

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

FINANCIAL REPORT

June 30, 2021

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of **LOUISIANA ASSOCIATION OF UNITED WAYS, INC. (LAUW)** (a non-profit organization) which comprise the statements of financial position as of June 30, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **LOUISIANA ASSOCIATION OF UNITED WAYS, INC.** as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, on our consideration of LAUW's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LAUW's internal control over financial reporting and compliance.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 20, 2021

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 1,367,893	\$ 776,730
Receivables	372,906	637,157
Prepaid expense	5,155	5,158
Total current assets	1,745,954	1,419,045
EQUIPMENT, net	579	734
Total assets	\$ 1,746,533	\$ 1,419,779
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 260,177	\$ 528,065
Amounts held for others	511,060	302,285
Total liabilities	771,237	830,350
LONG-TERM LIABILITIES		
Note payable - Paycheck Protection Program	-	35,100
Total liabilities	771,237	865,450
NET ASSETS		
Without donor restrictions	888,188	497,665
With donor restrictions	87,108	56,664
Total net assets	975,296	554,329
Total liabilities and net assets	\$ 1,746,533	\$ 1,419,779

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

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

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Totals	Without Donor Restriction	With Donor Restriction	Totals
REVENUE AND SUPPORT						
Program revenues:						
Contracts:						
LDH COVID fees	\$ 3,257,664	\$ -	\$ 3,257,664	\$ 788,770	\$ -	\$ 788,770
United Way LA 2-1-1 fees	1,132,815	-	1,132,815	916,509	-	916,509
Other fees	565,418	-	565,418	207,985	-	207,985
LA SCCC PCFO fees	64,627	-	64,627	60,732	-	60,732
LA ALICE fees	18,297	-	18,297	37,425	-	37,425
Association dues	113,298	-	113,298	116,984	-	116,984
Grants and contributions	-	90,254	90,254	230,500	63,134	293,634
Other	2,076	-	2,076	520	-	520
Total revenue and support	5,154,195	90,254	5,244,449	2,359,425	63,134	2,422,559
Net assets released from restrictions	59,810	(59,810)	-	9,826	(9,826)	-
Total revenues and net assets released from restrictions	5,214,005	30,444	5,244,449	2,369,251	53,308	2,422,559
EXPENSES						
Program services	4,778,967	-	4,778,967	1,857,430	-	1,857,430
General and administrative	79,615	-	79,615	78,425	-	78,425
Total expenses	4,858,582	-	4,858,582	1,935,855	-	1,935,855
Change in operating net assets	355,423	30,444	385,867	433,396	53,308	486,704
NON-OPERATING						
Forgiveness of Paycheck Protection Program loan	35,100	-	35,100	-	-	-
Change in operating net assets	390,523	30,444	420,967	433,396	53,308	486,704
NET ASSETS						
Beginning of year	497,665	56,664	554,329	64,269	3,356	67,625
End of year	\$ 888,188	\$ 87,108	\$ 975,296	\$ 497,665	\$ 56,664	\$ 554,329

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

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 420,967	\$ 486,704
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	155	75
Forgiveness of note payable - Payroll Protection Plan	(35,100)	-
Change in operating assets and liabilities:		
Accounts receivable	264,251	(607,390)
Prepaid expense	3	1,039
Accounts payable and accrued liabilities	(267,888)	522,229
Amounts held for others	208,775	62,690
Deferred revenue - dues	<u>-</u>	<u>(4,500)</u>
Net cash provided by operating activities	591,163	460,847
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(773)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	<u>-</u>	<u>35,100</u>
Net increase in cash	591,163	495,174
CASH		
Beginning of year	<u>776,730</u>	<u>281,556</u>
End of year	<u>\$ 1,367,893</u>	<u>\$ 776,730</u>

