

VIA LINK, INC.

Financial Statements

For the Years Ended June 30, 2020 and 2019

VIA LINK, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Chief Executive Officer and Board of Directors
VIA LINK, Inc.
New Orleans, Louisiana

Report on Financial Statements

We have audited the accompanying financial statements of VIA LINK, Inc. (the "Agency"), a Louisiana not-for-profit organization, which comprise the statements of financial position as of June 30, 2020 and 2019 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 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.

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2020 and 2019 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 Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to the agency head, as required by State Law, 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 standard 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 January 28, 2021 on our consideration of the Agency'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 the Agency's internal control over financial reporting and compliance.

Hiers & Macaluso, LLP
Metairie, Louisiana
January 28, 2021

FINANCIAL STATEMENTS

VIA LINK, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS

CURRENT ASSETS:	2020	2019
Cash and cash equivalents	\$ 380,430	\$ 218,008
Unconditional promises to give		
United Way allocation and designations	106,935	135,000
Grants and contracts receivable	648,413	107,538
Prepaid expenses	22,365	16,911
Total current assets	1,158,143	477,457
PROPERTY AND EQUIPMENT:		
Computer equipment	-	4,577
Furniture and fixtures	42,198	45,079
Leasehold improvements	117,584	117,584
	159,782	167,240
Less: accumulated depreciation	(34,260)	(27,611)
Total property and equipment	125,522	139,629
OTHER ASSETS:		
Deposits	5,515	5,515
Total other assets	5,515	5,515
Total assets	\$ 1,289,180	\$ 622,601

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 1,458	\$ 6,325
Accrued payroll	43,333	24,039
Compensated absences	38,318	31,192
Notes payable	114,809	-
Line of credit	57	683
Total current liabilities	197,975	62,239
NONCURRENT LIABILITIES:		
Notes payable	144,591	-
Total liabilities	342,566	62,239
NET ASSETS:		
Without donor restrictions:		
Undesignated	764,679	343,237
Board designated	75,000	75,000
Total net assets without donor restrictions	839,679	418,237
With donor restrictions	106,935	142,125
Total net assets	946,614	560,362
Total liabilities and net assets	\$ 1,289,180	\$ 622,601

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

VIA LINK, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without</u>		<u>With</u>		<u>Total</u>
	<u>Donor Restrictions</u>		<u>Donor Restrictcons</u>		
REVENUES AND OTHER SUPPORT:					
UNITY grants	\$ 429,494	\$	-	\$	429,494
United Way of SELA allocations & grants	20,124		101,185		121,309
Other United Way allocations & grants	-		5,750		5,750
Grants and contracts	1,804,727		-		1,804,727
Miscellaneous	59,865		-		59,865
Contributions	27,483		-		27,483
Total revenues and other support	<u>2,341,693</u>		<u>106,935</u>		<u>2,448,628</u>
Net assets released from restrictions					
United Way of SELA allocations & grants	100,000		(100,000)		-
Other United Way allocations & grants	42,125		(42,125)		-
Total net assets released from restriction	<u>142,125</u>		<u>(142,125)</u>		<u>-</u>
Total revenues, other support and net assets released from restriction	<u>2,483,818</u>		<u>(35,190)</u>		<u>2,448,628</u>
EXPENSES:					
Program services	1,821,471		-		1,821,471
Support services	240,905		-		240,905
Total expenses	<u>2,062,376</u>		<u>-</u>		<u>2,062,376</u>
Change in Net Assets	421,442		(35,190)		386,252
Net Assets, Beginning of Year,	<u>418,237</u>		<u>142,125</u>		<u>560,362</u>
Net Assets, End of Year	<u>\$ 839,679</u>	\$	<u>106,935</u>	\$	<u>946,614</u>

