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**UNITED WAY OF SOUTHEAST LOUISIANA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2016**

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A Professional Accounting Corporation

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**UNITED WAY OF SOUTHEAST LOUISIANA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2016**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
United Way of Southeast Louisiana  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the United Way of Southeast Louisiana (UWSELA), a nonprofit organization, which comprise the statement of financial position as of June 30, 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 audit. 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 auditors' judgment, including the assessment of the risks of material misstatements 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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UWSELA as of June 30, 2016, 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.

## ***Other Matters***

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information on page 23, as well as the accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 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 November 2, 2016, on our consideration of UWSELA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 UWSELA's internal control over financial reporting and compliance.

## **Report on Summarized Comparative Information**

We have previously audited UWSELA's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Rosalee White & Nettenville*

Metairie, Louisiana  
November 2, 2016

**UNITED WAY OF SOUTHEAST LOUISIANA**  
**Statement of Financial Position**  
**June 30, 2016 with Summarized Comparative Totals for 2015**

	2016				Summarized 2015
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 221,846	\$ 1,189,330	\$ -	\$ 1,411,176	\$ 2,566,938
Investments, at fair value:					
Certificates of deposit	4,410,854	975,027	-	5,385,881	4,037,873
U.S. government securities	10,013	-	-	10,013	10,012
Mutual funds	-	126,194	1,670,717	1,796,911	1,899,944
Beneficial interest in assets held by others	824,169	-	2,218,076	3,042,245	3,185,849
Investment in common endowment fund of Greater New Orleans Foundation	292,031	-	14,724	306,755	321,017
Total investments	<u>5,537,067</u>	<u>1,101,221</u>	<u>3,903,517</u>	<u>10,541,805</u>	<u>9,454,695</u>
Pledge receivables, net	5,248,902	22,819	-	5,271,721	5,180,791
Other assets and prepaid expenses	105,536	38,791	-	144,327	163,765
Property, plant, and equipment:					
Land	302,893	-	-	302,893	302,893
Automobile	34,539	-	-	34,539	34,539
Building	1,218,245	-	-	1,218,245	1,193,245
Furniture and equipment	407,859	-	-	407,859	482,539
Less: accumulated depreciation	<u>(1,295,623)</u>	<u>-</u>	<u>-</u>	<u>(1,295,623)</u>	<u>(1,341,826)</u>
Total property, plant, and equipment	<u>667,913</u>	<u>-</u>	<u>-</u>	<u>667,913</u>	<u>671,390</u>
Total assets	<u>\$ 11,781,264</u>	<u>\$ 2,352,161</u>	<u>\$ 3,903,517</u>	<u>\$ 18,036,942</u>	<u>\$ 18,037,579</u>
<b>LIABILITIES AND NET ASSETS</b>					
Allocations payable	\$ 2,984,415	\$ -	\$ -	\$ 2,984,415	\$ 3,799,217
Designations payable	2,378,537	5,783	-	2,384,320	1,861,633
Accounts payable and accrued expenses	442,177	40,324	-	482,501	518,069
Program payable	-	282,000	-	282,000	278,000
Total liabilities	<u>5,805,129</u>	<u>328,107</u>	<u>-</u>	<u>6,133,236</u>	<u>6,456,919</u>
Net assets:					
Unrestricted	5,976,135	-	-	5,976,135	5,083,848
Temporarily restricted	-	2,024,054	-	2,024,054	2,617,677
Permanently restricted	-	-	3,903,517	3,903,517	3,879,135
Total net assets	<u>5,976,135</u>	<u>2,024,054</u>	<u>3,903,517</u>	<u>11,903,706</u>	<u>11,580,660</u>
Total liabilities and net assets	<u>\$ 11,781,264</u>	<u>\$ 2,352,161</u>	<u>\$ 3,903,517</u>	<u>\$ 18,036,942</u>	<u>\$ 18,037,579</u>

