

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Lake Charles, Louisiana**

**Financial Statements**  
**June 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
United Way of Southwest Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of United Way of Southwest Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Southwest Louisiana, Inc. as of June 30, 2024, 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 Southwest Louisiana, 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 opinion.

#### ***Responsibilities of Management of 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 Southwest Louisiana, 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 is 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 judgment 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 Southwest Louisiana, 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 Southwest Louisiana, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Agency Allocations and Community Services and Schedule of Compensation, Benefits and Other Payments to Executive Director are presented for purposes of additional analysis and are 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 Schedule of Agency Allocations and Community Services and Schedule of Compensation, Benefits and Other Payments to Executive Director are 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 17, 2024, on our consideration of United Way of Southwest Louisiana, 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 solely 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 Southwest Louisiana, 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 Southwest Louisiana, Inc.'s internal control over financial reporting and compliance.

*Steven M. DeRouen & Associates, LLC*

Lake Charles, Louisiana  
October 17, 2024

**United Way of Southwest Louisiana, Inc.**  
**Statement of Financial Position**  
**As of June 30, 2024**

**Assets**

**Current Assets**

Cash and cash equivalents	\$	8,707,720
Cash and cash equivalents - restricted		1,676,625
Investments		1,530,023
2024 pledges receivable		40,492
2023 pledges receivable (less allowance for uncollectible pledges of \$300,000)		1,265,414
Grant receivable		32,250
Contract receivables		48,400
Interest receivable		34,405
Prepaid expenses		38,382
Total Current Assets		13,373,711

**Property and Equipment**

Furniture and equipment		376,963
Building and improvements		1,858,813
		2,235,776
Less accumulated depreciation		(689,234)
		1,546,542
Land		184,578
Total Property and Equipment		1,731,120

**Other Assets**

Investments		736,041
Deposits		2,443
Total Other Assets		738,484
Total Assets		15,843,315

**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable and accrued expenses		211,868
Donor designations payable		28,324
Current portion of note payable		90,945
Total Current Liabilities		331,137

**Long Term Liabilities**

Note payable - net of current portion		345,658
Total Liabilities		676,795

**Net Assets**

Without donor restrictions		13,128,699
With donor restrictions		2,037,821
Total Net Assets		15,166,520
Total Liabilities and Net Assets	\$	15,843,315

**United Way of Southwest Louisiana, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Combined Total</b>
<b>Support, Revenues and Gains</b>			
Public Support:			
Contributions	\$ 3,614,230	\$ 389,862	\$ 4,004,092
Less			
Provision for uncollectible accounts	(275,763)	-	(275,763)
Donor designations	(529,142)	-	(529,142)
Total public support	<u>2,809,325</u>	<u>389,862</u>	<u>3,199,187</u>
Revenues and gains			
Grant income	1,282,200	109,954	1,392,154
Contract income	494,244	-	494,244
Meeting income	1,780	-	1,780
Investment income	598,069	-	598,069
Disaster relief donations	25,807	-	25,807
Miscellaneous income	13,088	-	13,088
Loss on disposal of fixed assets	(762)	-	(762)
Special projects revenue	500	-	500
Processing fee revenue	80,708	-	80,708
In-kind income	10,355	-	10,355
Special event income	22,814	-	22,814
Total revenues and gains	<u>2,528,803</u>	<u>109,954</u>	<u>2,638,757</u>
Net assets released from restrictions	524,053	(524,053)	-
Total support, revenue and gains	<u>5,862,181</u>	<u>(24,237)</u>	<u>5,837,944</u>
<b>Allocations and Functional Expenses</b>			
Allocations to agencies and other assistance provided	3,557,970	-	3,557,970
Less: designations to agencies	(529,142)	-	(529,142)
Net allocations	<u>3,028,828</u>	<u>-</u>	<u>3,028,828</u>
Functional expenses			
Program services			
Community impact	765,079	-	765,079
Disaster management	1,318	-	1,318
Case management	153,231	-	153,231
Other programs	49,244	-	49,244
Total program services	<u>968,872</u>	<u>-</u>	<u>968,872</u>
Supporting services			
Management and general	409,955	-	409,955
Fund raising	591,726	-	591,726
Total supporting services	<u>1,001,681</u>	<u>-</u>	<u>1,001,681</u>
Total functional expenses	<u>1,970,553</u>	<u>-</u>	<u>1,970,553</u>
Total allocations and functional expenses	<u>4,999,381</u>	<u>-</u>	<u>4,999,381</u>
Changes in Net Assets	862,800	(24,237)	838,563
Net Assets - Beginning of Year	12,265,899	2,062,058	14,327,957
Net Assets - End of Year	<u>\$ 13,128,699</u>	<u>\$ 2,037,821</u>	<u>\$ 15,166,520</u>

