

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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**Little & Assoc.**  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of  
The United Way of Northeast Louisiana, Inc.  
Monroe, LA 71201

### Report on the Financial Statements

We have audited the accompanying financial statements of The United Way of Northeast Louisiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016 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.

### 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. 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 auditors consider 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The United Way of Northeast Louisiana, Inc. as of June 30, 2017 and 2016, 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.

*Little & Associates, LLC*

Monroe, LA  
October 23, 2017

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENTS OF FINANCIAL POSITION  
JUNE 30,

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 477,419	\$ 387,770
Investments	710,168	705,000
Pledges Receivable, less allowances for uncollectibles of \$365,716 and \$296,828, respectively	1,729,881	1,768,361
Receivables - Third Party Processors	307,417	314,169
Other Receivables	6,679	8,301
Prepaid Assets	6,017	7,602
Property and Equipment, less accumulated depreciation of \$765,757 and \$726,136, respectively	<u>371,532</u>	<u>398,581</u>
 Total Assets	 <u>\$ 3,609,113</u>	 <u>\$ 3,589,784</u>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Allocations Payable	\$ 696,509	\$ 1,694,543
Designations Payable	489,361	473,026
Accounts Payable	27,312	18,838
Accrued Payroll, Pension, and Taxes	75,007	70,428
Deferred Revenue	45,473	14,696
Total Liabilities	<u>1,333,662</u>	<u>2,271,531</u>
 <b>Net Assets - Note 2 (G)</b>		
Undesignated	<u>585,255</u>	<u>(504,860)</u>
Total Unrestricted	<u>585,255</u>	<u>(504,860)</u>
 Cash Restricted for Flood Response and Recovery	 94,947	 242,659
Annual Campaign Pledges	<u>1,595,249</u>	<u>1,580,454</u>
Total Temporarily Restricted	<u>1,690,196</u>	<u>1,823,113</u>
Total Net Assets	<u>2,275,451</u>	<u>1,318,253</u>
 Total Liabilities and Net Assets	 <u>\$ 3,609,113</u>	 <u>\$ 3,589,784</u>

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

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted		Total
		Undesignated	Annual Campaign Pledges	
<b>Public Support and Revenue</b>				
Gross Campaign Results	\$ -	\$ 4,331,580	\$ -	\$ 4,331,580
Campaign Previously Reported	-	(17,951)	-	(17,951)
Campaign for Future Year	-	17,527	-	17,527
Donor Designations	-	(872,925)	-	(872,925)
Provision for Uncollectible	-	(303,211)	-	(303,211)
Net Campaign Revenue	-	3,155,020	-	3,155,020
Additional Pledges	45,837	-	-	45,837
In-Kind Contributions	27,380	-	-	27,380
Grants and Other Income	495,489	-	40,920	536,409
Other Gains (Losses)	72,588	-	-	72,588
Investment Income	9,996	-	-	9,996
Sponsorships	13,600	-	-	13,600
Total	664,890	3,155,020	40,920	3,860,830
Net Assets Released from Restriction	3,328,857	(3,140,225)	(188,632)	-
Total Public Support and Revenue	3,993,747	14,795	(147,712)	3,860,830
<b>Expenses</b>				
Program Services				
Gross Funds Awarded/Distributed	1,804,705	-	-	1,804,705
Less: Donor Designations	(872,925)	-	-	(872,925)
Net Funds Awarded/Distributed	931,780	-	-	931,780
United Way 2-1-1	335,022	-	-	335,022
LAUW - 211	240,266	-	-	240,266
Community Investment	113,071	-	-	113,071
Community Impact	321,315	-	-	321,315
Flood Response and Recovery	188,632	-	-	188,632
Total Program Services	2,130,086	-	-	2,130,086
Support Services				
Organizational Administration	321,053	-	-	321,053
Fundraising	452,493	-	-	452,493
Total Support Services	773,546	-	-	773,546
Total Expenses	2,903,632	-	-	2,903,632
Increase (Decrease) in Net Assets	1,090,115	14,795	(147,712)	957,198
Net Assets at Beginning of Year	(504,860)	1,580,454	242,659	1,318,253
Net Assets at End of Year	\$ 585,255	\$ 1,595,249	\$ 94,947	\$ 2,275,451

