

UNITED WAY OF ACADIANA, INC.

Financial Report

Years Ended December 31, 2021 and 2020

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

C. Burton Kolder, CPA*
Of Counsel

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

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

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

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

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

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

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

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

WWW.KCSRCPAS.COM

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

INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of Acadiana, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*; issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Acadiana, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 19 to the financial statements, United Way of Acadiana, Inc. had a prior year restatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we; exercise professional judgment and maintain professional skepticism throughout the audit. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Acadiana Inc's internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Acadiana Inc's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2022, on our consideration of United Way of Acadiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Acadiana, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Acadiana, Inc.'s internal control over financial reporting and compliance.

KOLDER, SLAVEN & COMPANY, LLC
Certified Public Accountants

Lafayette, Louisiana
October 26, 2022

FINANCIAL STATEMENTS

UNITED WAY OF ACADIANA, INC.

Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,356,745	\$ 1,637,843
Investments	706,419	448,332
Pledges receivable, net of allowance for doubtful accounts (\$121,881 and \$235,241 at December 31, 2021 and 2020, respectively)	758,619	935,554
Grants receivable	269,099	43,757
Other receivables	155,045	279,083
Prepaid expenses	38,293	33,946
Total current assets	<u>3,284,220</u>	<u>3,378,515</u>
Property and equipment, net of accumulated depreciation (\$1,378,520 and \$1,297,826 at December 31, 2021 and 2020, respectively)	<u>2,586,783</u>	<u>2,667,477</u>
Other assets:		
Assets restricted for endowment- Investments	<u>713,634</u>	<u>713,634</u>
Total assets	<u>\$ 6,584,637</u>	<u>\$ 6,759,626</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 78,180	\$ 217,004
Accrued liabilities	3,821	14,540
Contracts payable	-	375,000
Payable to other United Ways	134,556	657,393
Payable to other organizations	36,830	79,573
Compensated absences	26,175	31,053
Deferred revenue	-	37,225
Advances	50,701	193,467
Current maturities of long-term debt	<u>23,376</u>	<u>342,101</u>
Total current liabilities	353,639	1,947,356
Noncurrent liabilities:		
Long-term debt, less current portion	<u>128,492</u>	<u>249,505</u>
Total liabilities	<u>482,131</u>	<u>2,196,861</u>
Net assets:		
Without donor restrictions	4,915,296	3,446,136
With donor restrictions	<u>1,187,210</u>	<u>1,116,629</u>
Total net assets	<u>6,102,506</u>	<u>4,562,765</u>
Total liabilities and net assets	<u>\$ 6,584,637</u>	<u>\$ 6,759,626</u>

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities
Year Ended December 31, 2021

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

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

UNITED WAY OF ACADIANA, INC.

Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Contributions and pledges	\$ 1,730,641	\$ 101,482	\$ 1,832,123
Less: donor designations	(649,634)	-	(649,634)
Less: uncollectible pledges	(174,201)	-	(174,201)
Net contributions and pledges	906,806	101,482	1,008,288
Grant revenue	1,678,704	682,718	2,361,422
In-kind income	56,880	-	56,880
Rental income	219,228	-	219,228
Service fees	87,862	-	87,862
Other	39,838	100,305	140,143
Interest and dividends	31,758	-	31,758
Net realized and unrealized gains (losses) on investments	47,511	-	47,511
Net assets released from restrictions	726,576	(726,576)	-
Total revenues, gains, and other support	<u>3,795,163</u>	<u>157,929</u>	<u>3,953,092</u>
Expenses:			
Program services-			
Community impact	1,249,983	-	1,249,983
Disaster management	102,601	-	102,601
Early Head Start	1,795,692	-	1,795,692
Other programs	190,956	-	190,956
Total program services	<u>3,339,232</u>	<u>-</u>	<u>3,339,232</u>
Supporting services-			
Management and general	278,232	-	278,232
Fundraising	266,762	-	266,762
Total supporting services	<u>544,994</u>	<u>-</u>	<u>544,994</u>
Total expenses	<u>3,884,226</u>	<u>-</u>	<u>3,884,226</u>
Change in net assets	(89,063)	157,929	68,866
Net assets, beginning of year	<u>3,535,199</u>	<u>958,700</u>	<u>4,493,899</u>
Net assets, end of year	<u>\$ 3,446,136</u>	<u>\$ 1,116,629</u>	<u>\$ 4,562,765</u>

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

UNITED WAY OF ACADIANA, INC.

Statement of Functional Expenses
Year Ended December 31, 2021

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

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

UNITED WAY OF ACADIANA, INC.

Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services					Supporting Services			
	Community Impact	Disaster Management	Early Head Start	Other Programs	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Total Expenses
Salaries and wages	\$ 164,829	\$ 29,799	\$ 1,008,345	\$ 71,271	\$ 1,274,244	\$ 123,893	\$ 161,662	\$ 285,555	\$ 1,559,799
Payroll taxes	12,293	2,277	75,890	5,115	95,575	8,151	12,150	20,301	115,876
Employee benefits	16,360	2,004	115,486	9,939	143,789	11,861	11,551	23,412	167,201
Total payroll and related expenses	<u>193,482</u>	<u>34,080</u>	<u>1,199,721</u>	<u>86,325</u>	<u>1,513,608</u>	<u>143,905</u>	<u>185,363</u>	<u>329,268</u>	<u>1,842,876</u>
Other expenses-									
Advertising	17,761	-	247	-	18,008	-	1,561	1,561	19,569
Campaign incentives	618	-	-	-	618	-	-	-	618
Childcare supplies	-	-	99,063	-	99,063	-	-	-	99,063
Conferences and meetings	852	-	12,960	328	14,140	5,500	269	5,769	19,909
Contract services	45,119	500	136,141	3,025	184,785	61,052	4,300	65,352	250,137
Depreciation	3,361	-	38,654	31,509	73,524	4,201	2,941	7,142	80,666
Dolly Parton Imagination Library	34,821	-	-	-	34,821	-	-	-	34,821
Dues and subscriptions	9,888	81	1,092	250	11,311	1,225	1,106	2,331	13,642
Equipment	-	-	987	-	987	9,032	-	9,032	10,019
Event expenses	1,085	-	959	5,174	7,218	13,063	12,030	25,093	32,311
Grants to individuals	-	53,600	-	-	53,600	-	-	-	53,600
In-kind donations	-	-	56,880	-	56,880	-	-	-	56,880
Indirect costs	-	6,410	46,653	-	53,063	(53,063)	-	(53,063)	-
Insurance	1,652	199	28,567	21,698	52,116	6,585	3,477	10,062	62,178
Interest expense	-	-	-	-	-	1,834	-	1,834	1,834
Leader in Me - Franklin Convey	401,992	-	-	-	401,992	-	-	-	401,992
Maintenance	169	-	52,336	10,571	63,076	20,075	4,597	24,672	87,748
Miscellaneous	-	-	2,847	176	3,023	11,293	26,376	37,669	40,692
Occupancy expense	4,403	-	10,324	(32,164)	(17,437)	9,794	7,643	17,437	-
Postage	2	-	241	67	310	6,430	69	6,499	6,809
Printing and publications	574	7	6,247	174	7,002	2,641	465	3,106	10,108
Professional fees	-	-	6,655	-	6,655	25,735	-	25,735	32,390
Supplies	290	5,379	25,666	3,068	34,403	2,091	10,357	12,448	46,851
Telephone	760	240	8,558	2,948	12,506	3,059	1,840	4,899	17,405
Travel and transportation	314	712	10,836	-	11,862	-	743	743	12,605
United Way Worldwide dues	16,982	1,393	24,396	2,596	45,367	3,780	3,625	7,405	52,772
Utilities	-	-	25,662	55,211	80,873	-	-	-	80,873
Total other expenses	<u>540,643</u>	<u>68,521</u>	<u>595,971</u>	<u>104,631</u>	<u>1,309,766</u>	<u>134,327</u>	<u>81,399</u>	<u>215,726</u>	<u>1,525,492</u>
Grants to agencies	<u>515,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,858</u>
Total expenses	<u>\$ 1,249,983</u>	<u>\$ 102,601</u>	<u>\$ 1,795,692</u>	<u>\$ 190,956</u>	<u>\$ 3,339,232</u>	<u>\$ 278,232</u>	<u>\$ 266,762</u>	<u>\$ 544,994</u>	<u>\$ 3,884,226</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,370,052	\$ 68,866
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	80,694	80,666
Net realized and unrealized gains on investments	(190,744)	(47,511)
Changes in assets and liabilities-		
(Increase) decrease in:		
Pledges receivable	176,935	369,254
Grants and other receivables	(101,304)	(264,613)
Prepaid expenses	(4,347)	(2,592)
Increase (decrease) in:		
Accounts payable	30,865	177,873
Accrued liabilities	(10,719)	9,318
Contracts payable	(375,000)	375,000
Other payables	(565,580)	(257,905)
Compensated absences	(4,878)	15,908
Deferred revenue and advances	<u>(179,991)</u>	<u>(118,015)</u>
Net cash provided by operating activities	<u>225,983</u>	<u>406,249</u>
Cash flows from investing activities:		
Proceeds from sale of investments	<u>(67,343)</u>	<u>(52,051)</u>
Cash flows from financing activities:		
Proceeds from notes payable	-	416,500
Principal payments on notes payable	<u>(439,738)</u>	<u>(18,601)</u>
Net cash provided (used) by financing activities	<u>(439,738)</u>	<u>397,899</u>
Net increase (decrease) in cash and cash equivalents	(281,098)	752,097
Cash and cash equivalents, beginning of year	<u>1,637,843</u>	<u>885,746</u>
Cash and cash equivalents, end of year	<u>\$ 1,356,745</u>	<u>\$ 1,637,843</u>
Supplemental disclosure for the statements of cash flows:		
Interest paid	<u>\$ 4,294</u>	<u>\$ 1,834</u>