See accompanying notes to financial statements.

**United Way of Southwest Louisiana, Inc.**  
**Schedule of Functional Expenses**  
**For the Year Ended June 30, 2024**

	Program Services				Supporting Services				Total Expenses
	Community Impact	Disaster Management	Case Management	Other Programs	Total Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries	\$ 443,682	\$ -	\$ 79,617	\$ 8,200	\$ 531,499	\$ 208,072	\$ 254,311	\$ 462,383	\$ 993,882
Payroll taxes	51,861	-	-	-	51,861	19,224	23,496	42,720	94,581
Health and life insurance	78,386	-	-	-	78,386	29,289	35,794	65,083	143,469
Retirement plan	56,304	-	-	-	56,304	18,539	22,659	41,198	97,502
Total compensation	<u>630,233</u>	<u>-</u>	<u>79,617</u>	<u>8,200</u>	<u>718,050</u>	<u>275,124</u>	<u>336,260</u>	<u>611,384</u>	<u>1,329,434</u>
Professional fees	4,841	-	-	-	4,841	21,980	3,032	25,012	29,853
Office supplies and expense	14,274	-	2,373	3,394	20,041	6,296	1,924	8,220	28,261
Minor furniture and equipment	-	-	-	-	-	41	-	41	41
Printing	8,876	-	-	-	8,876	78	95	173	9,049
Campaign expenses	-	-	-	-	-	-	82,394	82,394	82,394
Postage and shipping	388	-	-	-	388	664	813	1,477	1,865
Computer expense	104	-	20,149	20,646	40,899	18,779	22,952	41,731	82,630
Telephone	22,827	-	-	-	22,827	8,029	9,813	17,842	40,669
Utilities	3,617	-	3,295	1,158	8,070	2,922	2,922	5,844	13,914
Repairs and maintenance	17,409	-	9,847	3,460	30,716	11,691	12,349	24,040	54,756
Special events	-	-	-	-	-	-	29,767	29,767	29,767
Marketing	4,828	-	-	-	4,828	-	5,473	5,473	10,301
Interest expense	5,521	-	5,029	1,767	12,317	4,460	4,459	8,919	21,236
Dues and subscriptions	3,080	-	-	-	3,080	2,943	3,597	6,540	9,620
Training and seminars	14,087	-	-	-	14,087	6,783	8,291	15,074	29,161
Organizational expenses	2,732	-	-	-	2,732	3,031	3,703	6,734	9,466
Travel	774	1,318	1,288	1,567	4,947	2,652	3,241	5,893	10,840
Insurance	2,797	-	13,762	2,773	19,332	11,912	13,005	24,917	44,249
Meeting expense	1,861	-	-	-	1,861	1,843	15,436	17,279	19,140
Depreciation	19,622	-	17,871	6,279	43,772	15,848	15,848	31,696	75,468
Miscellaneous	7,208	-	-	-	7,208	14,879	16,352	31,231	38,439
Total functional expenses	<u>\$ 765,079</u>	<u>\$ 1,318</u>	<u>\$ 153,231</u>	<u>\$ 49,244</u>	<u>\$ 968,872</u>	<u>\$ 409,955</u>	<u>\$ 591,726</u>	<u>\$ 1,001,681</u>	<u>\$ 1,970,553</u>

