

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

FINANCIAL REPORT

June 30, 2023 and 2022

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

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June 30, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Louisiana Association of United Ways, Inc.
Baton Rouge, Louisiana

Opinion

We have audited the accompanying financial statements of **LOUISIANA ASSOCIATION OF UNITED WAYS, INC. (LAUW)** (a non-profit organization) which comprise the statements of financial position as of June 30, 2023 and 2022, 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 referred to above present fairly, in all material respects, the financial position of LAUW as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Louisiana Government Audit Guide*, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LAUW and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 responsibility 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.

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 LAUW's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. 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 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the *Louisiana Governmental Audit Guide*, 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 LAUW'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 LAUW'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.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head on page 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023, on our consideration of LAUW'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 LAUW'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 LAUW's internal control over financial reporting and compliance.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 1, 2023

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

	ASSETS	
	<u>2023</u>	<u>2022</u>
CURRENT		
Cash	\$ 1,849,290	\$ 1,653,299
Certificate of deposit	248,320	-
Accounts receivable	170,326	229,215
Prepaid expense	<u>6,629</u>	<u>5,518</u>
Total current assets	2,274,565	1,888,032
EQUIPMENT, net	<u>270</u>	<u>425</u>
Total assets	<u>\$ 2,274,835</u>	<u>\$ 1,888,457</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 60,203	\$ 2,824
Amounts held for others	<u>678,209</u>	<u>551,950</u>
Total liabilities	<u>738,412</u>	<u>554,774</u>
NET ASSETS		
Without donor restrictions	1,388,169	1,258,918
With donor restrictions	<u>148,254</u>	<u>74,765</u>
Total net assets	<u>1,536,423</u>	<u>1,333,683</u>
Total liabilities and net assets	<u>\$ 2,274,835</u>	<u>\$ 1,888,457</u>

The accompanying notes to the financial statements
are an integral part of this statement.

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Totals	Without Donor Restriction	With Donor Restriction	Totals
REVENUE AND SUPPORT						
Program revenues:						
Contracts:						
LA DCFS - No Wrong Door Project	\$ 2,457,423	\$ -	\$ 2,457,423	\$ 1,705,000	\$ -	\$ 1,705,000
United Way LA 2-1-1 fees	788,924	-	788,924	1,085,009	-	1,085,009
LDH COVID fees	102,941	-	102,941	439,817	-	439,817
Other fees	126,059	100,879	226,938	489,747	-	489,747
LA SCCC PCFO fees	71,440	-	71,440	66,540	-	66,540
LA ALICE fees	36,447	-	36,447	42,925	-	42,925
Support:						
Association dues	82,604	-	82,604	90,560	-	90,560
Grants and contributions	26,900	104,647	131,547	209,049	4,031	213,080
Other	35,549	-	35,549	1,013	-	1,013
Total revenue and support	3,728,287	205,526	3,933,813	4,129,660	4,031	4,133,691
Net assets released from restrictions	132,037	(132,037)	-	16,374	(16,374)	-
Total revenues and net assets released from restrictions	3,860,324	73,489	3,933,813	4,146,034	(12,343)	4,133,691
EXPENSES						
Program services	3,523,724	-	3,523,724	3,624,295	-	3,624,295
General and administrative	207,349	-	207,349	151,009	-	151,009
Total expenses	3,731,073	-	3,731,073	3,775,304	-	3,775,304
Change in operating net assets	129,251	73,489	202,740	370,730	(12,343)	358,387
NET ASSETS						
Beginning of year	1,258,918	74,765	1,333,683	888,188	87,108	975,296
End of year	<u>\$ 1,388,169</u>	<u>\$ 148,254</u>	<u>\$ 1,536,423</u>	<u>\$ 1,258,918</u>	<u>\$ 74,765</u>	<u>\$ 1,333,683</u>

The accompanying notes to the financial statements
are an integral part of this statement.