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

**UNITED WAY OF SOUTHEAST LOUISIANA**

Statement of Activities

For the Year Ended June 30, 2016 with Summarized Comparative Totals for 2015

	2016				Summarized 2015
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>SUPPORT AND REVENUE</b>					
Public Support:					
Contributions	\$ 14,570,513	\$ 42,155	\$ -	\$ 14,612,668	\$ 13,698,417
Less					
Provision for uncollectible accounts	(769,486)	-	-	(769,486)	(737,134)
Donor designations	(3,967,164)	(6,935)	-	(3,974,099)	(4,218,475)
Total public support	9,833,863	35,220	-	9,869,083	8,742,808
Revenue:					
Investment income, net	6,726	(43,236)	24,382	(12,128)	216,403
In-kind contributions	805,525	2,100	-	807,625	478,704
Grants, program, and consulting fees	35,352	1,746,362	-	1,781,714	1,133,135
Special events, fundraisers, and other income, net of expense	178,427	-	-	178,427	192,851
Service fee income	337,729	36,250	-	373,979	303,000
Rental income (loss), net of expense	(173,038)	-	-	(173,038)	(197,090)
Other income	4,174	100	-	4,274	29,575
Net assets released from restrictions	2,369,669	(2,369,669)	-	-	-
Total public support and revenue	13,398,427	(592,873)	24,382	12,829,936	10,899,386
<b>FUNCTIONAL EXPENSES</b>					
Allocations to agencies and other assistance provided	10,591,825	-	-	10,591,825	10,223,412
Less: designations to agencies	(3,974,099)	-	-	(3,974,099)	(4,218,475)
Net allocations	6,617,726	-	-	6,617,726	6,004,937
United Way Worldwide dues	132,053	-	-	132,053	113,426
Depreciation expense	77,413	-	-	77,413	92,587
Other functional expenses	5,679,698	-	-	5,679,698	5,361,443
Total functional expenses	12,506,890	-	-	12,506,890	11,572,393
Change in net assets	891,537	(592,873)	24,382	323,046	(673,007)
Net assets at beginning of year	5,084,598	2,616,927	3,879,135	11,580,660	12,253,667
Net assets at end of year	\$ 5,976,135	\$ 2,024,054	\$ 3,903,517	\$ 11,903,706	\$ 11,580,660

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

**UNITED WAY OF SOUTHEAST LOUISIANA**

Statement of Functional Expenses

For the Year Ended June 30, 2016 with Summarized Comparative Totals for 2015

	2016				2015			
	PROGRAM SERVICES		SUPPORTING SERVICES		PROGRAM SERVICES		SUPPORTING SERVICES	
	Community Impact & Fund Distribution	Grants and Other	Total Program Expenses	Fund Raising	Marketing and Public Relations	Management and General	Supporting Services Expenses	Summarized 2015 Total
Allocations/designations and assistance to others	\$ 10,591,825	\$ -	\$ 10,591,825	\$ -	\$ -	\$ -	\$ -	\$ 10,591,825
Less: donor designations	(3,974,099)	-	(3,974,099)	-	-	-	-	(4,218,475)
Net allocations	6,617,726	-	6,617,726	-	-	-	-	6,004,937
Salaries	333,217	715,279	1,048,496	1,152,889	250,175	435,865	1,838,929	3,006,396
Employee benefits	55,362	105,564	160,926	231,881	52,439	78,646	362,966	547,207
Payroll taxes	24,726	41,605	66,331	84,285	18,142	29,094	131,521	225,280
Total salaries and related expenses	413,305	862,448	1,275,753	1,469,055	320,756	543,605	2,333,416	3,609,169
Professional fees	37,305	315,149	352,454	100,842	11,412	35,063	147,317	499,771
Supplies	9,772	29,092	38,864	35,989	6,149	4,941	47,079	85,943
Telephone	4,990	9,391	14,381	27,189	3,591	5,744	36,524	50,905
Postage and shipping	247	1,539	1,786	11,314	151	281	11,746	13,532
Occupancy	3,868	11,334	15,202	40,144	3,480	6,406	50,030	68,710
Equipment rental and maintenance	5,852	6,297	12,149	17,069	2,230	4,227	23,526	35,675
Printing, publications, and advertising	2,688	69,170	71,858	101,742	5,097	1,640	108,479	180,337
In kind advertising	-	611,570	611,570	196,055	-	-	196,055	807,625
Local travel and report meetings	14,486	120,232	134,718	79,314	8,070	11,414	98,798	233,516
Training and out of town travel	6,162	19,553	25,715	23,042	1,877	2,042	26,961	52,676
Membership dues	986	2,783	3,769	5,712	1,519	1,084	8,315	12,084
Equipment purchases	1,886	6,762	8,648	11,403	1,904	1,392	14,699	23,347
Miscellaneous	537	1,378	1,915	6,773	418	780	7,971	9,886
Total other expenses before national organization dues and depreciation	502,084	2,066,698	2,568,782	2,125,643	366,654	618,619	3,110,916	5,679,698
National organization dues	-	-	-	-	-	132,053	132,053	132,053
Depreciation	6,843	28,169	35,012	28,972	4,997	8,432	42,401	77,413
Total other functional expenses	508,927	2,094,867	2,603,794	2,154,615	371,651	759,104	3,285,370	5,889,164
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 7,126,653</b>	<b>\$ 2,094,867</b>	<b>\$ 9,221,520</b>	<b>\$ 2,154,615</b>	<b>\$ 371,651</b>	<b>\$ 759,104</b>	<b>\$ 3,285,370</b>	<b>\$ 12,506,890</b>
								<b>\$ 11,572,393</b>