See accompanying notes to financial statements



**United Way of Southwest Louisiana, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2024**

<b>Cash Flows From Operating Activities</b>	
Change in net assets	\$ 838,563
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:	
Depreciation	75,468
(Increase) decrease in pledges receivable	197,448
(Increase) decrease in prepaid expenses	(22,111)
(Increase) decrease in grant receivables	(11,032)
(Increase) decrease in contract receivables	6,820
(Increase) decrease in other receivables	9,600
(Increase) decrease in interest receivables	(34,405)
Increase (decrease) in accounts payable	11,878
Increase (decrease) in designations payable	<u>(149,236)</u>
Net Cash Provided (Used) by Operating Activities	<u>922,993</u>
<b>Cash Flows From Investing Activities</b>	
Purchase of investments	(1,547,227)
Maturity of investments	250,163
Sale of fixed assets	762
Fixed asset acquisitions	<u>(29,994)</u>
Net Cash Provided (Used) by Investing Activities	<u>(1,326,296)</u>
<b>Cash Flows From Financing Activities</b>	
Payments for reduction of long-term debt	<u>(86,959)</u>
Net Cash Provided (Used) by Financing Activities	<u>(86,959)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(490,262)
Cash and Cash Equivalents - Beginning of Period	<u>10,874,607</u>
Cash and Cash Equivalents - End of Period	<u><u>\$ 10,384,345</u></u>
Cash and Cash Equivalents at the end of the year consisted of:	
Unrestricted Cash	\$ 8,707,720
Restricted Cash	1,676,625
	<u><u>\$ 10,384,345</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u><u>\$ 21,236</u></u>

See accompanying notes to financial statements.

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

**NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The United Way of Southwest Louisiana, Inc. (the United Way) is a nonprofit corporation recognized under the laws of the State of Louisiana for the purpose of raising funds to provide and/or support programs in the areas of education, income, and health. These programs may be provided by United Way or other local nonprofit organizations. The United Way's mission is: Positive Community Impact.

For more than 70 years, United Way has been committed to building strong, successful families and strengthening our community. When you join the United Way team, you're supporting a powerful movement to impact the region's most pressing health and human service needs.

Currently, United Way works with our partners to deliver 70 programs and multiple services that target community needs that center around the building blocks for a good life: a quality education that leads to stable employment, sufficient income to support a family through retirement, and sound mental and physical health.

**Income Taxes**

The United Way is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes is included in the financial statements.

The United Way is required to file the applicable Form 990, *Return of Organization Exempt from Income Tax*. The applicable form is based on the United Way's gross receipts. The United Way is in compliance with the filing requirements of the Internal Revenue Service. Returns are subject to examination by the IRS, generally for three years after they are filed.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the United Way may recognize the tax benefit from an uncertain tax position only if it more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2024.

**Method of Accounting**

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. The United Way also follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958, *Financial Statements of Not-for-Profit Organizations*. In accordance with this guidance, the United Way 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.

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

**NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Net Assets**

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets available subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The United Way reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for specified purpose:	
Program activities:	
Disaster Donations	\$ 1,301,554
Entergy – Match Savings	11,454
Citgo - Disaster	273,700
Wells Fargo – Match Savings	15,000
Roy O’Martin – Write Start	7,742
PPG Grant – Workforce Readiness	6,658
Success by Six Grant	15,953
Entergy VITA Grant	15,898
	1,647,959
Subject to the passage of time:	
2024 campaign pledges recognized in current period	389,862
	\$ 2,037,821

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

**NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Net Assets (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the year ended June 30, 2024:

Purpose restrictions satisfied:	
Grant funding	\$ 10,851
Disaster relief contributions	323,943
Time restrictions satisfied:	
2023 campaign revenue	<u>189,259</u>
Total	<u>\$ 524,053</u>

**Accounting 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 the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Compensated Absences**

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave is not payable upon termination or resignation. Vacation leave accumulates based on the length of the employee's service. Upon termination or resignation, the outstanding balance of unused vacation leave can be paid to an employee. As of June 30, 2024, accrued compensated absences totaled \$46,871.