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 202,740	\$ 358,387
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	155	154
Change in operating assets and liabilities:		
Accounts receivable	58,889	143,691
Prepaid expense	(1,111)	(363)
Accounts payable and accrued liabilities	57,379	(257,353)
Amounts held for others	<u>126,259</u>	<u>40,890</u>
Net cash provided by operating activities	444,311	285,406
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificate of deposit	<u>(248,320)</u>	<u>-</u>
Net increase in cash	195,991	285,406
CASH		
Beginning of year	<u>1,653,299</u>	<u>1,367,893</u>
End of year	<u>\$ 1,849,290</u>	<u>\$ 1,653,299</u>

The accompanying notes to the financial statements
are an integral part of this statement.

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.
Baton Rouge, Louisiana

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	Function												Total
	Program Services											General and Administrative	
	LA 211												
	Capacity Building	State Checkoff	COVID19	Data Project	DOC Pilot Project	DCFS - NWD	LDH Opioid Project	LA SCCC	LA ALICE	Ride United			
Contract services	\$ 501,420	\$ 1,626	\$ 56,588	\$ -	\$ 12,000	\$ 550,000	\$ 152,810	\$ 4,032	\$ -	\$ 70,602	\$ 38,830	\$ 1,387,908	
Professional fees	23,075	-	-	-	38,500	855,520	3,000	2,618	33,804	-	6,478	962,995	
Licenses and fees	60,410	-	-	22,714	64,000	60,780	-	-	-	-	256	208,160	
Salaries, payroll taxes and benefits	23,917	-	36,227	-	23,500	241,920	11,198	53,624	-	15,750	120,074	526,210	
211 referral and care coordination center	-	-	-	-	-	490,000	-	-	-	-	-	490,000	
Technology services and software	26,350	33	7,407	-	413	20,487	14,210	3,784	1,448	-	4,149	78,281	
Insurance	320	-	-	-	-	779	-	1,000	-	-	8,957	11,056	
Conferences, meetings and travel	4,386	-	-	-	190	906	583	1,586	408	500	16,283	24,842	
Telecommunications	-	-	1,830	-	-	458	-	-	-	-	7,049	9,337	
Printing	2,407	-	-	-	-	6,442	-	831	3,605	-	353	13,638	
Postage and shipping	255	-	-	-	10	778	465	1,054	49	-	168	2,779	
Rent	-	-	357	-	-	-	-	1,071	-	-	1,172	2,600	
Office supplies	25	-	-	-	-	165	57	463	-	-	1,340	2,050	
Credit card and bank fees	40	-	-	-	-	-	-	711	-	-	20	771	
Registrations	-	-	-	-	-	-	-	-	-	-	-	-	
Marketing and advertising	7,500	-	-	-	-	724	-	-	-	-	-	8,224	
Sponsor expense	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	-	-	155	155	
Other	2	-	-	-	-	-	-	-	-	-	2,065	2,067	
	<u>\$ 650,107</u>	<u>\$ 1,659</u>	<u>\$ 102,409</u>	<u>\$ 22,714</u>	<u>\$ 138,613</u>	<u>\$ 2,228,959</u>	<u>\$ 182,323</u>	<u>\$ 70,774</u>	<u>\$ 39,314</u>	<u>\$ 86,852</u>	<u>\$ 207,349</u>	<u>\$ 3,731,073</u>	

The accompanying notes to the financial statements
are an integral part of this statement.