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



**UNITED WAY OF SOUTHEAST LOUISIANA**  
Statement of Cash Flows  
For the Years Ended June 30, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 323,046	\$ (673,007)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	77,413	92,587
Provision for uncollectible accounts	769,486	737,134
Net realized and unrealized gain on investments	(79,611)	(160,117)
Changes in assets and liabilities:		
Pledges receivable, net	(860,416)	(1,561,075)
Other assets and prepaid expenses	19,438	97,970
Allocations and designations payable	(292,115)	626,203
Accounts payable and accrued liabilities	(35,568)	(223,078)
Deferred revenue	-	(72,822)
Program payable	4,000	278,000
Net cash used in operating activities	(74,327)	(858,205)
Cash flows from investing activities:		
Purchases of property and equipment	(73,936)	(16,577)
Net purchases of investments	(1,007,499)	(50,883)
Net cash used in investing activities	(1,081,435)	(67,460)
Net change in cash and cash equivalents	(1,155,762)	(925,665)
Cash and cash equivalents - Beginning of year	2,566,938	3,492,603
Cash and cash equivalents - End of year	\$ 1,411,176	\$ 2,566,938

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

# UNITED WAY OF SOUTHEAST LOUISIANA

## Notes to Financial Statements

June 30, 2016

### **1. Summary of Significant Accounting Policies**

A summary of United Way of Southeast Louisiana's (UWSELA) significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

#### Organization

United Way of Southeast Louisiana (UWSELA) is a not-for-profit 501(c)(3) charitable organization founded in 1952 serving residents of Jefferson, Orleans, Plaquemines, St. Bernard, St. Tammany, Tangipahoa and Washington parishes and governed by a volunteer board. UWSELA's mission is to increase the organized capacity of people to care for one another in order to create a stronger community for all. UWSELA collaborates with government, business, faith groups, and other nonprofits in the seven-parish region to identify and address serious issues. UWSELA raises funds through an annual workplace campaign, individual and corporate gifts, grants, and partnerships. UWSELA funds needed health and human community services based on best practices and assesses the success of those programs based on the achievement of pre-defined outcomes.

UWSELA also serves as a campaign agent for the solicitation of contributions from federal civilian and uniformed service personnel.

#### Basis of Accounting

The financial statements of UWSELA are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

#### Basis of Presentation

Financial statement presentation follows the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, Presentation of Financial Statements/or Not-for-Profit Entities. Under ASC 958-205, UWSELA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with UWSELA's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

# UNITED WAY OF SOUTHEAST LOUISIANA

## Notes to Financial Statements

June 30, 2016

### **1. Summary of Significant Accounting Policies (continued)**

#### Public Support and Revenue

In accordance with ASC 958-605, Revenue Recognition of Not-for-Profit Entities, contributions to UWSELA are recorded when pledges are made. Allowances are provided for amounts estimated to be uncollectible. The allowance for uncollectible pledges is maintained at a level which the Board of Trustees (the Board) considers adequate based on prior collection experience and current economic conditions. All contributions are considered to be available for unrestricted use unless specifically restricted by donors. Pledges outstanding that are designated for future periods are reported as temporarily restricted support. In addition, custodial funds, whereby UWSELA simply serves as a conduit for contributions to others based on donor designations, are included in revenue in UWSELA's financial statements but are then subtracted from revenue and the related expense. UWSELA honors all designations.

Amounts received with donor stipulations that limit the use of the donated assets are reported as restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

#### Donated Services and In-Kind Contributions

Although a large number of volunteers have donated significant amounts of their time to UWSELA's fund raising campaigns and allocation activities, donated services are not recorded in the financial statements because no objective basis is available to measure the value of such services.

Included in revenue and functional expenses is \$807,625 and \$478,704 for advertising donated during the years ended June 30, 2016 and 2015, respectively.

#### Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value (based on quoted market prices) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. See Note 2 for discussion of fair value measurements.

#### Property and Equipment

Property and equipment are stated at cost. Donated property and equipment are recorded at fair value at the date of receipt. Individual items of \$1,000 or more are capitalized. Depreciation of automobiles, furniture, and equipment is provided over the estimated useful lives of the respective assets (three to ten years) using the straight-line method. The building is depreciated using the straight-line method over a period of thirty years.

# UNITED WAY OF SOUTHEAST LOUISIANA

## Notes to Financial Statements

June 30, 2016

### **1. Summary of Significant Accounting Policies (continued)**

#### Allocations to Member Agencies

Annual allocations to agencies are established after completion of the annual fund raising campaign and accrued upon approval by the Board. Allocations based on donor designations are accrued when the designated pledges are made. Donor designated pledges are assessed both a fundraising and management and general fee based on actual historical costs in accordance with United Way Worldwide Membership Requirements. Unexpended allocations to agencies are returned to net assets in the year in which the amounts of the unexpended allocations are determined.

#### Functional Expenses

Expenses presented in the statement of functional expenses are allocated between program and supporting services. UWSELA allocates expenses using the full-time equivalent method which is based on the number of full-time employees in each department.