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

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted		Total
	Undesignated	Annual Campaign Pledges	Flood Response and Recovery	
<b>Public Support and Revenue</b>				
Gross Campaign Results	\$ -	\$ 4,250,336	\$ -	\$ 4,250,336
Campaign Previously Reported	-	(12,288)	-	(12,288)
Campaign for Future Year	-	17,951	-	17,951
Donor Designations	-	(834,746)	-	(834,746)
Provision for Uncollectible	-	(290,584)	-	(290,584)
Net Campaign Revenue	-	3,130,669	-	3,130,669
Additional Pledges	65,558	-	-	65,558
In-Kind Contributions	51,110	-	-	51,110
Grants and Other Income	455,373	-	342,772	798,145
Other Gains (Losses)	44,440	-	-	44,440
Investment Income	8,586	-	-	8,586
Sponsorships	11,510	-	-	11,510
Total	636,577	3,130,669	342,772	4,110,018
Net Assets Released from Restriction	3,217,554	(3,117,441)	(100,113)	-
Total Public Support and Revenue	3,854,131	13,228	242,659	4,110,018
<b>Expenses</b>				
Program Services				
Gross Funds Awarded/Distributed	2,773,995	-	-	2,773,995
Less: Donor Designations	(834,746)	-	-	(834,746)
Net Funds Awarded/Distributed	1,939,249	-	-	1,939,249
United Way 2-1-1	351,883	-	-	351,883
LAUW - 211	213,085	-	-	213,085
Community Investment	109,222	-	-	109,222
Community Impact	296,026	-	-	296,026
Flood Response and Recovery	100,113	-	-	100,113
Total Program Services	3,009,578	-	-	3,009,578
Support Services				
Organizational Administration	340,707	-	-	340,707
Fundraising	409,763	-	-	409,763
Total Support Services	750,470	-	-	750,470
Total Expenses	3,760,048	-	-	3,760,048
Increase (Decrease) in Net Assets	94,083	13,228	242,659	349,970
Net Assets at Beginning of Year	(598,943)	1,567,226	-	968,283
Net Assets at End of Year	\$ (504,860)	\$ 1,580,454	\$ 242,659	\$ 1,318,253