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.
Baton Rouge, Louisiana

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022

	Function												Total
	Program Services												
	LA 211						Unified Ida				General and		
Capacity Building	State Checkoff	COVID19	Data Project	DOC Pilot Project	DCFS Pilot - NWD	LDH Opioid Project	LA SCCC	LA ALICE	Fund	Ride United	Administrative		
Contract services	\$ 970,639	\$ 2,000	\$ 267,936	\$ -	\$ 15,338	\$ 325,624	\$ 153,313	\$ 4,000	\$ -	\$ 207,272	\$ 2,164	\$ 24,341	\$ 1,972,627
Professional fees	-	-	3,000	-	12,500	920,133	15,375	2,500	25,000	-	-	6,697	985,205
Licenses and fees	679	-	60,000	44,143	60,000	222,500	-	-	-	-	-	-	387,322
Salaries, payroll taxes and benefits	34,843	-	42,839	-	10,060	54,389	7,500	53,768	-	-	2,000	92,995	298,394
Technology services and software	48,021	105	14,965	-	9,000	10,536	1,161	3,651	1,018	-	-	4,211	92,668
Insurance	-	-	-	-	-	-	-	800	-	-	-	8,091	8,891
Conferences, meetings and travel	-	-	-	-	-	80	-	78	83	-	-	7,114	7,355
Telecommunications	-	322	3,388	-	-	46	-	-	-	-	-	3,272	7,028
Printing	302	-	-	-	-	-	2,002	725	-	-	-	409	3,438
Postage and shipping	16	-	-	-	-	21	1,199	1,056	-	-	-	275	2,567
Rent	-	-	342	-	-	-	-	1,026	-	-	-	342	1,710
Office supplies	-	60	-	-	-	-	140	467	-	-	-	870	1,537
Credit card and bank fees	-	-	-	-	-	-	-	613	-	6	-	377	996
Registrations	-	-	-	-	-	-	-	-	-	-	-	395	395
Sponsor expense	-	-	-	-	-	-	-	-	-	-	-	250	250
Depreciation	-	-	-	-	-	-	-	-	-	-	-	154	154
Other	-	2,857	-	-	-	-	-	694	-	-	-	1,216	4,767
	<u>\$ 1,054,500</u>	<u>\$ 5,344</u>	<u>\$ 392,470</u>	<u>\$ 44,143</u>	<u>\$ 106,898</u>	<u>\$ 1,533,329</u>	<u>\$ 180,690</u>	<u>\$ 69,378</u>	<u>\$ 26,101</u>	<u>\$ 207,278</u>	<u>\$ 4,164</u>	<u>\$ 151,009</u>	<u>\$ 3,775,304</u>

The accompanying notes to the financial statements
are an integral part of this statement.

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Louisiana Association of United Ways, Inc. (LAUW) is a not-for-profit membership organization composed of member United Way organizations throughout Louisiana. LAUW's mission is to integrate action and resources for the common good. LAUW's primary sources of revenue are assessments for membership services from regional United Ways, charges for services, fees assessed through LA 211 network contracts, grants, and contributions. LAUW also receives donations through the Louisiana State Tax Return Check-Off Box elections designated to LAUW/LA 211.

LAUW fosters and promotes opportunities to enhance the delivery of human services to citizens of Louisiana. Significant activities include the statewide coordination of LA 211, Ride United, and the ALICE (Asset Limited, Income Constrained, Employed) Project for Louisiana programs and service as the Principal Combined Fundraising Organization (PCFO) for the Louisiana State Combined Charitable Campaign (SCCC).

Basis of Presentation

The financial statements of LAUW have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents

For purposes of the statements of cash flows, LAUW considers cash in bank accounts and money market funds to be cash. Cash equivalents include highly liquid investments with original maturities of three months or less. LAUW had cash of \$1,849,290 and \$1,653,299 on June 30, 2023 and 2022, respectively. There are no cash equivalents as of June 30, 2023 or 2022.

Certificate of Deposit

LAUW classifies its certificates of deposit as short-term investments and reassesses the appropriateness of the classification of its investments at the end of each reporting period. Certificates of deposit held for investment with an original maturity greater than three months are carried at fair market value and reported as a certificate of deposit on the balance sheets. The type of certificate of deposit that LAUW invested in are not considered debt securities under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 320, *Investments - Debt Securities*. As June 30, 2023, the LAUW had \$248,320 in certificates of deposit. LAUW did not have any certificates of deposit as of June 30, 2022.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

LAUW expensed \$8,224 in advertising costs as incurred during 2023. There were no advertising costs during 2022.

Equipment

Equipment is recorded at cost with a capitalization threshold of \$500 per item. Depreciation is recorded using the straight-line method over the estimated useful life of the asset. Maintenance, repairs and minor renewals are expensed as incurred.

Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, LAUW is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of contributor-imposed restrictions.

Net assets without donor restrictions - net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the board of directors.

Net assets with donor restrictions - net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue Recognition and Accounts Receivable

LAUW's primary revenues are related to contracts with service providers, grants and contributions, donations from the public, and other United Way Association dues and fees. LAUW recognizes revenues in accordance with ASU No. 2014-09 *Revenue from Contracts with Customers (Topic 606)*. LAUW recognizes funds received as contract revenues once the performance obligation attributable to these agreements has been satisfied (as the services are performed and execution of work contracts).