Program services consist of fund distribution and outcomes, which represent the review of agencies, programs, outcomes, UWSELA's funding decisions, and "other", which includes grants for early childhood education, quality improvement, Volunteer Income Tax Assistance, Earned Income Tax Credit programs, Success by Six, Individual Development Savings Accounts, School to Career/Ready By 21, home rebuilding grants, tornado and flood relief, volunteerism, and public policy and other programs.

Supporting services consist of fundraising, marketing and communications, and management and general expenses.

#### Income Taxes

UWSELA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from State income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. Accordingly, no provision for income taxes has been included in the financial statements.

FASB ASC 740 provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statement. As of June 30, 2016 and 2015, UWSELA has determined that it does not have any uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax returns generally remain subject to examination by the taxing authorities for three years.

#### Statement of Cash Flows

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less.

#### Use of Estimates

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

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**2. Investments and Fair Value Measurements**

UWSELA carried investments at fair value totaling \$10,541,805 and \$9,454,695 at June 30, 2016 and 2015, respectively. The following is an analysis of investment income for the year ended June 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments income	\$ 27,766	\$ 39,717	\$ -	\$ 67,483
Net realized and unrealized gains (losses)	<u>(21,040)</u>	<u>(82,953)</u>	<u>24,382</u>	<u>(79,611)</u>
Total return on investments	<u>\$ 6,726</u>	<u>\$ (43,236)</u>	<u>\$ 24,382</u>	<u>\$ (12,128)</u>

Investment income shown above is net of investment fees of \$10,384 for the year ended June 30, 2016.

The following is an analysis of investment income for the year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments income	\$ 17,026	\$ 39,260	\$ -	\$ 56,286
Net realized and unrealized gains (losses)	<u>147,159</u>	<u>(13,295)</u>	<u>26,253</u>	<u>160,117</u>
Total return on investments	<u>\$ 164,185</u>	<u>\$ 25,965</u>	<u>\$ 26,253</u>	<u>\$ 216,403</u>

Investment income shown above is net of investment fees of \$10,670 for the year ended June 30, 2015.

UWSELA utilizes fair value measurements to record certain assets and to determine fair value disclosures. In accordance with FASB ASC Topic 820, "Fair Value Measurements," fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**2. Investments and Fair Value Measurements (continued)**

Following is a description of the valuation methodologies used to measure fair value. There have been no changes in the methodologies used during the years ended June 30, 2016 and 2015.

Brokered certificates of deposit are short term and are valued at current market value.

U.S. Government securities and mutual funds are valued at the closing price reported on the active or observable market on which the individual securities are traded.

Investments in endowments other than mutual funds are valued at the fair value of the trust investments as reported to UWSELA by the trustees.

The following is a schedule of investments held by UWSELA at June 30, 2016, including the fair value detailed by level of measurement.

	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Certificates of deposit	\$ 5,385,881	\$ 5,385,881	\$ -	\$ -
U.S. Government Securities	10,013	10,013	-	-
Investments in Endowments:				
Mutual Funds	1,796,911	1,796,911	-	-
Beneficial interest in assets held by others	3,042,245	912,673	1,734,080	395,492
Investment in common endowment fund of Greater New Orleans Foundation	306,755	92,027	174,850	39,878
	<u>\$ 10,541,805</u>	<u>\$ 8,197,505</u>	<u>\$ 1,908,930</u>	<u>\$ 435,370</u>

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**2. Investments and Fair Value Measurements (continued)**

The following is a schedule of investments held by UWSELA at June 30, 2015, including the fair value detailed by level of measurement.

	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Certificates of deposit	\$ 4,037,873	\$ 4,037,873	\$ -	\$ -
U.S. Government Securities	10,012	10,012	-	-
Investments in Endowments:				
Mutual Funds	1,899,944	1,899,944	-	-
Beneficial interest in assets held by others	3,185,849	732,745	2,134,519	318,585
Investment in common endowment fund of Greater New Orleans Foundation	321,017	73,834	215,081	32,102
	<u>\$ 9,454,695</u>	<u>\$ 6,754,408</u>	<u>\$ 2,349,600</u>	<u>\$ 350,687</u>

The table below sets forth a summary of changes in the fair value of UWSELA's Level 3 assets for the year ended June 30, 2016.

	Beneficial Interest In Asset Held By Others	Investment In Common Endowment Fund of Greater New Orleans Foundation	Total
Balance - July 1, 2015	\$ 318,585	\$ 32,102	\$ 350,687
Net contributions/distributions	(16,183)	7,902	(8,281)
Investment return earned	93,090	(126)	92,964
Balance - June 30, 2016	<u>\$ 395,492</u>	<u>\$ 39,878</u>	<u>\$ 435,370</u>

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**2. Investments and Fair Value Measurements (continued)**

The table below sets forth a summary of changes in the fair value of UWSELA's Level 3 assets for the year ended June 30, 2015.