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

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

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021

	Function											Total
	Program Services											
	LA 211				DOC Pilot	LDH Opioid	DCFS Pilot -			General and		
Capacity	State	COVID19	Data Project	Project	Project	LA SCCC	LA ALICE	Ride United	NWD	Administrative		
Building	Checkoff											
Contract services	\$ 1,061,283	\$ -	\$ 1,240,248	\$ -	\$ 13,846	\$ 61,800	\$ 3,317	\$ 6,355	\$ 4,856	\$ 36,666	\$ 288	\$ 2,428,659
Professional fees	64,912	5,336	1,825,421	41,161	60,000	72,393	2,500	-	117	5,000	13,270	2,090,110
Salaries, payroll taxes and benefits	32,940	-	82,395	-	6,000	20,164	47,500	-	-	9,440	46,905	245,344
Technology services and software	28,215	1,158	10,228	85	-	-	3,688	1,227	87	-	9,620	54,308
Conferences, meetings and travel	-	-	-	-	-	9,546	857	49	-	-	1,293	11,745
Printing	-	-	-	-	-	823	1,028	7,570	-	-	-	9,421
Telecommunications	-	-	4,288	-	-	-	-	-	-	-	1,070	5,358
Insurance	-	-	-	-	-	-	900	-	-	-	4,206	5,106
Office supplies	-	-	900	-	-	105	562	51	-	-	961	2,579
Postage and shipping	-	-	-	-	-	173	872	452	-	-	340	1,837
Rent	-	-	400	-	-	-	1,026	-	-	-	226	1,652
Licenses and fees	360	-	-	-	-	-	-	-	-	-	491	851
Credit card and bank fees	-	-	-	-	-	-	667	-	-	-	-	667
Depreciation	-	-	-	-	-	-	-	-	-	-	155	155
Other	-	-	-	-	-	-	-	-	-	-	790	790
	<u>\$ 1,187,710</u>	<u>\$ 6,494</u>	<u>\$ 3,163,880</u>	<u>\$ 41,246</u>	<u>\$ 79,846</u>	<u>\$ 165,004</u>	<u>\$ 62,917</u>	<u>\$ 15,704</u>	<u>\$ 5,060</u>	<u>\$ 51,106</u>	<u>\$ 79,615</u>	<u>\$ 4,858,582</u>

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

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

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2020

	Function											Total
	Program Services											
	LA 211											
	Capacity Building	State Checkoff	COVID19	Data Project	DOC Pilot Project	LDH Opioid Project	LA SCCC	ECE Advocacy	LA ALICE	Membership Services	General and Administrative	
Contract services	\$ 722,043	\$ 4,584	\$ 698,786	\$ -	\$ -	\$ 3,655	\$ 6,250	\$ -	\$ -	\$ -	\$ 14,400	\$ 1,449,718
Salaries, payroll taxes and benefits	53,500	-	51,278	-	-	-	46,333	-	13,000	10,300	36,248	210,659
Professional fees	-	65	-	42,500	10,475	21,450	584	-	53,350	1,500	11,250	141,174
Grants to affiliates	-	-	43,750	-	-	-	-	-	-	-	-	43,750
Technology services and software	23,008	2,267	13,850	-	-	9,000	2,806	-	957	-	2,460	54,348
Conferences, meetings and travel	2,749	-	850	-	-	-	966	1,171	1,092	236	4,565	11,629
Telecommunications	1,101	2,016	1,038	-	-	-	-	-	-	-	2,070	6,225
Printing	224	233	-	-	-	-	1,142	-	436	3,854	101	5,990
Insurance	-	-	-	-	-	-	906	-	-	-	4,147	5,053
Licenses and fees	1,180	-	-	-	-	-	-	-	-	-	1,001	2,181
Rent	-	-	-	-	-	-	1,026	-	-	-	568	1,594
Office supplies	-	-	-	-	-	-	394	-	-	-	997	1,391
Postage and shipping	35	-	-	-	-	-	954	-	25	-	66	1,080
Credit card and bank fees	-	-	-	-	-	-	346	-	-	-	21	367
Computers accessories	-	-	-	-	-	-	-	-	-	-	136	136
Depreciation	-	-	-	-	-	-	-	-	-	-	75	75
Other	-	-	-	-	-	-	-	-	165	-	320	485
	<u>\$ 803,840</u>	<u>\$ 9,165</u>	<u>\$ 809,552</u>	<u>\$ 42,500</u>	<u>\$ 10,475</u>	<u>\$ 34,105</u>	<u>\$ 61,707</u>	<u>\$ 1,171</u>	<u>\$ 69,025</u>	<u>\$ 15,890</u>	<u>\$ 78,425</u>	<u>\$ 1,935,855</u>

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

LOUISIANA ASSOCIATION OF UNITED WAYS, INC.

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

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

Basis of Presentation

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, LAUW considers cash in bank accounts and money market funds to be cash. Cash equivalents include highly liquid investments with original maturities of three months or less. LAUW had cash of \$1,367,893 and \$776,730 on June 30, 2021 and 2020, respectively. There are no cash equivalents as of June 30, 2021 or 2020.