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

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017

	Program Services				Support Services				TOTAL	
	Allocation Services	United Way 2-1-1	LAUW - 211	Community Investment	Community Impact	Flood Response and Recovery	Total	Fundraising		
								Organizational Administration		Campaign
Allocation/Awards	\$ 1,804,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,804,705	\$ -	\$ -	\$ 1,804,705
Less: Donor Designations	(872,925)	-	-	-	-	-	(872,925)	-	-	(872,925)
Sub-Total	931,780	-	-	-	-	-	931,780	-	-	931,780
Salaries	-	181,846	168,066	48,404	151,462	728	550,506	232,919	386,056	936,562
Hospitalization Insurances	-	37,323	25,275	8,380	23,322	-	94,300	32,436	62,494	156,794
Other Payroll Expenses	-	31,954	19,698	8,228	23,250	70	83,200	35,765	62,391	145,591
Sub-Total	-	251,123	213,039	65,012	198,034	798	728,006	301,120	510,941	1,238,947
Auto	-	2,861	242	948	4,721	-	8,772	10,356	16,246	25,018
Awards, Recognition Banquet	-	-	-	-	-	-	-	10,425	10,470	20,895
Bank Charges	-	18	-	-	-	1	19	2,149	2,236	2,305
Building and Property Maintenance	-	2,481	-	2,642	2,107	-	7,230	2,895	6,110	13,340
Campaign Events	-	-	-	-	-	-	-	2,895	2,895	5,790
Campaign Supplies	-	-	-	-	-	-	-	1,911	1,911	3,822
Community Meetings	-	-	-	-	-	-	-	1,844	1,844	3,688
Depreciation	-	7,479	-	7,818	6,248	-	21,545	8,569	18,077	39,622
Dues, Memberships and Subscriptions	-	13,734	-	6,637	6,671	-	27,042	1,123	2,959	30,001
Equipment	-	4,992	4,229	2,083	968	-	12,272	4,804	15,158	27,430
Insurance	-	940	-	48	801	-	2,773	3,388	4,116	6,904
Janitorial	-	1,208	-	1,281	1,024	-	3,513	1,577	1,430	5,004
Leadership Giving Recognition	-	11,976	-	952	11,818	-	24,806	7,586	31,076	55,882
Marketing	-	547	20	-	23	-	590	614	3,233	3,823
Meetings and Lunches	-	-	-	3,240	3,240	-	6,480	5,520	5,520	11,040
Office Rent	-	3,053	303	1,268	1,981	-	6,605	5,715	7,261	13,905
Office Supplies	-	8	102	1	2	-	113	1,109	1,982	2,206
Postage	-	1,395	11,006	1,505	1,405	-	15,312	34,061	4,443	48,820
Professional Fees	-	2,222	(75)	-	-	187,833	189,980	-	-	189,980
Specific Assistance to Individuals	-	14,294	10,132	4,509	3,518	-	32,473	4,144	6,997	39,470
Telephone and Internet	-	4,967	1,188	1,269	2,391	-	9,815	5,778	8,997	14,775
Travel, Education and Training	-	3,227	-	3,453	2,740	-	9,420	4,182	7,945	17,365
Utilities	-	75,402	27,227	38,668	117,914	187,834	447,045	99,604	141,534	688,183
Sub-Total	-	8,497	240,266	113,071	321,315	188,632	2,130,086	452,493	773,546	2,903,632
United Way Worldwide Dues	-	-	-	9,391	5,367	-	23,255	9,839	21,467	44,722
Total Expenses	\$ 931,780	\$ 335,022	\$ 240,266	\$ 113,071	\$ 321,315	\$ 188,632	\$ 2,130,086	\$ 452,493	\$ 773,546	\$ 2,903,632