	Beneficial Interest In Asset Held By Others	Investment In Common Endowment Fund of Greater New Orleans Foundation	Total
Balance - July 1, 2014	\$ 316,897	\$ 31,938	\$ 348,835
Net contributions/distributions	(11,681)	(1,183)	(12,864)
Investment return earned	13,369	1,347	14,716
Balance - June 30, 2015	<u>\$ 318,585</u>	<u>\$ 32,102</u>	<u>\$ 350,687</u>

**3. Allowance for Uncollectible Pledges**

An analysis of activity in the allowance for uncollectible pledges is as follows for the years ended June 30, 2016 and 2015:

	2016	2015
Balance – beginning of year	\$ 1,281,121	\$ 1,082,542
Add (deduct):		
Provision for uncollectible pledges	769,486	737,134
Cancellations and removal of excess shrinkage	(1,198,742)	(538,555)
Balance - end of year	<u>\$ 851,865</u>	<u>\$ 1,281,121</u>

**4. Property and Equipment**

Activity in property and equipment for the years ended June 30, 2016 and 2015 includes:

	2016	2015
Balance – beginning of year	\$ 671,390	\$ 747,400
Additions	73,936	16,577
Less: Depreciation expense	(77,413)	(92,587)
Balance – end of year	<u>\$ 667,913</u>	<u>\$ 671,390</u>

**5. Agency Transactions**

UWSELA was awarded the contract to administer the Combined Federal Campaign for the Greater New Orleans Area (the Campaign), under which it conducts on-the-job solicitation of federal civilian and uniformed service personnel who are located in the greater New Orleans area for contributions to various federations.



**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**5. Agency Transactions (continued)**

The following activity for the year ended June 30, 2016 and 2015 has been included in UWSELA's financial statements as agency transactions.

	<u>2016</u>	<u>2015</u>
Statement of Financial Position		
Cash and cash equivalents	\$ 272,120	\$ 312,329
Pledges receivable	485,436	533,551
Less: Allowance for uncollectible pledges	(83,580)	(77,884)
Prepaid expense	-	146
Total assets	<u>673,976</u>	<u>768,142</u>
Allocations and other payables	(482,324)	(589,078)
Due to UWSELA	<u>(191,652)</u>	<u>(179,064)</u>
Net Assets	<u>\$ -</u>	<u>\$ -</u>
 Statement of Activities		
Contributions	\$ 928,669	\$ 973,548
Less: Payments to designated affiliates	<u>(928,669)</u>	<u>(973,548)</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>

**6. Retirement Plans**

UWSELA has a Safe Harbor 401(k) Plan for all employees. UWSELA makes a discretionary contribution to the Plan each December for eligible employees. For the year ended June 30, 2016, the discretionary contribution was 7% of eligible earnings, but the Board of Trustees retains authority to change the contribution amount annually. In addition to the discretionary contribution, UWSELA matches 100% of the first 3% of employee salary deferrals and 50% of the next 2%. The maximum match is 4%. For the years ended June 30, 2016 and 2015, UWSELA contributed \$210,393 and \$239,365, respectively, to the Plan. Expenses associated with the administration of the Plan are deducted from non-vested assets forfeited by participants.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**7. Unrestricted Net Assets**

UWSELA's Board of Trustees has historically designated as board designated endowments certain contributions received without donor stipulations and the investment returns related to such contributions. Amounts so designated are included in unrestricted net assets in the statement of financial position in accordance with FASB ASC Topic 958, "Not-for-Profit Entities." The unrestricted net assets of UWSELA, including the amounts designated by the Board of Trustees at June 30, 2016 and 2015, are summarized as follows:

	<u>2016</u>	<u>2015</u>
Board designated operating reserve	\$ 2,417,093	\$ 1,853,219
Board designated donor advised funds	907,893	516,716
Beneficial Interest Held by Others	824,169	967,773
Land, building, equipment, and automobiles	667,913	665,148
Working Capital	395,435	281,570
Board designated building renovation and upkeep	298,840	283,947
Board designated endowment funds	292,031	306,293
Board net asset to be determined	92,500	-
Board designated Pay it Forward fund	38,156	113,156
Subsequent Revenue for Operating Budget	17,854	70,451
Undistributed Fall 2016 campaign	10,085	-
Board designated Impact Grant fund	8,485	11,926
Board designated United Response fund	3,618	11,513
Board designated rebuilding initiative	2,063	2,136
	<u>\$ 5,976,135</u>	<u>\$ 5,083,848</u>

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**8. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Financial Stability Programs	\$ 793,155	\$ 944,319
Financial Assistance Fund	306,493	577,263
Women's Leadership Initiative Fund	228,397	254,475
Undistributed Fall 2016 campaign contributions	214,045	-
Ratepayer Endowment funds	126,275	257,343
Hospitality Cares	79,455	79,435
Club Connect & Early Grade Reading	59,240	21,432
Northshore flood relief efforts	59,125	-
SB6/Seamless Transition/Parent Engagement	47,072	50,498
Alice Report	44,519	76,246
Common Core Grant	30,692	20,000
Rebuilding Initiative	21,372	29,992
School to Career/Ready By 21	9,030	19,068
Project Sponsors	5,084	4,836
Tornado relief	100	-
Undistributed Fall 2015 campaign contributions	-	230,186
Asian Pacific Grant	-	26,834
Building Grant-Light Sensors	-	25,000
Special Events Sponsorships	-	750
	<u>\$ 2,024,054</u>	<u>\$ 2,617,677</u>