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements

(1) Nature of Organization and Significant Accounting Policies

A. Organization and Purpose

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

B. Basis of Accounting

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

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

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

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

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

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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

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

C. Cash and Cash Equivalents

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

D. Provision for Uncollectible Pledges

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

E. Investments

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

F. Property and Equipment

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

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

G. Revenue and Expense Recognition

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

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

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

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

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

H. Functional Allocation of Expenses

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

I. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. Accounting principles generally accepted in the United States of American require the Organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclose in the financial statements. The Organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

J. Compensated Absences

The Organization allows employees paid vacation, sick days, and personal days off, depending on job classification, length of service, and other factors. Upon separation, employees are paid for any unused vacation through the date of separation at their current rate of pay. At December 31, 2021 and 2020, the accrued compensated absences amounted to \$26,175 and \$31,053, respectively.

K. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$19,553 and \$19,569 for the years ended December 31, 2021 and 2020, respectively.

L. Donated Materials and Services

The Organization receives a significant amount of donated materials and services from unpaid volunteers who assist in program services during the year. Some donated services are not reflected in the statement of activities because the criteria for recognition under professional standards have not been satisfied; however, these services are valuable to the Organization's programs. For the year ended December 31, 2021, the Organization had 3,221 volunteers who provided 2,841 hours of donated services valued at \$77,275. For the year ended December 31, 2020, the Organization had 3,392 volunteers who provided 2,937 hours of donated services valued at \$79,891. 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:

	2021	2020
Program services:		
Early Head Start-		
Materials	\$ 25,373	\$ 24,914
Professional services	34,386	31,966
Total program services	\$ 59,759	\$ 56,880

M. Use of Estimates

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

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(2) Liquidity and Availability of Financial Assets

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

	2021	2020
Financial assets, at year-end	\$ 3,959,561	\$ 4,058,203
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions-		
Restricted by donors in perpetuity	(713,634)	(713,634)
Restricted by donors with purpose restrictions	(695,663)	(1,370,653)
Board designations-		
Operating reserve	(199,000)	(198,677)
Specific programs	(986,650)	(685,795)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,364,614	\$ 1,089,444

As of December 31, 2021 and 2020, respectively, the Organization had \$1,364,614, and \$1,089,444 of financial assets available within 1 year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$0 and \$398,327, investments of \$240,427 and \$0, pledges receivable of \$700,043 and \$368,277, grants receivable of \$269,099 and \$43,757, and other receivables of \$155,045 and \$279,083. As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligation become due.

(3) Pledges Receivable

Pledges receivable are due within a year from the date of the contribution. The annual campaign pledges receivable for the years ended December 31, 2021 and 2020 consists of the following:

December 31, 2021:		
2021 Campaign	\$ 834,390	
Less: allowance for uncollectible pledges	(75,771)	
		\$ 758,619
2020 Campaign	46,110	
Less: allowance for uncollectible pledges	(46,110)	
		-
		\$ 758,619

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

December 31, 2020:

2020 Campaign	\$ 998,323	
Less: allowance for uncollectible pledges	<u>(93,726)</u>	
		\$ 904,597
2019 Campaign	172,472	
Less: allowance for uncollectible pledges	<u>(141,515)</u>	
		<u>30,957</u>
		<u>\$ 935,554</u>

(4) Investments

Investments are carried at fair value based on quoted market prices in active markets (all Level 1 Measurements) and consist of the following at December 31, 2021 and 2020:

<u>Investment Type</u>	<u>2021</u>	<u>2020</u>
Equities	\$ 1,015,314	\$ 782,283
Corporate and government bonds	<u>404,739</u>	<u>379,683</u>
	<u>\$ 1,420,053</u>	<u>\$ 1,161,966</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2021 and 2020:

December 31, 2021:

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

December 31, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 31,758	\$ -	\$ 31,758
Net realized gains	55,591	-	55,591
Net unrealized gains (losses)	<u>(8,080)</u>	<u>-</u>	<u>(8,080)</u>
Total return on investments	<u>\$ 79,269</u>	<u>\$ -</u>	<u>\$ 79,269</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(5) Donor-Restricted Endowments

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

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

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

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

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2021 and 2020, the Organization did not have underwater endowments.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

Endowment net asset composition by type of fund as of December 31, 2021 and 2020 is as follows:

December 31, 2021:

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

December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 576,607	\$ -	\$ 576,607
Donor-restricted endowment funds	<u>-</u>	<u>713,634</u>	<u>713,634</u>
Total funds	<u>\$ 576,607</u>	<u>\$ 713,634</u>	<u>\$ 1,290,241</u>

Changes in endowment net assets for the years ended December 31, 2021 and 2020 are as follows:

December 31, 2021:

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

December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 512,615	\$ 713,634	\$ 1,226,249
Distributions	(8,101)	-	(8,101)
Investment income (net of fees)	24,582	-	24,582
Net unrealized/realized gain (loss)	<u>47,511</u>	<u>-</u>	<u>47,511</u>
Endowment net assets, end of year	<u>\$ 576,607</u>	<u>\$ 713,634</u>	<u>\$ 1,290,241</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(6) Property and Equipment

Property and equipment consist of the following as of December 31, 2021 and 2020:

	2021	2020
Land	\$ 585,000	\$ 585,000
Building and improvements	3,138,929	3,138,929
Office furniture and equipment	241,374	241,374
Total property and equipment	3,965,303	3,965,303
Less accumulated depreciation	(1,378,520)	(1,297,826)
Property and equipment, net	\$ 2,586,783	\$ 2,667,477

Total depreciation expense for the years ended December 31, 2021 and 2020 was \$80,694 and \$80,666, respectively.

Certain land and buildings, with a carrying amount of \$1,406,245 were acquired with funds received under a grant contract with the U.S. Department of Health and Human Services for an Early Head Start Expansion Program. Under federal guidelines, the real property shall be used for the originally authorized purpose as long as needed for that purpose or other federally sponsored projects or programs that have purposes consistent with those authorized for support by the Federal awarding agency. When the real property is no longer needed for federally supported programs or projects, the entity shall request disposition instructions from the agency. Depending on the outcome of the disposition, the entity may be required to compensate the awarding agency for the federal portion of the current fair market value of the property. This real property is included in the Organization's property and equipment, net of accumulated depreciation in the statement of financial position at a book value of \$1,037,649 and \$1,076,302 which represents the carrying amount less accumulated depreciation of \$368,596 and \$329,942 at December 31, 2021 and 2020, respectively. Depreciation expense for the years ended December 31, 2021 and 2020 was \$38,654.

(7) Deferred Revenue

Deferred revenues on the statement of financial position represent service fees charged to third parties prior to the satisfaction of the corresponding performance obligations. Deferred revenues are recognized as revenues once the performance obligations are satisfied. The Organization had deferred revenues of \$0 and \$37,225 as of December 31, 2021 and 2020, respectively.

(8) Advances

The Organization reports advances on the statement of financial position. Advances arise when the Organization receives resources with donor-imposed conditions before the condition has been met. In subsequent periods, when the Organization has met or substantially met the condition, or the condition is explicitly waived by the donor, the liability for advances is removed from the statement of financial position and the revenue is recognized. The Organization had advances in the amount of \$50,701 and \$193,467 for the years ended December 31, 2021 and 2020, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(9) Long-term Debt

Long-term debt at December 31, 2021 and 2020 consist of the following:

	2021	2020
On June 1, 2017, the organization entered into a \$83,500 note payable, maturing on June 1, 2032, monthly payments of \$578 including interest of 2.625%, secured by a multiple indebtedness mortgage.	\$ 61,868	\$ 67,106
On December 14, 2017, the organization entered into a \$150,000 non-interest note payable, maturing on May 16, 2023, and monthly payments of \$1,500 (60% of the principal amount). Absent an event of default, payment of all monthly principal payments in the amounts set forth above will be deemed to have paid in full. The remaining 40% of the principal balance will be forgiven.	90,000	108,000
On April 14, 2020, the organization entered into a \$416,500 note payable with a financial institution maturing on April 1, 2022, monthly payments of \$23,139, interest at 1.00%. Under the terms of the Paycheck Protection Program, the principal and accrued interest may be partially or completely forgiven.	-	416,500
	151,868	591,606
Less current portion	(23,376)	(342,101)
Long-term debt	\$ 128,492	\$ 249,505

Scheduled maturities of long-term debt as of December 31, 2021 are as follows:

Years ending December 31:	
2022	\$ 23,376
2023	77,519
2024	5,666
2025	5,816
2026	5,971
Thereafter	33,520
Total	\$ 151,868

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(10) Net Assets without Donor Restrictions

The following represents net assets without donor restrictions for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Designated by the Board-		
Reserve Fund	\$ 199,000	\$ 198,677
PACT Allocations/Agency Contracts	202,855	109,188
Endowment Fund Earnings:		
Community Fund	294,364	219,973
Operational Fund	260,843	192,881
UNOCAL Venture Grant Fund	<u>228,588</u>	<u>163,753</u>
	1,185,650	884,472
Undesignated	<u>3,729,646</u>	<u>2,561,664</u>
	<u>\$ 4,915,296</u>	<u>\$ 3,446,136</u>

