agriculture: | | | |
| Passed through Louisiana Department of Education | | | |
| Child and Adult Care Food Program | Unknown | 10.558 | <u>60,975</u> |
| Total Federal Awards | | | <u>\$1,636,486</u> |

* Indicates major program

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

(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, 2016. 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, 2016. 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, 2016

Part I. Summary of Auditors' Results:

1. The auditors' 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 auditors' 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 internal control findings for the year ended December 31, 2016.

Compliance Findings –

There were no compliance findings for the year ended December 31, 2016.

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 2016

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

Internal Control Findings -

There are no findings that are required to be reported under the above guidance.

Compliance Findings -

There are no findings that are required to be reported under the above guidance.

UNITED WAY OF ACADIANA, INC
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2016

| Ref. No. | Fiscal Year Finding Initially Occurred | Description of Finding | Corrective Action Taken | Corrective Action Planned | Name of Contact Person | Completion Date |
|----------|---|------------------------|-------------------------------|---------------------------|------------------------------|--------------------|
|----------|---|------------------------|-------------------------------|---------------------------|------------------------------|--------------------|

CURRENT YEAR (12/31/2016) --

Internal Control:

There were no findings that were required to be reported.

Compliance:

There were no findings that were required to be reported.

PRIOR YEAR (12/31/2015) --

Internal Control:

There were no findings that were required to be reported.

Compliance:

There were no findings that were required to be reported.