**9. Permanently Restricted Net Assets**

Permanently restricted net assets at June 30, 2016 and 2015, are restricted to investments in perpetuity, the income from which is expendable to support the purposes of the following:

	<u>2016</u>	<u>2015</u>
Common Endowment Funds:		
Beneficial interest in assets held by others	\$ 2,218,076	\$ 2,218,076
Ratepayers Endowment	1,670,717	1,646,335
Endowment Funds at GNOF	14,724	14,724
	<u>\$ 3,903,517</u>	<u>\$ 3,879,135</u>

The permanently restricted net assets all relate to endowment funds of UWSELA. See Note 15 for descriptions of the endowment funds.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**10. Concentration of Credit Risk**

UWSELA maintains cash balances and certificates of deposit at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time the amounts on deposit may exceed the federally insured limits.

Securities purchased under agreements to resell included in cash and cash equivalents, totaling \$1,044,014 and \$2,233,858 were fully collateralized by government agency securities at June 30, 2016 and 2015, respectively.

The investments in UWSELA's endowment funds are not guaranteed or otherwise secured by the Trustees. The endowment funds are invested in diverse portfolios of equities, fixed income securities, exchange-traded funds, other investments, and money market funds.

**11. Pledges Receivable – Promises to Give**

Pledges receivable consists of campaign promises to give. Concentrations of credit risk with respect to the promises to give are limited due to the large number of contributors comprising UWSELA's contributor base and their dispersion across different industries in the Southeast Louisiana.

Pledged receivables are unsecured and are due within one year; hence, they are recorded at fair value without any discount factored. Pledges receivable in the amount of \$6,123,586 and \$6,461,912 were outstanding at June 30, 2016 and 2015, respectively. Pledges receivable at June 30, 2016 included:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Current campaign	\$ 6,009,754	\$ 22,819	\$ -	\$ 6,032,573
Prior campaigns	91,013	-	-	91,013
Less: allowance for uncollectible pledges	<u>(851,865)</u>	<u>-</u>	<u>-</u>	<u>(851,865)</u>
Pledges receivable, net	<u>\$ 5,248,902</u>	<u>\$ 22,819</u>	<u>\$ -</u>	<u>\$ 5,271,721</u>

Pledges receivable at June 30, 2015 included:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Current campaign	\$ 5,976,589	\$ 36,379	\$ -	\$ 6,012,968
Prior campaigns	448,944	-	-	448,944
Less: allowance for uncollectible pledges	<u>(1,281,121)</u>	<u>-</u>	<u>-</u>	<u>(1,281,121)</u>
Pledges receivable, net	<u>\$ 5,144,412</u>	<u>\$ 36,379</u>	<u>\$ -</u>	<u>\$ 5,180,791</u>

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**12. Advertising**

UWSELA's policy is to expense all advertising fees as incurred. Advertising purchased was \$60,756 and \$104,134 for the years ended June 30, 2016 and 2015, respectively.

**13. Operating Leases**

UWSELA leases office space in Mandeville, Louisiana. The lease commenced in April 2012 and expires in March 2017. Rent expense for the years ended June 30, 2016 and 2015 was \$18,000. The following is a schedule of future rental expense under the lease agreement.

<u>Year Ended June 30</u>	<u>Amount</u>
2017	\$ <u>13,500</u>

**14. Occupancy**

UWSELA leases space in the Norman Mayer Memorial Building to a nonprofit agency that is a member agency of UWSELA under a lease expiring in December 31, 2017. UWSELA also leases space to a second nonprofit agency under a lease expiring on January 31, 2017. Rental income associated with the two leases totaled \$146,277 and \$146,237 for the years ended June 30, 2016 and 2015, respectively. Building expenses related to the leases totaled \$361,574 and \$355,520 for the years ended June 30, 2016 and 2015, respectively. These expenses have been included in the statement of activities as a deduction of rental income. The following is a schedule of future rental income under the lease agreements.

<u>Year Ended June 30</u>	
2017	\$ 145,453
2018	<u>72,149</u>
	<u>\$ 217,602</u>

**15. Endowment Assets**

As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Following is a description of UWSELA's endowment funds.