(11) Net Assets Released from Donor Restrictions

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by donors during the fiscal years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Purpose restrictions accomplished:		
Community Impact Support	\$ 113,939	\$ -
Dolly Parton Imagination Library	1,882	7,790
Leader in Me	442,929	447,910
Stuff the Bus	595	6,897
UW Readers	-	104
Hurricane and Disaster Relief Contributions	29,628	3,894
Disaster Response - 2016 Flood	-	2,083
Bank On	12,745	6,642
Lost My Tips	-	54,450
Feed the Envie	-	5,560
Women United	-	43,306
Learn United	-	15,756
Got IT	941	1,085
EITC	54,441	72,829
My Community Cares	51,930	23,081
COVID-19	<u>40,958</u>	<u>35,189</u>
Total	<u>\$ 749,988</u>	<u>\$ 726,576</u>

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(12) Net Assets with Donor Restrictions

The following represents net assets with donor restrictions for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Adopt a School	\$ 148	\$ 148
Bank On	4,309	10,554
Community Impact Support	41,441	-
Earned Income Tax Credit (EITC)	25,888	-
Leader in Me	113,848	99,420
Partners in Early Childhood Education	150	150
Stuff the Bus	28,823	18,818
Got IT	2,474	3,415
Hurricane and Disaster Relief Contributions	100,933	68,053
Disaster Response - 2016 Flood	1,110	1,110
Hurricane Harvey	942	942
Learn United	6,744	6,744
COVID	63,892	104,849
My Community Cares	45,360	20,624
Dolly Parton Imagination Library	-	1,266
Hurricane Laura	36,464	65,852
Hurricane Delta	1,050	1,050
Subject to spending policy and appropriation:		
Investments in perpetuity-		
Community Fund	243,289	243,289
Operational Fund	230,345	230,345
UNOCAL Venture Grant Fund	<u>240,000</u>	<u>240,000</u>
Total net assets with donor restrictions	<u>\$ 1,187,210</u>	<u>\$ 1,116,629</u>

(13) Retirement Benefits

Under a defined contribution 403 (b) retirement plan, the Organization matches up to 3% of eligible employee's salary. For the years ending December 31, 2021 and 2020, the Organization made contributions in the amount of \$9,141 and \$10,536, respectively.

(14) Fair Value Measurements

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

The three levels of inputs used to measure fair value are as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- c. Level 3 inputs are unobservable inputs for the asset or liability.

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

- a. The carrying amount reported in the statement of financial position for the following approximates fair value due to the short maturities of these instruments: cash, receivables, and payables.
- b. The fair value for investment securities are based on quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2021 and 2020:

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

Investment Type	December 31, 2020			
	Total	Level 1	Level 2	Level 3
Equities	\$ 782,283	\$ 782,283	\$ -	\$ -
Corporate and government bonds	379,683	379,683	-	-
	<u>\$ 1,161,966</u>	<u>\$ 1,161,966</u>	<u>\$ -</u>	<u>\$ -</u>

(15) Concentration of Credit Risk

The Organization maintains cash balances at financial institutions, which at times may exceed federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2021 and 2020, the Organization's cash balances exceeded FDIC coverage by \$1,182,018 and \$1,299,236, respectively.

UNITED WAY OF ACADIANA, INC.

Notes to Financial Statements (Continued)

(16) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

(17) Risk Management

The Organization is exposed to risks of loss in the areas of health care, general liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements have not exceeded insurance coverage the past three years.

(18) Compensation, Benefits, and Other Payments to Agency Head

The Organization's agency head did not receive any compensation, benefits, or other payments from public funds for the year ended December 31, 2021.

(19) Prior Year Restatement

The Organization determined during the current fiscal year that liabilities for donor designations were inadvertently included in both, accounts payable and the donor designation's liability. The net effect of the error resulted in an increase of previously reported net assets without donor restrictions by \$169,689.

(20) Upcoming Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Organization is evaluating the potential impact of the amendment on the Organization's financial statements. The effect of implementation of this new pronouncement on the Organization financial statements has not yet been determined.

(21) Subsequent Events Review

The Organization's management has evaluated subsequent events through October 26, 2022, 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, 2021 and 2020

	<u>Type</u>	<u>2021</u>	<u>2020</u>
Iberia Bank (Operating Account)	Checking Account	\$ 755,332	\$ 986,278
Iberia Bank (Hurricane Fund/Leader In Me)	Checking Account	325,036	324,416
Iberia Bank (Reserve Fund)	Checking Account	<u>199,000</u>	<u>198,873</u>
Total Cash and Cash Equivalents in Current Assets		1,279,368	1,509,567
Cash Restricted for Endowment Fund: Summit Financial (Endowment Fund)	Money Market	<u>77,377</u>	<u>128,276</u>
Total Cash and Cash Equivalents		<u>\$ 1,356,745</u>	<u>\$ 1,637,843</u>

UNITED WAY OF ACADIANA, INC.