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

VIA LINK, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Without</u>	<u>With</u>	<u>Total</u>
	<u>Donor Restrictions</u>	<u>Donor Restrictions</u>	
REVENUES AND OTHER SUPPORT:			
UNITY grants	\$ 429,494	\$ -	\$ 429,494
United Way of SELA allocations and grants	-	115,000	115,000
Other United Way allocations and grants	-	35,000	35,000
Grants and contracts	1,141,861	167,730	1,309,591
Miscellaneous	57,013	-	57,013
Contributions	23,132	-	23,132
Total revenues and other support	<u>1,651,500</u>	<u>317,730</u>	<u>1,969,230</u>
Net assets released from restrictions			
United Way of SELA allocations and grants	185,000	(185,000)	-
Other United Way allocations and grants	40,167	(40,167)	-
Other grants	167,730	(167,730)	-
Total net assets released from restriction	<u>392,897</u>	<u>(392,897)</u>	<u>-</u>
Total revenues, other support and net assets released from restriction	<u>2,044,397</u>	<u>(75,167)</u>	<u>1,969,230</u>
EXPENSES:			
Program services	1,437,438	-	1,437,438
Support services	215,891	-	215,891
Total expenses	<u>1,653,329</u>	<u>-</u>	<u>1,653,329</u>
Change in Net Assets	391,068	(75,167)	315,901
Net Assets, Beginning of Year,	<u>27,169</u>	<u>217,292</u>	<u>244,461</u>
Net Assets, End of Year	<u>\$ 418,237</u>	<u>\$ 142,125</u>	<u>\$ 560,362</u>

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

VIA LINK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Support Services	
	Information, Referral and Crisis Intervention Center	Homeless Management Information System	Program Total	Management and General	Total
Salaries	\$ 1,015,720	\$ 241,732	\$ 1,257,452	\$ 169,513	\$ 1,426,965
Employee benefits	66,273	21,374	87,647	8,295	95,942
Payroll taxes	72,952	17,448	90,400	12,639	103,039
Total salaries, benefits and taxes	<u>1,154,945</u>	<u>280,554</u>	<u>1,435,499</u>	<u>190,447</u>	<u>1,625,946</u>
Depreciation	3,253	2,435	5,688	8,419	14,107
Equipment, software and rental and maintenance	88,397	55,787	144,184	1,160	145,344
Insurance	21,922	11,556	33,478	1,986	35,464
Meetings and training	1,897	-	1,897	22	1,919
Membership dues	7,973	9,844	17,817	720	18,537
Miscellaneous expense	2,338	70	2,408	2,207	4,615
Occupancy	31,004	37,312	68,316	7,006	75,322
Office supplies	2,153	593	2,746	4,294	7,040
Postage	10	-	10	562	572
Printing and publications	5,766	103	5,869	-	5,869
Professional fees	54,574	13,073	67,647	13,886	81,533
Telephone and internet	13,709	9,849	23,558	4,257	27,815
Travel and conferences	6,590	1,242	7,832	5,293	13,125
Advertising	4,230	-	4,230	234	4,464
Professional development	-	292	292	-	292
Bank fees	-	-	-	412	412
Total expenses	<u>\$ 1,398,761</u>	<u>\$ 422,710</u>	<u>\$ 1,821,471</u>	<u>\$ 240,905</u>	<u>\$ 2,062,376</u>