UWSELA has a board-designated, irrevocable endowment fund with the Greater New Orleans Foundation to receive and invest funds for the benefit of UWSELA. All income received from the endowment is unrestricted and is used to cover operating expenses. There were no contributions to the endowment fund for the years ended June 30, 2016 and 2015. Investment income for the years ended June 30, 2016 and 2015, net of administrative expenses and grants, totaled \$(143,604) and \$78,608, respectively. The amount of the endowments reflected in the statement of financial position as beneficial interest in assets held by others is \$3,042,245 and \$3,185,849 at June 30, 2016 and 2015, respectively.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**15. Endowment Assets (continued)**

The original and subsequent contributions to the endowment fund are considered to be permanently restricted because they are irrevocable gifts to a permanent endowment. UWSELA's donor-restricted common endowment funds with the Greater New Orleans Foundation consist of four separate funds. The original investment of \$14,724 in three of the endowment funds is permanently restricted. All income is unrestricted. There were no contributions to the endowment funds for the years ended June 30, 2016 and 2015. Investment income for the years ended June 30, 2016 and 2015, net of administrative expenses and grants, totaled \$(14,261) and \$7,854, respectively. The amount of endowments reflected in the statement of financial position as investment in common endowment fund is \$306,755 and \$321,017 at June 30, 2016 and 2015, respectively.

The New Orleans Electric Ratepayers Fund is a donor-restricted endowment fund of UWSELA. The original investment in the endowment fund and all short and long term capital gains are permanently restricted. Investment income and unrealized gains and losses are temporarily restricted. There were no contributions to the endowment for the years ended June 30, 2016 and 2015. Investment income (loss) for the years ended June 30, 2016 and 2015, net of withdrawals, totaled \$(106,686) and \$(34,711), respectively. As of June 30, 2016 and 2015, the amount of endowments reflected in the statement of financial position as mutual funds and corporate stock is \$1,796,911 and \$1,899,944, respectively.

**Interpretation of Relevant Law**

The Board of Directors of UWSELA has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, UWSELA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditures by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, UWSELA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the organization
- 7) The investment policies of UWSELA

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**15. Endowment Assets (continued)**

Financial Summary

The following summarizes the financial activity of the endowment assets of UWSELA for the year ended June 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 1, 2015	\$ 1,274,066	\$ 257,343	\$ 3,879,135	\$ 5,410,544
Investment return:				
Investment income	20,462	35,424	-	55,886
Net appreciation (realized and unrealized)	<u>(41,501)</u>	<u>(82,953)</u>	<u>24,382</u>	<u>(100,072)</u>
Total investment return	(21,039)	(47,529)	24,382	(44,186)
Contributions	-	-	-	-
Appropriation of endowment assets for grants	<u>(136,827)</u>	<u>(83,539)</u>	<u>-</u>	<u>(220,366)</u>
Endowment net assets, June 30, 2016	<u>\$ 1,116,200</u>	<u>\$ 126,275</u>	<u>\$ 3,903,517</u>	<u>\$ 5,145,992</u>

The following summarizes the financial activity of the endowment assets of UWSELA for the year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2014	\$ 1,255,554	\$ 318,309	\$ 3,852,882	\$ 5,426,745
Investment return:				
Investment income	23,603	32,825	-	56,428
Net appreciation (realized and unrealized)	<u>123,556</u>	<u>(13,295)</u>	<u>26,253</u>	<u>136,514</u>
Total investment return	147,159	19,530	26,253	192,942
Contributions	-	-	-	-
Appropriation of endowment assets for grants	<u>(128,647)</u>	<u>(80,496)</u>	<u>-</u>	<u>(209,143)</u>
Endowment net assets, June 30, 2015	<u>\$ 1,274,066</u>	<u>\$ 257,343</u>	<u>\$ 3,879,135</u>	<u>\$ 5,410,544</u>

**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**15. Endowment Assets (continued)**

Endowment Net Asset Composition by Type of Fund as of June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor - restricted endowment funds	\$ -	\$ 126,194	\$ 1,685,441	\$ 1,811,635
Board - designated endowment funds	1,116,200	-	2,218,076	3,334,276
June 30, 2016	<u>\$ 1,116,200</u>	<u>\$ 126,194</u>	<u>\$ 3,903,517</u>	<u>\$ 5,145,911</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor - restricted endowment funds	\$ 306,293	\$ 257,343	\$ 1,661,059	\$ 2,224,695
Board - designated endowment funds	967,773	-	2,218,076	3,185,849
June 30, 2015	<u>\$ 1,274,066</u>	<u>\$ 257,343</u>	<u>\$ 3,879,135</u>	<u>\$ 5,410,544</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires UWSELA to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. These deficiencies may result from unfavorable market fluctuations occurring after the investment of new permanently restricted contributions and continued appropriation for programs that was deemed prudent by the Board of Directors. At June 30, 2016 and 2015, there were no such deficiencies.

Return Objectives and Risk Parameters

UWSELA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that UWSELA must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve the principal of the endowment assets.



**UNITED WAY OF SOUTHEAST LOUISIANA**

**Notes to Financial Statements**

**June 30, 2016**

**15. Endowment Assets (continued)**

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, UWSELA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UWSELA targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

UWSELA has a policy of appropriating for distribution each year the donors' contribution and the investment earnings for the year. Accordingly, over the long-term, UWSELA expects the current spending policy to allow for preservation of the principal.