Contracts

Contract revenue and the related accounts receivable represent fees for service contracts due from governmental units and agencies. LAUW does not require collateral. Since the majority of receivables are through governmental contracts, management believes the accounts are collectible at June 30, 2023 and 2022. Accordingly, there was no allowance for doubtful accounts recorded as of June 30, 2023 or 2022.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Accounts Receivable (Continued)

Contracts (Continued)

Accounts receivable outstanding after 30 days, are considered past due. There were no accounts receivable in excess of 90 days as of June 30, 2023 or 2022. LAUW records contract revenue as services are rendered. Opening balances of accounts receivable at July 1, 2023 and 2022 were \$229,215, and \$372,906, respectively.

Dues Revenue and Deferred Revenue

The membership year ends on June 30th. Revenue from annual membership dues are recognized as revenue in the year to which the membership term applies. Dues paid by members in advance of the period to which they pertain are reflected in the accompanying statement of financial position as deferred revenue. There is no deferred revenue as of June 30, 2023 or 2022.

Grants and Contributions

Contributions are recognized when the donor makes a promise to give to LAUW that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Contributions with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Income Taxes

LAUW is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. LAUW's open audit periods are 2019 through 2023.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and allocation of functional expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

LAUW allocates its functional expenses between program services, and general and administrative expenses, primarily based on its estimate of time incurred for those efforts. Fundraising expenses were not incurred in 2023 and 2022.

Program services consists of expenses related to LA 211 network service programs, LA ALICE Project, disaster response and relief, State Combined Charitable Campaign (SCCC), advocacy, and specialized training for regional United Ways.

Subsequent Events

LAUW has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through December 1, 2023, which was the date the financial statements were available to be issued.

Recently Adopted Accounting Standard

Effective July 1, 2022, the LAUW adopted Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), and all related amendments retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. This guidance requires that right-of-use (ROU) assets and lease liabilities be recorded on the statement of financial position. LAUW elected the practical expedient relief package allowed by the new standard, which does not require the reassessment of (1) whether existing contracts contain a lease, (2) the lease classification or (3) unamortized initial direct costs for existing leases. LAUW made accounting policy elections for the exclusion of short-term leases (leases with an initial lease term of 12 months or less and which do not include a purchase option that the LAUW is reasonably certain to exercise). Implementation of those standards had no material effect on net income; therefore, no adjustments to net assets were recorded. Additionally, the adoption of standards had no effect on cash flows.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

LAUW typically maintains cash and cash equivalents in local banks that may, at times, exceed FDIC insured limits. During 2023, there were no uninsured amounts. The uninsured amount as of June 30, 2022 was \$465,953.

NOTE 3 - EQUIPMENT

Equipment and accumulated depreciation at June 30, 2023 and 2022, consist of equipment of \$2,934, less accumulated depreciation of \$2,664 and \$2,509, respectively. The service life of equipment is five years. Depreciation expense was \$155 and \$154 for 2023 and 2022, respectively.

NOTE 4 - AMOUNTS HELD FOR OTHERS

Amounts held for others represent funding to administer a contract for LA 211 services on behalf of the United Way of Southwest Louisiana (UWSWLA), Capital Area United Way (CAUW), United Way of Acadiana (UWA), United Way of Central Louisiana (UWCL), and United Way of Northwest Louisiana (UWNWLA) for the period July 1st to June 30th of the subsequent fiscal year. During 2023, LAUW no longer held amounts for United Way of Acadiana.

The contracts between LAUW and affiliated organizations mentioned above stipulated that contractual funds be used for services related to the delivery of 211 services in the respective regions, inclusive of 211 contact center services, software, training and funds held for disaster surge.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Association participates in related party transactions with its affiliate members throughout the state. The Association is the service administrator for contracts involving the following sub-organizations: Capital Area United Way, St. John United Way, United Way of Acadiana, United Way of Central Louisiana, United Way of Northeast Louisiana, United Way of Northwest Louisiana, United Way of Iberia, United Way of Southwest Louisiana, and St. Landry-Evangeline United Way. The transactions executed through these contracts are considered related party transactions because the Association's Board of Directors is comprised of presidents and chief executive officers of the members.