Schedules of Grant Disbursements
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Acadia Council on Aging	\$ 10,000	\$ 6,875
Acadiana Outreach Center	13,000	9,646
American Red Cross	50,001	58,333
ARCH	3,750	-
ASSIST Agency	6,200	3,981
Big Brothers Big Sisters of Acadiana	30,000	23,263
Boy Scouts	2,500	-
Boys & Girls Clubs of Acadiana	50,000	38,960
Catholic Services of Acadiana	67,000	69,160
Clearport	7,730	-
Empowering the Community for Excellence	5,000	5,890
Escape from poverty	5,000	-
Evangeline Area Boy Scouts	-	9,978
Faith House, Inc.	40,500	29,814
Family Service Division Program - 16th Judicial District Attorney	20,000	15,295
Foodnet	-	2,734
Hearts of Hope	18,000	14,575
Hospice of Acadiana Foundation	3,750	-
Junior Achievement	5,000	2,500
Lafayette Council on Aging	10,000	6,875
LAUW (pass through to 232-Help/LA 211)	120,000	125,400
New Hope Community Development of Acadiana	3,750	5,435
Second Harvest Food Bank	25,800	17,740
St Martin Parish Access to Care	40,750	32,901
The Family Tree	12,500	9,375
VITA, Inc.	36,000	27,128
Total	<u>\$ 586,231</u>	<u>\$ 515,858</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
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* A Professional Accounting Corporation

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

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

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

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Phone (337) 363-2792

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Phone (337) 367-9204

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the United Way of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021, 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 October 26, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-002.

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suited for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 26, 2022

KOLDER, SLAVEN & COMPANY, LLC

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WWW.KCSRPCAS.COM

INDEPENDENT AUDITOR'S 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

Opinion on Each Major Federal Program

We have audited United Way of Acadiana, Inc.'s (Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibility under those standards and the Uniform Guidance are further described in the Auditors Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we exercise professional judgment and maintain professional skepticism throughout the audit. We identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding United Way of Acadiana's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances. We obtain an understanding of United Way of Acadiana, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of United Way of Acadiana, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-005 and 2021-006. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-003 and 2021-004 to be material weaknesses.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 26, 2022

UNITED WAY OF ACADIANA, INC.

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-through Identifying Number	CFDA Number	<u>Expenditures</u>
Direct Programs:			
U. S. Department of Treasury - Volunteer Income Tax Assistance	N/A	21.009	<u>\$ 52,829</u>
U.S. Department of Health and Human Services:			
Head Start Cluster:			
COVID - 19 Head Start	N/A	93.600	8,316
Head Start	N/A	93.600	<u>1,485,680</u>
Head Start Cluster			<u>1,493,996</u>
Total Direct Awards			1,546,825
U.S. Department of Agriculture:			
Passed through Louisiana Department of Education			
Child and Adult Care Food Program	Unknown	10.558	<u>36,329</u>
Total Federal Awards			<u>\$1,583,154</u>

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

(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, 2021. 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, 2021. 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, 2021

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of United Way of Acadiana, Inc. were prepared in accordance with GAAP.
2. There were no significant deficiencies in internal control over financial reporting that were disclosed during the audit of the financial statements. There was one material weakness reported.
3. One instance of noncompliance material to the financial statements of United Way of Acadiana, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. There were no significant deficiencies in internal control over the major federal award program disclosed during the audit. Two material weaknesses are reported.
5. The auditor's report on compliance for the major federal award program for United Way of Acadiana, Inc. expresses an unmodified opinion on the major federal program.
6. There were audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.
7. The program tested as a major program was: Head Start Cluster (93.600).
8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. United Way of Acadiana, Inc. was determined to be a low-risk auditee.

Part II. Findings – Financial Statements Audit:

A. Internal Control Findings –

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

Fiscal year finding initially occurred: 2021

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

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

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2021

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

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: United Way of Acadiana's long-term director of finance resigned early in 2021 and the position has since turned over 3 times, due to not being able to compete with pay and benefits with the growing market. The United Way of Acadiana has hired a third-party CPA firm to update the current policies and procedures in order to ensure proper recording of account balances and timely reconciliations.

Once the policies and procedures are updated and approved by the board of directors, the United Way of Acadiana will train all staff on the policies and procedures to ensure all staff understand their role and responsibilities.

B. Compliance Findings –

2021-002 Failure to File Audited Financial Statements Timely

Fiscal year finding initially occurred: 2021

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

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

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

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

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

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2021

MANAGEMENT'S CORRECTIVE ACTION PLAN: The United Way of Acadiana has hired a third-party CPA firm to add additional support to staff in order to ensure that the financial statement audit is completed and submitted within the prescribed deadline.