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

VIA LINK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services			Support Services	
	Information, Referral and Crisis Intervention Center	Homeless Management Information System	Program Total	Management and General	Total
Salaries	\$ 714,408	\$ 235,146	\$ 949,554	\$ 132,621	\$ 1,082,175
Employee benefits	41,416	19,668	61,084	8,921	70,005
Payroll taxes	54,418	18,663	73,081	10,141	83,222
T total salaries, benefits and taxes	810,242	273,477	1,083,719	151,683	1,235,402
Depreciation	3,253	2,435	5,688	8,419	14,107
Equipment, software and rental and maintenance	86,163	50,623	136,786	3,420	140,206
Insurance	8,442	8,891	17,333	4,470	21,803
Meetings and training	1,002	-	1,002	-	1,002
Membership dues	6,371	11,173	17,544	1,315	18,859
Miscellaneous expense	1,425	408	1,833	171	2,004
Occupancy	30,642	36,851	67,493	6,953	74,446
Office supplies	1,372	1,457	2,829	5,102	7,931
Postage	1,578	-	1,578	710	2,288
Printing and publications	3,248	-	3,248	-	3,248
Professional fees	29,825	6,674	36,499	16,196	52,695
Telephone and internet	19,048	21,519	40,567	4,242	44,809
Travel and conferences	10,913	8,719	19,632	8,768	28,400
Advertising	1,095	-	1,095	103	1,198
Professional development	-	444	444	-	444
Bank fees	148	-	148	4,339	4,487
T total expenses	\$ 1,014,767	\$ 422,671	\$ 1,437,438	\$ 215,891	\$ 1,653,329

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

VIA LINK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2020</u>	<u>2019</u>
Change in net assets	\$ 386,252	\$ 315,901
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,107	14,107
Changes in operating assets and liabilities:		
Unconditional promises to give	28,065	82,292
Grants receivable	(540,875)	(74,695)
Prepaid expenses	(5,454)	(4,470)
Accounts payable	(4,867)	(75,132)
Accrued payroll	19,294	1,721
Compensated absences	7,126	4,043
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(96,352)</u>	<u>263,767</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment and additional leasehold improvements	-	(1,599)
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>	<u>(1,599)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	259,400	-
Draws on line of credit	1,073	11,254
Payments on line of credit	(1,699)	(56,370)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>258,774</u>	<u>(45,116)</u>
 Net change in cash and cash equivalents	162,422	217,052
 Cash and cash equivalents, beginning of year	<u>218,008</u>	<u>956</u>
 Cash and cash equivalents, end of year	<u>\$ 380,430</u>	<u>\$ 218,008</u>
 Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u>\$ 284</u>	<u>\$ 4,145</u>

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

VIA LINK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - VIA LINK, Inc. (the “Agency”) is a not-for-profit organization located in the greater New Orleans area that provides comprehensive information on community resources and operates a 24-hour crisis intervention/information and referral hotline.

Financial Statement Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The Agency is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Net assets, revenues and other support and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly the net assets of the Agency and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Agency. Net assets without donor restrictions consist of undesignated and board designated funds. Board designated net assets represent funds set aside by the Agency's Board of Directors, which maintains the power to release the restriction. Undesignated net assets represent funds whose use is allowed to be used for any purposes directed by the Board of Directors or management.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions totaled \$106,935 and \$142,125 at June 30, 2020 and 2019, respectively.

In addition, the Agency is required to present a statement of functional expenses and a statement of cash flows.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Agency considers money market funds and highly liquid investments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents include demand deposits and interest bearing demand deposits.

Promises to Give - Contributions are recognized when the donor makes a promise to give to the Agency that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

VIA LINK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Receivable – Grants receivable are stated at the amount management expects to collect from outstanding balances. At June 30, 2020 and 2019, the financial statements do not include an estimate for allowance for doubtful accounts as management believes that all grants receivables are collectible.

Advertising – The cost of advertising is expensed as incurred.

Property and Equipment - Property and equipment greater than \$2,500 are recorded at cost. Depreciation is provided over the estimated useful lives (ranging from 3 to 15 years) of the respective assets on a straight-line basis. Expenditures for repairs and maintenance are charged to expense as incurred whereas major renewals, replacements, and betterments of a useful life greater than one year are capitalized. Leasehold improvements are amortized on a straight-line basis over the assets' estimated useful lives or leasehold life, if shorter.

For the years ended June 30, 2020 and 2019, depreciation expense was \$14,107 and \$14,107, respectively.