Equipment

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

New Accounting Pronouncement

During the year ended June 30, 2021, LAUW adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this ASU to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional.

The adoption of ASU 2018-08 does not materially change the way LAUW recognizes revenue, therefore, there was no restatement required to net assets as of June 30, 2020.

Revenue Recognition

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

Contracts

Contract revenue and the related accounts receivable represent fees for service contracts due from governmental units and agencies. LAUW does not require collateral. Since the majority of receivables are through governmental contracts, management believes the accounts are collectible at June 30, 2021 and 2020. Accordingly, there was no allowance for doubtful accounts recorded as of June 30, 2021 or 2020.

Accounts receivable outstanding after 30 days, are considered past due. There were no accounts receivable in excess of 90 days as of June 30, 2021 or 2020. LAUW records contract revenue as services are rendered.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Dues Revenue and Deferred Revenue

The membership year ends on June 30th. Revenue from annual membership dues are recognized as revenue in the year to which the membership term applies. Dues paid by members in advance of the period to which they pertain are reflected in the accompanying statement of financial position as deferred revenue.

Grants and Contributions

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

Income Taxes

LAUW is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. LAUW's open audit periods are 2017 through 2021.

Estimates

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

Functional Expenses

LAUW allocates its functional expenses between program services, and general and administrative expenses, primarily based on its estimate of time incurred for those efforts. Fundraising expenses were not incurred in 2021 and 2020.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 financial statement presentation.

Subsequent Events

LAUW has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through December 20, 2021, which was the date the financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASURES

The carrying value of accounts receivable, accounts payable and accrued liabilities approximate fair value due to the short-term nature of these financial instruments. These financial instruments are not held for trading purposes.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

LAUW typically maintains cash and cash equivalents in local banks that may, at times, exceed FDIC insured limits. The uninsured amounts as of June 30, 2021 and 2020 were \$120,545 and \$537,185, respectively.

NOTE 4 - EQUIPMENT

Equipment and accumulated depreciation at June 30, 2021 and 2020, consist of equipment of \$2,934, less accumulated depreciation of \$2,355 and \$2,200, respectively. The service life of equipment is five years. Depreciation expense was \$155 and \$75 for 2021 and 2020, respectively.

NOTE 5 - AMOUNTS HELD FOR OTHERS

Amounts held for others represent funding to administer a contract for LA 211 services on behalf of the United Way of Southwest Louisiana (UWSWLA), Capital Area United Way (CAUW), United Way of Acadiana (UWA), United Way of Central Louisiana (UWCL), and United Way of Northwest Louisiana (UWNWLA) for the period July 1st to June 30th of the subsequent fiscal year.

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

NOTE 6 - NET ASSETS

LAUW’s net assets without donor restrictions consist of assets that can be expended currently, but only for a specified purpose designated as governed by contract. Net assets without donor restrictions at June 30, 2021 and 2020 are designated for the following specified purposes:

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Administrative Fees</u>	<u>June 30, 2021</u>
Without donor restrictions:					
Undesignated	\$ 249,172	\$ 256,058	\$ (141,405)	\$ 148,311	\$ 512,136
Designated for:					
LA DOC Pilot Project	90,000	145,000	(79,846)	(25,000)	130,154
LDH Opioid Project	104,045	216,250	(165,005)	(29,334)	125,956
DCFS Pilot - NWD	-	111,800	(51,107)	(9,000)	51,693
LA 2-1-1 Kinship Project	33,367	110,500	(91,959)	(18,000)	33,908
COVID Response Contracts	13,164	3,257,664	(3,207,631)	(40,068)	23,129
LA ALICE Project	6,917	18,297	(15,702)	(2,250)	7,262
LHC Data Project	-	51,411	(41,246)	(6,965)	3,200
ECE Advocacy	1,000	-	(250)	-	750
LA UW 2-1-1 Contracts	-	531,681	(531,681)	-	-
LA 2-1-1 Hurricane Activation	-	417,872	(411,527)	(6,345)	-
LA 2-1-1 Housing Project	-	58,069	(56,790)	(1,279)	-
LA 2-1-1 GOHSEP	-	14,693	(14,310)	(383)	-
Total without donor restriction	<u>497,665</u>	<u>5,189,295</u>	<u>(4,808,459)</u>	<u>9,687</u>	<u>888,188</u>
With donor restrictions:					
Ride United	-	50,000	(5,060)	-	44,940
COVID Response Grants	50,000	30,000	(37,692)	(9,687)	32,621
LA 211 State Checkbox	<u>6,664</u>	<u>10,254</u>	<u>(7,371)</u>	<u>-</u>	<u>9,547</u>
Total with donor restriction	<u>56,664</u>	<u>90,254</u>	<u>(50,123)</u>	<u>(9,687)</u>	<u>87,108</u>
Total	<u>\$ 554,329</u>	<u>\$ 5,279,549</u>	<u>\$ (4,858,582)</u>	<u>\$ -</u>	<u>\$ 975,296</u>