**16. Line of Credit**

UWSELA has a line of credit with a financial institution in the amount of \$1,000,000 with a variable interest rate based on the published "Money Rates" in the Wall Street Journal. The line of credit matures on March 16, 2017. At June 30, 2016, there was no outstanding balance.

**17. Compensated Absences Payable**

Employee personal leave is cumulative and may be carried forward from year to year, up to a maximum of 60 workdays. Upon separation, employees are paid for any unused personal leave days. The accrued liability was \$232,125 and \$ 253,152 at June 30, 2016 and 2015, respectively.

**18. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which was November 2, 2016 and determined that no events occurred that required disclosure. Subsequent events occurring after November 2, 2016 have not been evaluated for inclusion in these financial statements.

**UNITED WAY OF SOUTHEAST LOUISIANA**  
**SCHEDULE OF COMPENSATION, BENEFITS AND**  
**OTHER PAYMENTS TO AGENCY HEAD**

**For the Year Ended June 30, 2016**

Agency Head: Michael Williamson, President/CEO

*Not applicable. Public funds not used for agency head compensation, benefits, and other payments during the fiscal year ended June 30, 2016.*

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

To the Board of Directors  
United Way of Southeast Louisiana  
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 United Way of Southeast Louisiana (a nonprofit organization) (UWSELA) which comprise the statement of financial position as of June 30, 2016, 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 November 2, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered UWSELA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UWSELA's internal control. Accordingly, we do not express an opinion on the effectiveness of UWSELA'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 weakness. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether UWSELA'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 and 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.

*Posnet White & Nettenille*

Metairie, Louisiana  
November 2, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The Board of Directors  
United Way of Southeast Louisiana  
New Orleans, Louisiana

**Report on Compliance for Major Federal Program**

We have audited United Way of Southeast Louisiana's (a nonprofit organization) (UWSELA) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on UWSELA's major federal program for the year ended June 30, 2016. UWSELA's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for UWSELA's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about UWSELA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of UWSELA's compliance.

**Opinion on the Major Federal Program**

In our opinion, UWSELA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

## Report on Internal Control over Compliance

Management of UWSELA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered UWSELA's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of UWSELA's internal control over compliance.

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

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

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

The information has been subjected to the auditing procedures applied in the audit of the basic 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 expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Rosaleen White & Nettenville*

Metairie, Louisiana  
November 2, 2016

**UNITED WAY OF SOUTHEAST LOUISIANA**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

<b>Federal Grantor/Pass-Through Grantor/ Program Title/Grant Name</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of the Treasury:</b>		
Funds received directly:		
Volunteer Income Tax Assistance Matching Grant Program	21.009	\$ 103,000
Total U.S. Department of the Treasury		<u>103,000</u>
<b>U.S. Department of Housing and Urban Development:</b>		
Pass-through program from the State of Louisiana:		
Assets for Independence Demonstration Program	93.602	81,500
Plaquemines Parish Nonprofit Rebuilding Pilot Program	14.228	1,182,551
Disaster Case Management	14.228	6,223
Total U.S. Department of Housing and Urban Development		<u>1,270,274</u>
Total Federal Award Expenditures		<u>\$ 1,373,274</u>

See accompanying notes to the schedule of expenditures of federal awards.

**United Way of Southeast Louisiana**  
**Notes to Schedule of Expenditures of Federal Awards**

**June 30, 2016**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of United Way of Southeast Louisiana (UWSELA) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of UWSELA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of UWSELA. UWSELA reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2016. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to UWSELA's financial statements for the year ended June 30, 2016. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Financial Statements

Federal expenditures of \$1,373,274 are included in the Statement of Activities in the category "Grants, program, and consulting fees."

4. De Minimis Cost Rate

During the year ended June 30, 2016, UWSELA did not elect to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.



**United Way of Southeast Louisiana**  
**Schedule of Findings and Questioned Costs**

**For the Year Ended June 30, 2016**

**(1) Summary of Independent Auditors' Results**

*Financial Statements*

The type of report issued on the financial statements: Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None noted

Noncompliance material to the financial statements noted? No

*Federal Awards*

Internal controls over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None noted

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings which are required to be reported under the Uniform Guidance? No

Identification of major program:

United States Department of Housing and Urban Development:  
Passed through the State of Louisiana  
Community Development Block Grant 14.228

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee under the Uniform Guidance: Yes

**United Way of Southeast Louisiana**  
**Schedule of Findings and Questioned Costs**

**For the Year Ended June 30, 2016**

- (2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

**Not Applicable.**

- (3) Findings and Questioned Costs relating to Federal Awards:

**Not Applicable.**

**United Way of Southeast Louisiana**  
**Summary Schedule of Prior Year Audit Findings**

**For the Year Ended June 30, 2016**

**Not Applicable.**