**Property and Equipment**

The United Way capitalizes expenditures property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful life of the asset. The estimated useful lives of such assets are summarized as follows:

Furniture and equipment	5 years
Automobiles	3 years
Building and improvements	25 years

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

**NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Advertising**

Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2024 was \$10,301.

**Contributed Services and Materials**

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. During the fiscal year ended June 30, 2024, United Way received \$10,355 in campaign marketing services which meet the criteria of recognition in the financial statements. The Organization also benefited from individuals who volunteered their time and performed a variety of tasks that assisted the United Way, however those services did not meet the criteria for recognition as contributed services. Per the Organization's policy, these contributed services were utilized for fund-raising support services.

**Functional 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, which is allocated on a square-footage basis, as well as salaries and related benefits, which are allocated on the basis of time and effort.

The United Way uses the following program service categories for reporting purposes:

*Community Impact* – Includes agency evaluation and monitoring, research and development of internal programs with the focus areas of Education, Economic Mobility, Health, and Basic Needs.

*Disaster Management* – Support for rebuilding efforts as part of the short-term and long-term recovery activities set forth by the United Way related to hurricanes, floods, and/or other natural disasters.

*Case Management* – Includes grants and contracts such as Calcasieu Parish Prisoner Reentry Program, Louisiana's DCFS TANF program, Calcasieu Parish Policy Jury Emergency Rental Program, Louisiana Housing Corporation's SSI/SSDI Outreach, Access and Recovery Grant, Entergy's Heat Relief Assistance, The Emergency Food and Shelter Program, and Louisiana DCFS No Wrong Door. These programs assist in a short-term remedy for low-income individuals during a crisis.

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

**NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Functional Expenses (Continued)**

*Other Programs* - Includes grants for United Way programs such as VITA, Day of Caring, Summer of Service and WriteStart.

For additional descriptions of United Way assistance activities, see the “Community Initiatives” note 12.

**Campaign Revenue (Public Support)**

Campaign revenues received are recorded as with or without donor restrictions depending on the existence or nature of any donor restrictions. All donations of campaign revenue are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as with donor restriction support that increases those net asset classes.

In addition, custodial funds, whereby United Way simply services as a conduit for contributions to others based on donor designations, are included in revenue in United Way’s financial statements but are then subtracted from revenue and the related expense. The United Way honors all designations.

**Pledges**

Unconditional promises to give or pledges that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give or pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in campaign revenue. There were no pledges that are to be collected in future years as of June 30, 2024. Conditional promises to give are not included as support until such time as the conditions are substantially met.

**Cash and Cash Equivalents**

The United Way considers all liquid investments with an original maturity of three months or less to be cash equivalents. On three bank accounts, donor and bank restrictions have been placed and the amounts of these accounts are shown as cash and cash equivalents – restricted. One account is donor restricted for hurricane recovery efforts and totals \$1,301,554 at June 30, 2024. Bank restrictions exist to maintain a separate bank account for security on the building loan which totals \$287,980 at June 30, 2024. Finally, one account is donor restricted for family support services totaling \$87,091.

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

**NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Revenue Recognition**

The United Way adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, or Accounting Standards Codification Topic 606 (“ASC 606”). The guidance outlines a single, comprehensive model for accounting for revenue in exchange transactions from contracts with customers. The United Way’s revenue derived from exchange transactions are for services performed under terms of various contracts, processing fees charged to third party beneficiaries for collection of funds on their behalf, and special event revenue. Third parties receive the funds raised on their behalf by the United Way, net of processing fees charged. The United Way applied Topic 606 to its revenue derived from exchange transactions as follows:

*Transaction price* - The transaction price of contract revenue and special event revenue are based on the cost expended to provide such goods and services. The transaction price of processing fees is based on a percentage of the amount of funds raised for the third party and includes an administrative fee.