(continued)

NOTE 6 - NET ASSETS (CONTINUED)

	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Administrative Fees</u>	<u>June 30, 2020</u>
Without donor restrictions:					
Undesignated	\$ 31,783	\$ 374,167	\$ (271,750)	\$ 114,972	\$ 249,172
Designated for:					
LA 211 Opioid Project	21,950	120,000	(34,105)	(3,800)	104,045
Pilot Project	-	102,553	(10,475)	(2,078)	90,000
LA 211 Kinship Project	-	62,500	(24,133)	(5,000)	33,367
COVID Response Contracts	-	788,770	(714,524)	(61,082)	13,164
LA ALICE Project	9,018	67,425	(56,026)	(13,500)	6,917
ECE Advocacy	-	10,000	(1,171)	(7,829)	1,000
UW LA 2-1-1 Contracts	-	691,908	(691,908)	-	-
LA 2-1-1 Barry Contract	-	42,102	(33,812)	(8,290)	-
Data Project	1,518	50,000	(44,375)	(7,143)	-
Total without donor restrictions	<u>64,269</u>	<u>2,309,425</u>	<u>(1,882,279)</u>	<u>6,250</u>	<u>497,665</u>
With donor restrictions:					
COVID Response Grants	-	100,000	(43,750)	(6,250)	50,000
LA 211 State Checkbox	3,356	13,134	(9,826)	-	6,664
Total with donor restrictions	<u>3,356</u>	<u>113,134</u>	<u>(53,576)</u>	<u>(6,250)</u>	<u>56,664</u>
Total net assets	<u>\$ 67,625</u>	<u>\$ 2,422,559</u>	<u>\$ (1,935,855)</u>	<u>\$ -</u>	<u>\$ 554,329</u>

NOTE 7 - PAYCHECK PROTECTION PROGRAM (PPP Loan)

On April 13, 2020, LAUW received loan proceeds in the amount of \$35,100 under the Paycheck Protection Program. The Paycheck Protection Program, established as a part of the CARES Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying businesses. The loans and accrued interest may be forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, certain employee benefits, rent and utilities, and maintains certain payroll levels. The amount of loan forgiveness may be reduced if the borrower terminates employees or reduces salaries during the eight- or twenty-four-week period.

On November 27, 2020, LAUW'S loan was forgiven in full as a result of LAUW meeting the required criteria for loan forgiveness as stated in the paragraph above. LAUW recognized revenue of \$35,100 during 2021.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Grants

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

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Cash	\$ 1,367,893	\$ 776,730
Receivables	372,906	637,157
Less: amounts held for others	(511,060)	(302,285)
Less: those unavailable for general expenditures within one year due to donor-imposed restrictions	<u>(87,108)</u>	<u>(56,664)</u>
Financial assets available for general expenditures within one year	<u>\$ 1,142,631</u>	<u>\$ 1,054,938</u>

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

LOUISIANA ASSOCIATION OF UNITED WAYS

Baton Rouge, Louisiana

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

For the fiscal year ended June 30, 2021

Agency Head: Sarah Berthelot, President and CEO

No compensation paid from public funds.

Other Independent Auditors' Report

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

June 30, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **LOUISIANA ASSOCIATION OF UNITED WAYS, INC. (LAUW)** (a non-profit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended and related notes to the financial statements, and have issued our report thereon dated December 20, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LAUW's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 20, 2021

LOUISIANA ASSOCIATION OF UNITED WAYS

Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

For the year ended June 30, 2021

1) Summary of Audit Results:

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

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

Significant deficiencies: **None.**

Material weaknesses: **None.**

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

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

LOUISIANA ASSOCIATION OF UNITED WAYS

Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

For the year ended June 30, 2021

2020-001 Segregation of Duties

Status: This finding is considered resolved.