Functional Expenses - The Agency allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with specific program and support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by a predetermined allocation percentage based on actual amounts or managements best estimate, which are reviewed annually. The Agency's principal programs are comprised of the following:

Information, Referral and Crisis Intervention Center - The Agency provides individuals and organizations with information and referral to appropriate community resources through a 24-hour call center that provides crisis intervention/suicide prevention and information and referrals to community resources, the publication of the Community Resource Directory and public access to community resource information on the Agency's website, www.vialink.org.

Homeless Management Information System - The Agency receives grant support from UNITY Greater New Orleans (UNITY) to operate the Homeless Management Information System and to provide training, technical support, and aggregate reporting for agencies affiliated with UNITY.

Donated Assets and Services - The Agency records noncash donations as contributions at their estimated fair value at the date of the donation. Portions of the Agency's functions are conducted by unpaid officers, board members, and trained volunteers. The Agency recognizes donated services, if significant in amount, that creates or enhances non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended June 30, 2020 and 2019, the Agency recorded \$0 and \$3,394, respectively, in donated services provided by trained volunteers and board members. These services, as applicable, are recorded in salaries and professional fees in the statements of functional expenses.

Income Taxes - Under the provisions of the Internal Revenue Code, Section 501(c) (3), and the applicable income tax regulations of Louisiana, the Agency is exempt from taxes on income other than unrelated business income. The Center has also been classified as an entity that is not a private foundation in Section 170 (b)(1)(A)(vi).

VIA LINK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes – (Continued)

Since the Agency had no net unrelated business income during the years ended June 30, 2020 and 2019, no provision for income tax was made. Management does not believe there are any uncertainties included in the first statement.

Compensated Absences - Employees of the Agency are entitled to paid time off depending on their length of service and other factors. At June 30, 2020 and 2019, compensated absences were \$38,318 and \$31,192, respectively.

Restricted and Unrestricted Revenue and Support - Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire or are met in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Revenues from other contracts are recorded as revenue in the period in which the Agency provides the service at the amount that reflects the consideration to which the Agency expects to be entitled for providing the service.

Recently Adopted Accounting Standard - Effective July 1, 2019, the Agency adopted ASU No. 2018-08 *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The implementation of this new standard did not have a material impact on the measurement or recognition of revenue.

NOTE 2 - CONCENTRATIONS OF CUSTODIAL CREDIT RISK

The Agency maintains its cash balances in local financial institutions that may, at times, exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2020 and 2019, the Agency's cash balances were not in excess of the FDIC insurance. The Agency has not experienced any losses in such accounts and believes it is not exposed to any significant risk due to custodial credit risk.

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE UNITED WAY

At June 30, 2020 and 2019, unconditional promises to give from the United Way totaled \$106,935 and \$135,000, respectively. For the years ended June 30, 2020 and 2019, \$106,935 and \$142,125, respectively, were included as net assets with donor restrictions to reflect United Way funding for which the Agency was notified prior to June 30, 2020 and 2019, respectively. At June 30, 2020, management expects to receive all of the unconditional promises to give that are presently recorded in the next fiscal year. All unconditional promises to give that were recorded at June 30, 2020 were received in the current

VIA LINK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE UNITED WAY (CONTINUED)

fiscal year. At June 30, 2020 and 2019, the financial statements do not include an estimate for allowance for doubtful accounts as management believes that all unconditional promises to give are collectible.

NOTE 4 - LINE OF CREDIT

The Agency has an unsecured line of credit with a local financial institution in the amount of \$50,000. During the years ended June 30, 2020 and 2019, interest ranged between 6.25% and 8.5% per annum. The financial institution has the right, at its sole discretion, to terminate the line of credit for any reason. At June 30, 2020 and 2019, there was a balance due of \$57 and \$ 683 on the Agency's line of credit, respectively. For the years ended June 30, 2020 and 2019, interest expense was \$23 and \$3,304, respectively.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2020, net assets with donor restrictions of \$106,935 are restricted by the donors for the telephone crisis counseling, 2-1-1 and community resource app purposes. These restrictions will expire when payments for restricted purposes are made. At June 30, 2019, net assets with donor restrictions of \$142,125 were restricted by the donors for telephone crisis counseling, 2-1-1 and community resource app purposes. These restrictions expired as payments for restricted purposes were made during the fiscal year.