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

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2016

	United Way		LADW -		Program Services		Community		Flood Response		Support Services		TOTAL
	2-1-1	2-1-1	211	211	Investment	Impact	and Recovery	Total	Organizational Administration	Campaign	Fundraising	Total	
Allocation Services	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Allocation/Awards	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Donor Designations	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	1,939,249	1,939,249	(834,746)	1,939,249	-	-	-	2,773,995	-	-	-	-	2,773,995
Salaries	187,816	187,816	149,600	133,673	45,578	133,673	-	516,667	170,532	200,938	200,938	371,470	888,137
Hospitalization Insurance	27,005	27,005	25,326	21,976	8,255	21,976	-	82,562	32,983	35,540	35,540	68,523	151,085
Other Payroll Expenses	30,884	30,884	16,096	16,096	7,563	21,541	-	76,084	30,238	31,844	31,844	62,082	138,166
Sub-Total	245,705	245,705	191,022	171,690	61,396	177,190	-	673,313	233,753	268,322	268,322	502,075	1,177,388
Administration	-	-	5,009	-	-	-	-	5,009	-	-	-	-	5,009
Auto	-	-	213	-	1,004	3,251	-	7,316	5,370	9,150	9,150	14,520	21,836
Awards, Recognition Banquet	2,848	2,848	-	-	-	1,121	-	1,121	604	5,530	6,134	6,134	7,255
Bank Charges	529	529	-	-	-	-	-	529	343	2,579	2,579	2,922	3,451
Building and Property Maintenance	2,023	2,023	-	-	2,125	1,656	-	5,804	3,648	2,329	2,329	5,977	11,781
Campaign Events	-	-	-	-	-	-	-	-	-	1,578	1,578	1,578	1,578
Campaign Supplies	-	-	-	-	-	-	-	-	-	1,310	1,310	1,310	1,310
Community Meetings	-	-	-	-	39	39	-	78	2,068	76	76	2,144	2,222
Depreciation	9,560	9,560	-	-	8,838	6,822	-	25,240	11,063	9,464	9,464	20,527	45,767
Dues, Memberships and Subscriptions	16,026	16,026	-	-	6,189	6,237	-	28,452	1,714	677	677	2,391	30,843
Equipment	5,754	5,754	1,265	-	3,651	2,168	-	12,838	6,532	6,785	6,785	13,317	26,155
Community Impact Program Expenses	-	-	7,697	-	-	56,568	-	56,568	-	-	-	-	56,568
Implementation Planning	-	-	-	-	-	-	-	7,697	-	-	-	-	7,697
Insurance	1,277	1,277	-	-	1,003	780	153	3,213	3,893	1,094	1,094	4,987	8,200
Janitorial	1,178	1,178	-	-	1,237	965	-	3,380	1,513	1,356	1,356	2,869	6,249
Leadership Giving Recognition	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	8,155	8,155	-	-	998	12,939	-	22,092	5,802	10,610	10,610	10,610	10,610
Meetings and Lunchees	79	79	-	-	107	283	-	469	2,030	34,172	34,172	39,974	62,066
Offices Rent	-	-	-	-	3,240	3,240	-	6,480	-	514	514	2,544	3,013
Office Supplies	1,904	1,904	63	-	961	2,214	-	5,142	4,539	5,875	5,875	5,520	12,000
Postage	113	113	229	1	123	1	-	466	1,199	3,420	3,420	10,414	15,556
Professional Fees	446	446	3,976	-	576	3,853	-	8,851	28,093	13,981	13,981	42,074	50,925
Specific Assistance to Individuals	-	-	-	-	-	-	-	99,960	-	-	-	-	110,028
Telephone and Internet	29,075	29,075	2,515	-	5,248	5,107	-	41,945	5,402	9,607	9,607	15,009	56,954
Travel, Education and Training	5,790	5,790	1,096	-	751	4,222	-	11,859	8,685	3,384	3,384	12,069	23,928
Utilities	3,031	3,031	-	-	3,236	2,524	-	8,841	3,957	3,546	3,546	7,503	16,344
Sub-Total	98,506	98,506	22,063	-	39,346	113,990	100,113	374,018	96,455	132,537	132,537	229,012	603,030
United Way Worldwide Dues	7,672	7,672	-	-	8,480	4,846	-	20,998	10,499	8,884	8,884	19,383	40,381
Total Expenses	351,889	351,889	213,083	-	106,222	296,026	100,113	3,009,578	340,707	409,763	409,763	750,470	3,760,048

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



THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 957,198	\$ 349,970
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash		
Provided (Used) by Operating Activities		
Depreciation	39,622	45,767
Donated Securities Included in Contributions	(44,484)	(73,367)
(Gain) Loss on Sale of Investments	186	(99)
Change in Allowance for Uncollectibles	68,888	20,118
Changes in Assets and Liabilities		
Pledges Receivable	(30,408)	(142,160)
Receivables - Third Party Processors	6,752	(107,795)
Other Receivables	1,622	(3,158)
Prepaid Assets	1,585	(151,912)
Allocations Payable	(998,034)	13,151
Designations Payable	16,335	93,053
Accounts Payable	8,474	12,469
Accrued Payroll, Pension, and Taxes	4,579	11,522
Deferred Revenue	30,777	(55,950)
Total Adjustments	<u>(894,106)</u>	<u>(338,361)</u>
Net Cash Provided (Used) by Operating Activities	<u>63,092</u>	<u>11,609</u>
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	444,484	382,013
Purchase of Investments	(400,000)	(305,000)
Interest Received on Investments	(5,355)	-
Purchase of Property and Equipment	<u>(12,572)</u>	<u>(31,609)</u>
Net Cash Provided (Used) by Investing Activities	<u>26,557</u>	<u>45,404</u>
Increase (Decrease) in Cash	89,649	57,013
Cash at beginning of Year	<u>387,770</u>	<u>330,757</u>
Cash at End of Year	<u>\$ 477,419</u>	<u>\$ 387,770</u>
Non-Cash Transactions are as follows		
Operating, Investing and Financing Activities		
Investments Contributed to Satisfy Pledges	\$ 44,484	\$ 73,367
In-Kind Contributions	<u>27,380</u>	<u>51,110</u>
Total Operating, Investing and Financing Activities	<u>\$ 71,864</u>	<u>\$ 124,477</u>