Related party transactions at June 30, 2023 for 2-1-1 fees, membership dues, and other fees were \$563,268, \$82,604, and \$6,043, respectively. Related party transactions at June 30, 2022 for 2-1-1 fees, membership dues, and other fees were \$598,244, \$90,560, and \$40,702, respectively.

(Continued)

NOTE 6 - NET ASSETS

LAUW's net assets with purpose restrictions and without donor restrictions consist of assets that can be expended currently, but only for a specified purpose by the donor or designated as governed by contract. Net assets with and without donor restrictions at June 30, 2023 and 2022 are designated for the following specified purposes:

	June 30, 2022	Increases	Decreases	Administrative Fees	June 30, 2023
Undesignated	\$ 694,203	\$ 150,474	\$ (196,591)	\$ 246,822	\$ 894,908
Designated for:					
DCFS-NWD	146,171	2,457,423	(2,228,959)	(170,000)	204,635
LA 2-1-1 Kinship	47,874	194,000	(112,388)	(10,000)	119,486
LDH Opioid Project	145,350	118,000	(182,323)	(17,000)	64,027
LA DOC Pilot Project	142,102	68,654	(138,613)	(20,000)	52,143
COVID Response Contracts	39,182	102,941	(102,409)	(8,755)	30,959
LA ALICE Project	23,086	36,447	(39,314)	-	20,219
ECE Advocacy	4,977	6,900	(10,751)	-	1,126
SCCC	-	71,440	(70,774)	-	666
LHC Data Project	8,700	17,514	(22,714)	(3,500)	-
DCFS Pilot Unite Louisiana	6,499	(6,499)	-	-	-
OCD-ERA Project	774	34,069	(30,398)	(4,445)	-
LA UW 2-1-1 Contracts	-	404,804	(404,804)	-	-
LA 211 Regents	-	72,120	(62,120)	(10,000)	-
Total without donor restriction	<u>1,258,918</u>	<u>3,728,287</u>	<u>(3,602,158)</u>	<u>3,122</u>	<u>1,388,169</u>
With donor restrictions:					
Ride United	38,776	100,000	(86,852)	(2,750)	49,174
COVID Response Grants	28,408	100,879	(40,404)	-	88,883
LA 211 State Checkoff Box	7,581	4,647	(1,659)	(372)	10,197
Total with donor restriction	<u>74,765</u>	<u>205,526</u>	<u>(128,915)</u>	<u>(3,122)</u>	<u>148,254</u>
Total net assets	<u>\$ 1,333,683</u>	<u>\$ 3,933,813</u>	<u>\$ (3,731,073)</u>	<u>\$ -</u>	<u>\$ 1,536,423</u>

(Continued)

NOTE 6 - NET ASSETS (CONTINUED)

	June 30, 2021	Increases	Decreases	Administrative Fees	June 30, 2022
Undesignated	\$ 512,136	\$ 199,288	\$ (214,613)	\$ 197,392	\$ 694,203
Designated for:					
DCFS-NWD	-	1,705,000	(1,473,829)	(85,000)	146,171
LDH Opioid Project	125,956	220,000	(180,690)	(19,916)	145,350
LA DOC Pilot Project	130,154	143,846	(106,898)	(25,000)	142,102
LA 2-1-1 Kinship Project	33,908	134,500	(108,034)	(12,500)	47,874
COVID Response Contracts	23,129	439,817	(392,470)	(31,294)	39,182
LA ALICE Project	7,262	42,925	(26,101)	(1,000)	23,086
LHC Data Project	3,200	56,643	(44,143)	(7,000)	8,700
DCFS Pilot Unite Louisiana	51,693	19,854	(59,500)	(5,548)	6,499
ECE Advocacy	750	10,000	(5,773)	-	4,977
OCD-ERA Project	-	95,301	(92,013)	(2,514)	774
United Ida Fund	-	207,278	(207,278)	-	-
LA UW 2-1-1 Contracts	-	517,950	(517,950)	-	-
LA 2-1-1 Hurricane Activation	-	337,258	(332,291)	(4,967)	-
Total	<u>888,188</u>	<u>4,129,660</u>	<u>(3,761,583)</u>	<u>2,653</u>	<u>1,258,918</u>
With donor restrictions:					
Ride United	44,940	-	(4,164)	(2,000)	38,776
COVID Response Grants	32,621	-	(4,213)	-	28,408
LA 211 State Checkbox	9,547	4,031	(5,344)	(653)	7,581
Total with donor restriction	<u>87,108</u>	<u>4,031</u>	<u>(13,721)</u>	<u>(2,653)</u>	<u>74,765</u>
Total	<u>\$ 975,296</u>	<u>\$ 4,133,691</u>	<u>\$ (3,775,304)</u>	<u>\$ -</u>	<u>\$ 1,333,683</u>