Net assets were released from donor restrictions by satisfying the time or purpose specified by donors as follows:

<u>Purpose</u>	<u>Fiscal year ended June 30, 2020</u>	<u>Fiscal year ended June 30, 2019</u>
2-1-1 and crisis work	\$ 142,125	\$ 271,667
TXT211 project	-	70,000
Data Dashboards	-	25,730
Via Link for the 21st Century	<u>-</u>	<u>25,500</u>
Total	<u>\$ 142,125</u>	<u>\$ 392,897</u>

NOTE 6 - DESIGNATED NET ASSETS

At June 30, 2020 and 2019, the Board of Directors has designated net assets totaling \$75,000 for future disaster related costs, respectively.

NOTE 7 - LEASES

On May 15, 2017, the Agency signed an operating lease agreement for office space in New Orleans, Louisiana. For the years ended June 30, 2020 and 2019, rent expense was \$68,864 and \$67,444, respectively, and is included in the statements of functional expenses. At June 30, 2020, minimum future obligations on this lease for the next three years are \$70,174, \$71,587, and \$2,687, respectively. Under the terms of the lease upon expiration of the current lease agreement on July 15, 2022, the Agency has the option to renew the lease for two additional three year periods.

VIA LINK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 7 – LEASES (CONTINUED)

Future minimum obligations are not reported on a straight-line basis in accordance with GAAP; however, management does not believe the difference between actual expense incurred and straight-line reporting is material to the financial statements.

NOTE 8 - RETIREMENT PLAN

Effective January 1, 1998, the Agency adopted a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE). All employees are eligible to participate. For the years ended June 30, 2020 and 2019, the Agency made matching contributions of \$10,461 and \$7,977, respectively, included in employee benefits on the statements of functional expenses.

NOTE 9 - ECONOMIC DEPENDENCY

A significant amount of the Agency's total revenues and other support is received from the United Way and UNITY. For the years ended June 30, 2020 and 2019, grant revenue received from United Way represented 22% and 13%, respectively of total revenues and other support. For the years ended June 30, 2020 and 2019, grant revenue received from UNITY represented 18% and 22%, respectively of total revenues and other support. For the years ended June 30, 2020 and 2019, total grant revenue received from United Way and UNITY represented 40% and 35%, respectively of total revenues and other support.

NOTE 10 - RISK MANAGEMENT

The Agency is exposed to various risks of loss in the normal course of business. Commercial insurance coverage is purchased for claims arising from such matters. For the years ended June 30, 2020 and 2019, there were no claims outstanding.

NOTE 11 –ACCOUNTING CHANGES

On August 18, 2016, FASB issued Accounting Standards Update (ASU) No. 2016-14. Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Under the ASU, the number of net asset classes is decreased from three to two; enhanced disclosures of underwater endowments are required; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how it manages its liquid available resources and liquidity risks is required. This ASU is effective for fiscal years beginning after December 15, 2017. Early application of the standard is permitted. The Agency has adopted the provisions of this standard as of July 1, 2018 and it has been applied retrospectively to all periods presented. Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. The Agency's net assets previously reported as unrestricted are now reported as net assets without donor restrictions and net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions.

VIA LINK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 12 – LONG-TERM DEBT

On April 28, 2020, the Agency entered into a U.S. Small Business Administration (SBA) Payroll Protection Program (PPP) loan with in the amount of \$259,400. The loan bears interest at a rate of 1% per annum, with the first six months deferred, has a term of two years, and is unsecured and guaranteed by the SBA.