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

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 1 – Description of Organization

The United Way of Northeast Louisiana, Inc.'s (the "United Way") purpose is to help people and improve the community. The primary source of funding is the Annual Campaign, which provides monthly financial support for specified programs of 22 not-for-profit agencies (partner agencies) throughout Northeast Louisiana as well as direct programs of the United Way including 2-1-1 coverage for Northeast Louisiana and programs that encourage financial literacy and childhood reading/literacy.

Note 2 – Summary of Significant Accounting Policies

*(A) Basis of Accounting and Financial Statement Presentation*

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

In accordance with Financial Accounting Standard Board Accounting Standards Codification (FASB ASC) 958-205, United Way is required to report information regarding its financial activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

*(B) Cash and Cash Equivalents*

United Way considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

*(C) Investments*

Investments are composed of certificates of deposit and equity securities, which are carried at fair value. The Financial Accounting Standards Board's Accounting Standards Codification (ASC) Section 820 establishes the framework for measuring fair value. That framework provides 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 market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that United Way has the ability to access;

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

*(C) Investments (Continued)*

Level 2 – Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The investments held by United Way at June 30, 2017 are valued at quoted market prices and other relevant information generated by market transactions held by United Way at that date and are considered to be Level 1 in the fair value hierarchy.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The valuation methodologies used for these items, as well as the general classification of such items pursuant to the fair value hierarchy of ASC Section 820 encompass that investments are reported on the basis of quoted market prices and consist primarily of certificates of deposit, equity securities and fixed income securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future value. Furthermore, while United Way believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements within the fair value hierarchy.

*(D) Pledges Receivable*

United Way's policy is to record pledge receivables when the pledges are received and represent amounts due during the next calendar year. United Way uses the allowance method to determine uncollectible pledge receivables. The allowance is based on prior years' experience and management's analysis of specific pledges.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

*(E) Property and Equipment*

Property and equipment are stated at cost. Purchases of fixed assets and major improvements in excess of \$600 are capitalized at cost. All donated capital assets are recorded at fair market value on the date of the donation. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts in the year of disposal and any resulting gain or loss is included in operations. Depreciation is computed on a straight-line basis over the useful lives of the assets using estimated lives from 3 – 30 years.

*(F) Allocations Payable*

In conjunction with a transition to a different model for funding community services and partner agencies, during the year ended June 30, 2017 the United Way approved allocations to its partner agencies for a six month period instead of the typical twelve month period and notified them as to the amount their monthly allocations will be for the period ending December 31, 2017. Final decisions regarding funding for the subsequent six months will not be made until November or December 2017. Therefore, the appropriate payable and expenses related to only the six month period have been recorded and recognized in the accompanying financial statements as of June 30, 2017.

Because the accrual for Allocations is for only a six month period and represents expected/anticipated expenditures for only that period, overall expenditures for external programs during the year ended June 30, 2017 appears reduced when compared to the prior year. On an actual cash basis, Net Funds Awarded/Distributed on behalf of agencies is actually \$1,926,560 for the 12 month period ended June 30, 2017 compared to \$1,925,512 on the same basis for the 12 month period ended June 30, 2016.

*(G) Compensated Absences*

Subject to management approval, unused vacation days may be carried over to the following year. Sick days may be accumulated to a maximum of 90 days depending on years of service. However, employees are not paid for any unused sick days upon termination. Accordingly, the financial statements do not include any accrual for sick pay.