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Grants

LAUW receives grants for specific purposes that are subject to review by the funding sources. Such reviews could lead to requests for reimbursement to the funding sources for expenses disallowed under terms of the agreement. It is the opinion of LAUW management that LAUW's compliance with the terms of the agreements will result in no disallowed costs.

NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The LAUW's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash	\$ 1,849,290	\$ 1,653,299
Accounts receivable	170,326	229,215
Less: amounts held for others	(678,209)	(551,950)
Less: Those unavailable for general expenditures within one year due to donor-imposed restrictions	<u>(148,254)</u>	<u>(74,765)</u>
 Financial assets available for general expenditures within one year	 <u>\$ 1,193,153</u>	 <u>\$ 1,255,799</u>

As part of the LAUW's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD**

For the fiscal year ended June 30, 2023

Agency Head: Sarah Berthelot, President and CEO

No compensation paid from public funds.

See Independent Auditors' Report.

Other Independent Auditors' Report

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

June 30, 2023

**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***

Board of Directors
Louisiana Association of United Ways, Inc.
Baton Rouge, 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 the *Louisiana Governmental Audit Guide* and *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **LOUISIANA ASSOCIATION OF UNITED WAYS, INC. (LAUW)** (a non-profit organization) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended and related notes to the financial statements, and have issued our report thereon dated December 1, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered **LAUW's** 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 **LAUW's** internal control. Accordingly, we do not express an opinion on the effectiveness of **LAUW'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LAUW's financial statements are free of 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 the *Louisiana Governmental Audit Guide* and *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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of Management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 1, 2023

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

For the year ended June 30, 2023

1) Summary of Audit Results:

a) The type of report issued on the basic financial statements: **Unmodified opinion.**

b) Internal control matters disclosed by the audit of financial statements:

Significant deficiencies: **None.**

Material weaknesses: **None.**

c) Noncompliance which is material to the basic financial statements: **None.**

2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **None.**

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

For the year ended June 30, 2023

There were no prior year findings.

Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

For the year ended June 30, 2023

**INDEPENDENT AUDITORS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
Louisiana Association of United Ways, Inc. and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by **LOUISIANA ASSOCIATION OF UNITED WAYS, INC.** (the Association) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Association's management is responsible for those C/C areas identified in the SAUPs.

The Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. Written Policies and Procedures:

- A. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2. Board or Finance Committee:

- A. Obtain and inspect the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe whether the managing board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

- iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3. Bank Reconciliations:

- A. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4. Collections:

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

5. Non-Payroll Disbursements (excluding credit card purchases, travel reimbursements, and petty cash purchases):

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

6. Credit Cards/Debit Cards/Fuel Cards/P-Cards:

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased security.

7. Travel and Travel-Related Expense Reimbursement (excluding card transactions):

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8. Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9. Payroll and Personnel:

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe the rate paid to the employees of officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee and officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.

10. Ethics:

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11. Debt Service:

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12. Fraud Notice:

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13. Information Technology Disaster Recovery/Business Continuity:

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

14. Prevention of Sexual Harassment:

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- C. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- D. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.
Baton Rouge, Louisiana

SCHEDULE OF ASSOCIATED FINDINGS

For the year ended June 30, 2023

Findings:

No findings were found as a result of applying the procedures listed above, except as follows:

Information Technology Disaster Recovery/Business Continuity

We performed the procedure and discussed results with management. We noted no associated findings to this procedure.

We were engaged by the Association to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 1, 2023