The principal amount of the PPP loan is subject to forgiveness to the extent that the PPP loan proceeds are used to pay expenses permitted by the PPP. To the extent that all or part of the PPP loan is not forgiven, the Agency will be required to pay interest at a rate of 1% per annum, and commencing in October 2020 principal and interest payments will be required through the maturity date in April 2022. The terms of the PPP loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of an event of default, representations and warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of an event of default.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 28, 2021, and determined that other than the matter discussed below there were other no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. The COVID-19 pandemic has negatively impacted the global and domestic economy and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the Agency's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Agency's donors, employees and vendors, all of which are uncertain and cannot be predicted.

NOTE 14 – AVAILABILITY AND LIQUIDITY

The following represents the Agency's financial assets as of June 30, 2020:

Financial assets as of June 30, 2020:

Cash and cash equivalents	\$ 380,430
Promises to give and grants receivable	755,348
Total financial assets	<u>1,135,778</u>

Less amounts not available to be used in one year:

Net assets with donor restrictions	106,935
Board designated funds for future use	75,000
	<u>181,935</u>

Financial assets available to meet general expenditures
over the next twelve months

\$ 953,843

The following represents the Agency's financial assets as of June 30, 2019:

VIA LINK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 14 – AVAILABILITY AND LIQUIDITY (CONTINUED)

Financial assets as of June 30, 2019:

Cash and cash equivalents	\$ 218,008
Promises to give and grants receivable	<u>242,538</u>
Total financial assets	460,546

Less amounts not available to be used in one year:

Net assets with donor restrictions	142,125
Board designated funds for future use	<u>75,000</u>
	<u>217,125</u>

Financial assets available to meet general expenditures
over the next twelve months

\$ 243,421

As part of the Agency'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. The Agency's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$412,484). As part of its liquidity plan, excess cash is invested in short-term investments including certificates of deposit. The Agency has a \$50,000 line of credit available to meet cash needs.

NOTE 15 - RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. The reclassification did not have any effect on the prior or current year net assets or the change in net assets.

SUPPLEMENTARY INFORMATION

VIA LINK, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2020

Agency Head Name: LaVondra Dobbs, Chief Executive Officer

Purpose	Amount
Salary	\$ 100,000
Bonus	15,108
Benefits-health insurance	3,863
Benefits-retirement	2,998
Workers' comp insurance	288
Benefits-life insurance	187
Benefits-FICA and Medicare	8,806
Cell phone	1,338
Mileage reimbursements	915
Total	\$ 133,503

OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS



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 Chief Executive Officer and Board of Directors
VIA LINK, Inc.
New Orleans, 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 VIA LINK, Inc. (the "Agency") (a Louisiana not-for-profit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, the Agency's management, federal awarding agencies and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Stenz & Macaluso, LLP
Metairie, Louisiana
January 28, 2021

VIA LINK, INC.
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? NO

Significant deficiencies identified not considered to be material weaknesses? NO

Noncompliance material to financial statements noted? NO

b) Federal Awards

VIA LINK, Inc. did not receive Federal awards in excess of \$750,000 during the year ended June 30, 2020 and; therefore, is exempt from the audit requirements under the Uniform Guidance.

Section II - Internal Control and Compliance Material to the Financial Statements

For the year ended June 30, 2020, no findings were reported.

Section III - Internal Control and Compliance Material to Federal Awards

Not applicable.

Section IV - Management Letter

For the year ended June 30, 2020, a management letter was not issued.

VIA LINK, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? NO

Significant deficiencies identified not considered to be material weaknesses? NO

Noncompliance material to financial statements noted? NO

b) Federal Awards

VIA LINK, Inc. did not receive Federal awards in excess of \$750,000 during the year ended June 30, 2019 and; therefore, is exempt from the audit requirements under the Uniform Guidance.

Section II - Internal Control and Compliance Material to the Financial Statements

For the year ended June 30, 2019, no findings were reported.

Section III - Internal Control and Compliance Material to Federal Awards

Not applicable.

Section IV - Management Letter

For the year ended June 30, 2019, a management letter was not issued.