*Performance obligations* – The United Way has identified the following performance obligations in exchange transactions: (1) services under terms of various contracts; (2) fundraising services to obtain donations; and (3) collection of donor pledges for third parties. The United Way applies the principles of materiality in the determination of the performance obligations.

Payments under contracts recognize revenue when performance obligations under the terms of the contracts with contractors are satisfied. Special event revenues represent reciprocal transfers (exchange transactions) are recognized with the performance obligation is satisfied. Processing 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.

The following table presents the United Way’s net revenue disaggregated based on the revenue source for the year ended June 30, 2024:

Contract fee income	\$ 494,244
Processing fee revenue	<u>80,708</u>
Total revenue from contracts with customers	<u><u>\$ 574,952</u></u>

The following table presents the United Way’s contract balances based on revenues from contracts with customers:

Receivables from contracts	\$ 48,400
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**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

**NOTE 2 – PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2024 consists of the following:

Furniture and equipment	\$ 376,963
Building and improvements	1,858,813
Less: Accumulated depreciation	<u>(689,234)</u>
Net depreciable property and equipment	1,546,542
Land	<u>184,578</u>
Net property and equipment	\$ <u>1,731,120</u>

Deprecation expense for the year ended June 30, 2024 totaled \$75,468.

**NOTE 3 – COMPLIANCE WITH LOAN COVENANTS**

The loan agreement contains a requirement that United Way must deposit with Merchants and Farmers Bank & Trust a compensating balance totaling 20% of the original loan amount in a non-interest-bearing demand deposit account. The Organization met this required loan covenant.

**NOTE 4 – FAIR VALUE MEASUREMENTS**

The United Way has a number of financial instruments, none of which is held for trading purposes. The United Way estimates that the fair value of all financial instruments as of June 30, 2024, do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the United Way using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the United Way could realize in a current market exchange. The recorded values of cash and cash equivalents, receivables, prepaid expenses, deposits, accounts payable and accrued expenses, and donor designations payable approximate their fair values based on their short-term nature. The recorded values of notes payable approximate their fair value, as interest is insignificant.

**NOTE 5 - CONCENTRATIONS OF CREDIT RISK**

The United Way maintains cash balances at several financial institutions located in Southwest Louisiana. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2024, the United Way's uninsured cash balances total \$115,110.

The United Way has outstanding promises to give from individuals and companies in Southwest Louisiana. The United Way was exposed to a regional concentration of credit risk in the amount of \$1,305,906 at June 30, 2024.



**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

**NOTE 6 – RETIREMENT BENEFITS**

The United Way sponsors a 401(a) defined contribution plan and tax-deferred annuity plan that covers all eligible employees. Eligible employees include persons with one year of service with a minimum age of 21 years. Employer contributions for the 401(a) plan shall be 10% of the participant’s compensation for the plan year. Employees have the option to contribute to the tax-deferred annuity plan from 1% of salary to the maximum amount permitted by law. Total costs and employer contributions for the year ended June 30, 2024 were \$97,502.

**NOTE 7 - BOARD COMPENSATION**

Members of the United Way’s Board of Directors receive no compensation and are reimbursed only for any expenses incurred related to the United Way’s business which must have appropriate supporting documentation.

**NOTE 8 - INVESTMENTS**

The United Way applies GAAP for fair value measurements of financial assets that are recognized at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair market hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the United Way has the ability to access.

Level 2 inputs are inputs (other than quoted prices included in Level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available).