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

Internal Control Findings -

Material Weakness

U.S. Department of Health and Human Services:

2021-003 Controls Over Activities Allowed/Allowable Costs

Fiscal year finding initially occurred: 2021

Head Start Cluster (93.600)

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

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

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

EFFECT: The Organization may include costs that are not allowable in their cost of assistance. A sample of 50 transactions totaling \$65,761 was selected for testing from a population of 1,376 transactions. There were 11 transactions that were not properly approved, one transaction's support could not be located, and 8 payroll transactions did not have documentation to support the organization's policy that salaried employees work a minimum of 40 hours a week. As a result, the organization was not in compliance with questioned costs totaling \$1,087. Our sample was a non-statistical sample.

RECOMMENDATION: The Organization should review their established policies and procedures for effectiveness and ensure all employees adhere to all established procedures.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The United Way of Acadiana will review financial policies and procedures and make any necessary changes to ensure an effective control environment. United Way of Acadiana will also ensure that the onboarding process for each new employee covers all appropriate training in order to adhere to the organization's financial policies and procedures.

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2021

2021-004 Controls Over Reporting

Fiscal year finding initially occurred: 2021

Head Start Cluster (93.600)

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

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

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

EFFECT: The Organization's SF-429 and SF-429A was filed approximately 15 days after the prescribed due date. The Organization's SF-425 was filed with inaccurate information and amounts that could not be agreed to supporting documentation.

RECOMMENDATION: The Organization should review their established policies and procedures and ensure that the required federal program reporting is completed accurately and timely.

MANAGEMENT'S CORRECTIVE ACTION PLAN: United Way of Acadiana will review their policies and procedures and make any necessary changes to ensure the appropriate reporting data is accurate and the prescribed due dates are followed. United Way of Acadiana will work directly with the Office of Head Start to increase training opportunities for new staff.

Compliance Findings -

U.S. Department of Health and Human Services:

2021-005 Controls Over Activities Allowed/Allowable Costs

Fiscal year finding initially occurred: 2021

Head Start Cluster (93.600)

See internal control finding 2021-003.

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2021

2021-006 Controls Over Reporting

Fiscal year finding initially occurred: 2021

Head Start Cluster (93,600)

See internal control finding 2021-004.



215 E PINHOOK ROAD
LAFAYETTE, LA 70501
337 233.8302
UNITEDWAYOFACADIANA.ORG

United Way of Acadiana

**Corrective Action Plan
October 26, 2022**

U.S. Department of Health and Human Services

The United Way of Acadiana, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2021.

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

Audit Period: January 1, 2021- December 31, 2021

The findings from the December 31, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS- FINANCIAL STATEMENT AUDIT

Internal Control:

Material Weakness-

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

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

Corrective Action Plan:

United Way of Acadiana's long-term director of finance resigned early in 2021 and the position has since turned over 3 times, due to not being able to compete with pay and other benefits with the growing market. The United Way of Acadiana has hired a third-party CPA firm to update the current policies and procedures in order to ensure proper recording of account balances and timely reconciliations.

Once the policies and procedures are updated and approved by the board of directors, the United Way of Acadiana will train all staff on the policies and procedures to ensure all staff understand their role and responsibilities.

Compliance:

2021-002: Failure to File Audited Financial Statements Timely

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

Corrective Action Plan:

United Way of Acadiana has hired a third-party CPA firm to add additional support to staff in order to ensure that the financial statement audit is completed and submitted within the prescribed deadline.

FINDINGS- FEDERAL AWARD PROGRAMS AUDIT

Internal Control:

U.S. Department of Health and Human Services

Head Start Cluster – Assistance Listing No. 93.600

2021-003 Controls Over Activities Allowed/Allowable Costs

Recommendation: The Organization should review their established policies and procedures for effectiveness and ensure all employees adhere to all established procedures.

Corrective Action Plan:

United Way of Acadiana will review financial polices and procedures and make any necessary changes to ensure an effective control environment. United Way of Acadiana will also ensure that the onboarding process for each new employee covers all appropriate training in order to adhere to the organization’s financial policies and procedures.

2021-004 Controls Over Reporting

Recommendation: The Organization should review their established policies and procedures and ensure that the required federal program reporting is completed accurately and timely.

Corrective Action Plan:

United Way of Acadiana will review their policies and procedures and make any necessary changes to ensure the appropriate reporting data is accurate and the prescribed due dates are followed. United Way of Acadiana will work directly with the Office of Head Start to increase training opportunities for new staff.