*(H) Net Asset Categories and Contributions*

Annual campaigns are conducted each fall to raise support for agency allocations paid in the subsequent fiscal year. Campaign contributions, including unconditional promises to give, are recognized as support when made. Because campaign contributions are received on a calendar year basis, the first half of the campaign collections (January to June) is reported in Gross Campaign Results and is released from restriction during the current fiscal year. The second half of the campaign collections (July to December) is reported in Gross Campaign Results but remains in temporarily restricted net assets at June 30, 2017.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

*(H) Net Asset Categories and Contributions (Continued)*

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor for specific United Way use are reported as increases in unrestricted net assets when the restrictions expire in the same year in which the contributions are received. All other donor-restricted contributions for specific United Way use are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets when the restriction expires.

Donor-designated contributions for United Way's partner agencies or other agencies are considered agency transactions because United Way does not have discretion over the distribution of these funds. Pass-through transactions do not result in contribution revenue or expense in the accompanying financial statements. When United Way receives the assets, a corresponding liability is recorded to reflect amounts due to third-party beneficiaries.

*(I) Donated Securities, Materials, and Services*

Donated marketable securities are recorded as support at their estimated market value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Capital items are recorded at their fair market value on the date of donation.

Under ASC 958-205, the value of contributed services and miscellaneous incidental materials meeting the requirements for recognition in the financial statements are recognized as revenues and related expenses for gifts-in-kind.

*(J) Functional Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Organizational administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of United Way. Costs associated with the annual campaign are included in fundraising expenses.

*(K) Income Taxes*

United Way is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. United Way believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. United Way's Federal Return of Organization Exempt from Income Tax (Form 990) for the years

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

*(H) Income Taxes (Continued)*

ended June 30, 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

*(I) Estimates*

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

Note 3 – Investments

Investments at June 30, 2017 and 2016 include certificates of deposit and equity securities. Investments held were as follows:

	June 30,	
	2017	2016
Certificates of Deposit	\$ 710,168	\$ 705,000
TOTAL	<u>\$ 710,168</u>	<u>\$ 705,000</u>

For the years ended June 30, 2017 and 2016, United Way's investments (including gains and losses on investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

	June 30,	
	2017	2016
Equity Securities	\$ (186)	\$ 99
TOTAL	<u>\$ (186)</u>	<u>\$ 99</u>

Note 4 – Property and Equipment

Property and equipment are summarized by major classifications as follows:

	June 30,	
	2017	2016
Land	\$ 100,000	\$ 100,000
Total Nondepreciable Assets	<u>100,000</u>	<u>100,000</u>
Building	500,000	500,000
Furniture, Fixtures and Equipment	444,334	431,762
Leasehold Improvements	79,509	79,509
Leased Equipment	13,446	13,446
Total Depreciable Assets	<u>1,037,289</u>	<u>1,024,717</u>
Total Property and Equipment	1,137,289	1,124,717
Less: Accumulated Depreciation	(765,757)	(726,136)
Total Property and Equipment, net	<u>\$ 371,532</u>	<u>\$ 398,581</u>

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 4 – Property and Equipment (Continued)

Depreciation charged to expense is \$39,622 and \$45,767 for the year ended June 30, 2017 and 2016, respectively.

Note 5 – Restricted Funds

Annual Campaign Pledges

Net campaign contributions received for future periods are considered to be temporarily restricted net assets. The campaign for the future year pledges represent the initial pledges received for that campaign and will be available for unrestricted use during the following calendar year. The following schedule recaps the Annual Campaign at Celebrating Excellence to the amounts recorded as temporarily restricted net assets for the annual campaign pledges.