As of June 30, 2024, the United Way’s investments measured on a recurring basis consisted of certificates of deposit with fair market value (Level 2) and costs bases as follows:

	Cost	Fair Value	Unrealized Gain (Loss)
Certificates of Deposit (Level 2 Cost Basis)	\$ 2,266,064	\$ 2,266,064	\$ -0-

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

**NOTE 9 – NOTE PAYABLE**

At June 30, 2024, the United Way had the following note payable:

Merchant & Farmers Bank & Trust:

Mortgage note payable dated September 30, 2016 in the amount of \$1,440,000; due in 239 installments of \$9,016.25 upon demand or loan maturity on October 1, 2036; bearing fixed interest of 4.375%, collateralized by real estate and deposit accounts.	\$ 436,603
Less current portion	<u>90,945</u>
Long-term portion	<u>\$ 345,658</u>

Maturities of debt are as follows:

June 30,	Amount
2025	\$ 90,945
2026	95,005
2027	99,245
2028	103,675
2029	47,733
Total	<u>\$ 436,603</u>

**NOTE 10 - SUBSEQUENT EVENTS**

The United Way evaluated its June 30, 2024 financial statements for subsequent events through the date of the audit report, the date the financial statements were available to be issued. The United Way is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**NOTE 11 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The United Way has \$8,707,720 of cash financial assets available within one year of the statement of financial position date to meet needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The United Way has a goal to maintain financial assets which consist of cash on hand and investments to meet 60 days of normal operating expenses, which are, on average, approximately \$350,000. The United Way has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, the United Way deposits cash in excess of daily requirements in interest bearing certificates of deposit.

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

***NOTE 12 – COMMUNITY INITIATIVES***

*Economic Mobility*

United Way Southwest Louisiana hosted nine Volunteer Income Tax Assistance (VITA) sites across the five-parish area with a total economic impact of \$4.6 million. Promoting the Earned Income Tax Credit (EITC) and free tax preparation services, the VITA program is a partnership between United Way Southwest Louisiana, the IRS, and other community partners. Community volunteers are trained and certified to prepare basic income tax returns. Approximately 2,697 federal and state returns were prepared in the 2023-2024 tax season. A grant from the IRS, Entergy, and Capital One supports the program.

With funding from the Louisiana Department of Public Safety & Corrections, United Way Southwest Louisiana partners with local non-profits and agencies to implement the Calcasieu Prisoner Reentry Initiative. This Initiative builds a collaborative network of support, services, housing, and transportation for high—or moderate-risk offenders returning to Calcasieu Parish. As of the fiscal year-end, 41 individuals were enrolled in this program.

*Education*

United Way Southwest Louisiana participates with Dolly Parton’s Imagination Library to provide free books for children from birth to age 5. Children across our service area receive a free book monthly, which helps them build their home library and encourages lifelong literacy skills. For the 2023-2024 year, 51,483 books were sent out.

Community volunteers assembled Literacy Kits for local Head Starts and Elementary students. The kits are designed for specific grades and range from STEM to art and anti-bullying. Each kit contains one book, volunteer-designed props, games, or other activities to make the reading interactive. For the 2023-2024 year, 3,000 kits were distributed.

Summer of Service program is designed for volunteers ages 13 to 18. Youth volunteers will aid United Way Southwest Louisiana staff with projects in our community. 1,944 individuals served through these volunteers with projects in Calcasieu Parish.

*Health*

United Way Southwest Louisiana funds and maintains a texting hotline for youth ages 13-22, 833.TXT.TEEN. Crisis intervention specialists can provide emotional support, information and/or referrals to community resources, and crisis intervention as needed. United Way Southwest Louisiana offers a Crisis Online Chat along with the text line. The online chat is for anyone who is going through a difficult time, having thoughts about suicide, or just needing to talk to someone. It is confidential and operated by professionally licensed crisis intervention specialists. 390 individuals were helped with these programs for the fiscal year 2023-2024.

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2024**

***NOTE 12 – COMMUNITY INITIATIVES (Continued)***

*Basic Needs*

To be United Against Child Hunger, United Way provided 6,000 packages to children enrolled in the summer feeding program through the Calcasieu Parish Police Jury. Volunteers packaged these items on United Way Southwest Louisiana Day of Caring, and bags were then provided to children for weekend meals.