Compliance:

U.S. Department of Health and Human Services

Head Start Cluster – Assistance Listing No. 93.600

2021-005 Controls Over Activities Allowed/Allowable Costs

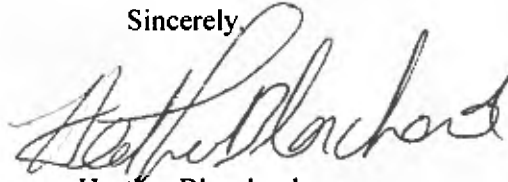
See Internal Control finding 2021-003.

2021-006 Controls Over Reporting

See Internal Control finding 2021-004.

The findings noted above will be evaluated and corrective action will be taken as indicated on the respective finding. Should any federal or state pass-through agencies have questions regarding this plan, please contact Heather Blanchard, CEO/Administrator at 337-233-8302.

Sincerely,

A handwritten signature in black ink, appearing to read "Heather Blanchard". The signature is fluid and cursive, with the first name being more prominent.

Heather Blanchard
President & CEO

UNITED WAY OF ACADIANA, INC.
Lafayette, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2021

A. Compliance Findings-

There were no findings reported under this section.

B. Internal Control Findings-

There were no findings reported under this section.

United Way of Acadiana, Inc.
Lafayette, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2021

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

United Way of Acadiana, Inc. and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. United Way of Acadiana, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

United Way of Acadiana, Inc. 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 January 1, 2021 through December 31, 2021. 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:

Written Policies and Procedures

1. We obtained and inspected United Way of Acadiana's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **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.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **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).

- e) **Payroll/Personnel**, including (1) payroll processing, (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.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in 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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance 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:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that 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.
 - c) Obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned 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.

Bank Reconciliations

- 3. We obtained a listing of United Way of Acadiana's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:

- a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations included 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
- c) 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.

Collections (excluding electronic fund transfers)

4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) 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.
 - c) 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.
 - d) 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.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected 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.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that 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).
 - e) Traced the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained 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 we observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) 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.
 - d) 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.
10. For each location selected under #8 above, we obtained United Way of Acadiana's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. We obtained 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. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
 - a) We observed 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 (or electronically approved), by someone other than the authorized card holder.
 - b) We observed that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 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, we observed 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, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. We obtained 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. We randomly selected 5 reimbursements, we obtained 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:
- a) If reimbursed using a per diem, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. We obtained 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management’s representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), we observed 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).
 - d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) We observed 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.)
 - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in United Way of Acadiana's cumulative leave records.
 - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and United Way of Acadiana's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee/officials authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

(This section was not applicable to United Way of Acadiana, Inc.)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) We observed 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.

Debt Service

(This section was not applicable to United Way of Acadiana, Inc.)

21. 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 State Bond Commission approval was obtained for each debt instrument issued.
22. 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).

Fraud Notice

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. If any, we selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

United Way of Acadiana, Inc. represented that there were no misappropriations of public funds and assets during the fiscal year.

24. We observed that United Way of Acadiana, Inc. 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.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures, **verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."**
 - a) We obtained and inspected 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 observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), we observed evidence that backups are encrypted before being transported.
 - b) We obtained and inspected 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 observed evidence that the test/verification was successfully performed within the past 3 months.
 - c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed 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.

Sexual Harassment

(This section was not applicable to United Way of Acadiana, Inc.)

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed 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).
28. We obtained the entity’s annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures

1. Written policies and procedures did not address controls to ensure compliance with public bid law; managements actions to determine the completeness of all collections for each type of revenue; allowable expenses for travel and expense reimbursements; and Information Technology Disaster Recovery and Business Continuity.

Board

2. The entity’s July and August 2021 board minutes did not reference or include financial activity relating to public funds.

Bank Reconciliations

3. The Entity’s four bank accounts selected for testing did not include evidence of management’s review for the month tested. Two of the entity’s accounts did not have evidence of researching items greater than twelve months from the statement closing date, and all accounts did not have written documentation verifying the bank reconciliation was performed within two months of the statement’s closing date.

Collections

4. The entity is not utilizing sequentially prenumbered receipts for collections.
5. The entity does not indicate when payment was received for collections; therefore, we were unable to determine if the deposits selected for testing were made within 1 business day.

Non-Payroll Disbursements

6. The entity does not have supporting documentation for the transactions selected indicating that deliverables included on invoices were received.

Credit Cards

7. Two of the four credit cards tested did not have a monthly statement or combined statement that was reviewed and approved, in writing, by someone other than the authorized card holder.
8. Five of the eleven credit card transactions tested were not supported by an original itemized receipt.
9. One of the eleven credit card transactions tested did not have documentation of the individuals participating in meals.

Fraud Notice

10. The entity does not have the notice required by R.S. 24:523.1 posted on their website.

Management's Response:

Management of United Way of Acadiana, Inc. concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by United Way of Acadiana, Inc. 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 United Way of Acadiana, Inc. 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 26, 2022