	June 30,	
	2017	2016
Annual Campaign	\$ 4,331,580	\$ 4,250,336
Donor Designations to United Way Agencies	(81,504)	(85,395)
Donor Designations to Non-United Way Agencies	(84,337)	(47,263)
Donor Designations Processed by Third Party Processors	(632,833)	(627,838)
Donor Designations by Major Donors	(74,250)	(74,250)
Allowance for Uncollectible Pledges	(303,211)	(290,584)
Campaign Revenue	3,155,445	3,125,006
Less: Amounts Released from Restriction (50%)	(1,577,723)	(1,562,503)
Plus: Pledges for Future Campaign (100%)	17,527	17,951
Campaign – Temporarily Restricted Net Assets	<u>\$ 1,595,249</u>	<u>\$ 1,580,454</u>

Cash Restricted for Flood Response and Recovery

Contributions restricted to flood response and recovery were received during the year ended June 30, 2017. As of June 30, 2017, there were remaining restricted contributions to be spent on flood response and recovery. The following schedule recaps the amounts recorded as temporarily restricted net assets for the restricted contributions for flood response and recovery.

	June 30, 2017
Beginning Flood Response and Recovery – Temporarily Restricted Net Assets	\$ 242,659
Total Restricted Contributions Received	40,920
Less: Amount Released from Restriction	(188,632)
Flood Response and Recovery – Temporarily Restricted Net Assets	<u>\$ 94,947</u>

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 6 – History of Uncollectibles

Generally, pledges that are uncollected after two years are deemed to be bad debts and are written off. The actual write-off percentages for the preceding years are presented in the following table. These percentages are based on total contributions pledged.

Campaign Year	Budget Year	Actual Write-Off
2015	2016	3.90%
2014	2015	6.32%
2013	2014	7.79%
2012	2013	7.14%
2011	2012	6.65%
2010	2011	6.04%
2009	2010	5.07%
2008	2009	6.20%
2007	2008	7.36%
2006	2007	6.16%
2005	2006	7.57%

Note 7 – Programs Services

A. Agency Funding

United Way Community Volunteers communicate to the United Way Board of Directors funding recommendations for the various partner agencies to support programs throughout Northeast Louisiana. In general, campaign contributions raised in Lincoln and Union Parish, net of fundraising and administrative expenses, are allocated to partner agencies and programs providing services in those parishes and those funding recommendations are made by community volunteers from those parishes. All other campaign contributions raised in the annual campaign are allocated to partner agencies and programs throughout Northeast Louisiana based on funding recommendations from panels of community volunteers primarily from Ouachita parish.

B. All Other Programs

Various community initiatives are conducted directly by United Way. United Way is focused on creating lasting change in community conditions to improve people's lives through community initiatives such as:

United Way 2-1-1 is a free, easy to remember, three-digit telephone number that gives people a fast, easy way to get connected to available services. In calendar year 2016, the United Way of Northeast Louisiana's 2-1-1 answered 22,821 calls, which represents only the calls that were live answered by staff and does not include the disaster messaging of over 3,000 calls in the NELA region during the March 2016 flooding, for the Northeast Louisiana region. In July 2015, United Way of Northeast Louisiana contracted with Louisiana Association of United Ways, LAUW, to manage 2-1-1 services for the Capital



THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 7 – Programs Services (Continued)

B. All Other Programs (Continued)

Area. For calendar year 2016, United Way of Northeast Louisiana's 2-1-1 answered 37,373 calls for the Capital Area United Way. Total calls answered in calendar year 2016 were 60,194, which represents only the calls that were live answered by staff and does not include the disaster messaging of over 3,000 calls in the NELA region during the March 2016 flooding. From January 2017 – July 2017, 4729 calls were answered for the United Way of Southwest Louisiana. It is anticipated that by October 2017, United Way of Northeast Louisiana's 2-1-1 will begin to answer calls for the Northwest Louisiana through the contract with LAUW for United Way of Northwest Louisiana.

Community Investment – Volunteers and staff of United Way who work with the partner agencies to ensure that United Way dollars are invested to produce the most effective results. They make site visits, gather information and evaluate programs year-round. Volunteers make recommendations on agency funding.

Community Impact – United Way of Northeast Louisiana is working to create lasting changes by focusing on the following building blocks we all need for a good life: education, financial stability and health.