United Way 2-1-1/UWSWLA is an easy-to-remember phone number that links people needing relevant information. When individuals call, they speak with a trained information and referral specialist who helps them navigate the complex maze of human services. The phone number is available 24 hours a day, 7 days a week, and even during a disaster. United Way 2-1-1/UWSWLA now offers a text number 898-211. United Way 2-1-1/UWSWLA services the Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis parishes. It is funded and maintained by United Way Southwest Louisiana. For the 2023-2024 year, 16,911 calls/texts were handled, with housing, utilities, and food being the top needs.

In fiscal year 2023-2024, United Way Southwest Louisiana caseworkers processed 10,342 applications for Entergy Louisiana's heat relief program and approved 4,228 families for much-needed credits during high temperatures.

Louisiana Department of Children & Family Services administers the Temporary Assistance for Needy Families program (TANF). TANF provides short-term assistance to meet an individual's basic needs (i.e., food, clothing, housing, utilities, transportation, and childcare). For fiscal year 2023-2024, United Way Southwest Louisiana was awarded \$249,900 to administer case management to determine qualifications to assist eligible individuals in our five-parish community.

***NOTE 13 – CONTINGENCIES***

Amounts received or receivable from grantor or contractor agencies are subject to audit and adjustment by grantor and contractor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor or contractor cannot be determined at this time although the United Way 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.

## **SUPPLEMENTAL INFORMATION**

**United Way of Southwest Louisiana, Inc.**  
**Agency Allocations and Community Services**  
**For the Year Ended June 30, 2024**

	<u>Actual</u>	<u>Budget</u>
Assist Agency	\$ 10,000	\$ 10,000
Beauregard A.R.C.	6,000	6,000
Beauregard Community Concerns	39,000	39,000
Beauregard Council on Aging	45,000	45,000
Big Brothers Big Sisters	16,000	16,000
Boys & Girls Club of Acadiana	10,000	10,000
Business Disaster and Recovery	41,000	41,000
McNeese Foundation - KDCC	83,000	83,000
Calcasieu Community Clinic	18,333	20,000
Community Partners	158,733	158,733
Family & Youth Counseling	28,000	28,000
Girl Scouts	10,000	10,000
Junior Achievement	15,000	15,000
Literacy Council of Southwest Louisiana	20,000	20,000
Salvation Army	20,000	20,000
Southwest Louisiana Youth Foundation	20,000	20,000
CADA-Jeff Davis Communities Against Domestic Abuse	6,000	6,000
Merryville Community Health Center	15,000	15,000
United Way Programs	2,395,369	2,395,369
Louisiana Association of United Way Dues	23,711	23,711
United Way Worldwide	48,682	48,682
	<u>\$ 3,028,828</u>	<u>\$ 3,030,495</u>

**United Way of Southwest Louisiana, Inc.**

**Schedule of Compensation, Benefits and Other Payments to Executive Director**

**June 30, 2024**

NO COMPENSATION PAID FROM PUBLIC FUNDS

**Agency Head Name: Denise Durel, Executive Director**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ -
Benefits-health insurance	-
Benefits-retirement	-
Benefits-Life, ADD, LTD	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements – Auto Mileage Reimb	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

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Member Louisiana Society of  
Certified Public Accountants

## **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***

Board of Directors  
United Way of Southwest Louisiana, Inc.  
Lake Charles, LA

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 United Way of Southwest Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 17, 2024.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered United Way of Southwest Louisiana, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 United Way of Southwest Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Southwest Louisiana, Inc.'s internal control.

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

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



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether United Way of Southwest Louisiana, Inc.'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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

Steven M. DeRouen & Associates, LLC

Lake Charles, Louisiana  
October 17, 2024

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Schedule of Findings and Responses**  
**June 30, 2024**

**A. Summary of Independent Auditor's Results:**

1. Unqualified opinion on financial statements.
2. Significant deficiencies and material weaknesses in internal control – none reported.
3. Noncompliance material to the financial statements – none reported.

**B. GAGAS Finding:**

None reported.

**C. Prior Year Findings:**

None reported.