Under education, United Way's focus is helping children and youth achieve their potential. Our target issue is to increase graduation rates by focusing on reading at grade level by the third grade. During the 2016 – 2017 school year of United Way of Northeast Louisiana's reading initiative, READ.LEARN.SUCCEED, 313 community volunteers read with 164 students in the 2<sup>nd</sup> and 3<sup>rd</sup> grade in 12 schools in our community for 1905.5 reading hours, which resulted in an increase in reading levels of 96% for Monroe City, Ouachita Parish, Lincoln Parish and Union Parish schools. READ.LEARN.SUCCEED. students received 5680 free books to build their home libraries and inspire the love of reading.

Under financial stability, United Way's focus is helping hardworking individuals and families become more financially stable. Our target issues are increasing income, building savings and gaining and sustaining assets by focusing on financial education for high school students. During the 2016 – 2017 school Year, 1601 high school students attended the Dollars & Sense Reality Fairs. Events were held for 27 high schools from 8 school districts in 7 parishes.

Under health, United Way's focus is improving people's health. Our target issues are increasing access to care and preventative health, and nutritional services for individuals and families. United Way health initiatives target wellness, nutrition and physical activity.

Basic and/or Emergency Needs – Although we're committed to making lasting changes in our community, we remain firmly committed to supporting a foundation of services that responds to basic and/or emergency needs such as food, shelter, medicine, and disaster relief.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 8 – 401(k) Defined Contribution Plan

United Way has adopted a deferred compensation plan pursuant to IRC Section 401(k). This plan covers employees who have reached 21 years of age and have completed one full year of eligibility service. Employer contributions to the plan are 5% for all eligible employees and will match an additional 2%. Employer contributions are allocated to each participant who completes 1,000 hours of service during the plan year and who is employed on the last day of the plan year. United Way may use unvested forfeitures to pay plan expenses or to reduce amounts otherwise required to be distributed.

The total pension cost of United Way for the year ended June 30, 2017 and 2016 was \$47,429 and \$46,704, respectively.

Note 9 – In Kind Services and Materials

Contributions of services and materials were reported as revenues and allocated between all program expenses. In kind revenues and expenses were \$27,380 and \$51,110 for the years ended June 30, 2017 and 2016, respectively.

Note 10 – Rental Agreement

On April 16, 2012, United Way entered into a one year rental agreement for leasing of its Ruston Location for \$1,000 per month. The initial lease period was for one year ending on April 16, 2013. Upon expiration, the agreement also had two options to renew the lease for an additional twelve months per option at the same \$1,000 per month. The first option was utilized for the lease periods ending on April 16, 2013 and April 16, 2014. The lease period expired on April 16, 2015, at which time a new lease agreement was entered into, expiring April 15, 2016. The most recent lease period expired on April 16, 2016, at which time a new lease agreement was entered into.

The terms for the new lease are \$1,000 per month for twelve months, expiring April 15, 2017, with no renewal option included.

After the expiration of the lease in April 2017, the Ruston Office has temporarily relocated while permanent offices are being prepared in downtown Ruston. Rent, including utilities is presently \$1,159 per month. The lease term is on a month to month basis and it is anticipated that the office will relocate to a permanent location in early 2018, but no terms have been finalized in that regard.

Note 11 – Disclosures About Concentrations

Support from the most recent annual campaign represents approximately 81% of United Way's total revenue. United Way's annual campaign covers 12 parishes in northeast Louisiana with the largest concentration being Ouachita Parish and Lincoln/Union Parish. The annual campaign in these parishes represents a concentration of risk by geographic region and by the nature of the fund-raising activity.

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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 11 – Disclosures About Concentrations (Continued)

Failure of the community to respond to the campaign or to fulfill their obligation could impact United Way's ability to collect approximately \$1.77 million in pledges receivable. No collateralization is required by United Way.

The top three campaigns account for 36.30% in gross campaign results and for 34.29% in pledges receivable.

Note 12 – Subsequent Events

Management of the United Way has evaluated subsequent events through October 23, 2017, and it has been determined that no significant events have occurred for disclosure. October 23, 2017 is the date which the financial statements were available for issue.