

**EISNERAMPER**

**UNITED WAY OF SOUTHEAST LOUISIANA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
United Way of Southeast Louisiana

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of United Way of Southeast Louisiana ("UWSELA"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UWSELA as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the UWSELA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Prior Period Financial Statements and Report on Summarized Comparative Information*

The financial statements of UWSELA for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on October 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### *Responsibilities of Management for the Financial Statements*

UWSELA's 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about UWSELA's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UWSELA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about UWSELA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head; and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on pages 25 and 31, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.



### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023, on our consideration of UWSELA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UWSELA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UWSELA's internal control over financial reporting and compliance.

*EisnerAmper LLP*

EISNERAMPER LLP  
Metairie, Louisiana  
October 26, 2023

EISNERAMPER  
LLP



**UNITED WAY OF SOUTHEAST LOUISIANA**

## Statement of Financial Position

June 30, 2023

with Summarized Comparative Totals for 2022

	2023			Summarized 2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,824,425	\$ 873,050	\$ 3,697,475	\$ 9,730,390
Investments, at fair value:				
Certificates of deposit	-	-	-	738,043
U.S. Treasury securities	10,082,085	3,062,906	13,144,991	6,247,986
Mutual funds	2,452,668	1,905,511	4,358,179	6,196,368
Beneficial interest in assets held by others (legally restricted)	3,559,173	-	3,559,173	3,437,584
Investment in common endowment fund of Greater New Orleans Foundation	346,489	14,724	361,213	348,490
Total investments	<u>16,440,415</u>	<u>4,983,141</u>	<u>21,423,556</u>	<u>16,968,471</u>
Pledge receivables, net	3,031,852	17,333	3,049,185	2,798,424
Other assets and prepaid expenses	153,841	423,138	576,979	420,677
Right of use asset	260,816	-	260,816	2,437
Property, plant, and equipment:				
Automobile	129,767	-	129,767	52,230
Building	257,565	-	257,565	-
Furniture and equipment	135,237	-	135,237	157,997
Less: accumulated depreciation	(121,977)	-	(121,977)	(161,169)
Total property, plant, and equipment	<u>400,592</u>	<u>-</u>	<u>400,592</u>	<u>49,058</u>
Total assets	<u>\$ 23,111,941</u>	<u>\$ 6,296,662</u>	<u>\$ 29,408,603</u>	<u>\$ 29,969,457</u>
<b>LIABILITIES AND NET ASSETS</b>				
Allocations payable	\$ 3,144,519	\$ 135,000	\$ 3,279,519	\$ 2,932,106
Designations payable	1,238,469	-	1,238,469	851,911
Refundable advances	-	739,347	739,347	790,151
Accounts payable and accrued expenses	92,547	297,465	390,012	343,051
Lease liability	260,816	-	260,816	2,437
Total liabilities	<u>4,736,351</u>	<u>1,171,812</u>	<u>5,908,163</u>	<u>4,919,656</u>
Net assets:				
Without donor restrictions	18,375,590	-	18,375,590	19,640,177
With donor restrictions	-	5,124,850	5,124,850	5,409,624
Total net assets	<u>18,375,590</u>	<u>5,124,850</u>	<u>23,500,440</u>	<u>25,049,801</u>
Total liabilities and net assets	<u>\$ 23,111,941</u>	<u>\$ 6,296,662</u>	<u>\$ 29,408,603</u>	<u>\$ 29,969,457</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, 2023

with Summarized Comparative Totals for 2022

	<u>2023</u>			<u>Summarized 2022</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Contributions of cash and other financial assets	\$ 6,112,335	\$ 2,760,925	\$ 8,873,260	\$ 10,817,892
Less:				
Provision for uncollectible accounts	(338,219)	-	(338,219)	(422,945)
Donor designations	(848,370)	(1,116,727)	(1,965,097)	(858,129)
Total contributions of cash and other financial assets	4,925,746	1,644,198	6,569,944	9,536,818
Investment income (loss), net	967,807	271,800	1,239,607	(1,348,126)
Contributions of nonfinancial assets	152,816	4,627	157,443	866,785
Grant and program revenue	21,003	4,784,787	4,805,790	1,750,922
Special events	218,366	-	218,366	141,479
Service fee income	85,851	-	85,851	103,923
Rental income	-	-	-	3,642
Other income	50,208	-	50,208	20,175
Gain (loss) on disposal of property and equipment	(456)	-	(456)	2,752,015
Insurance proceeds	-	-	-	1,806,073
Net assets released from restrictions	6,990,186	(6,990,186)	-	-
Total public support and revenue	13,411,527	(284,774)	13,126,753	15,633,706
<b>EXPENSES</b>				
Allocations to agencies and other assistance provided	8,349,926	-	8,349,926	5,786,484
Less: designations to agencies	(1,965,097)	-	(1,965,097)	(858,129)
Net allocations	6,384,829	-	6,384,829	4,928,355
United Way Worldwide dues	132,443	-	132,443	214,350
Depreciation expense	23,997	-	23,997	63,570
Other functional expenses	8,134,845	-	8,134,845	8,253,450
Total functional expenses	14,676,114	-	14,676,114	13,459,725
Change in net assets	(1,264,587)	(284,774)	(1,549,361)	2,173,981
Net assets at beginning of year	19,640,177	5,409,624	25,049,801	22,875,820
Net assets at end of year	\$ 18,375,590	\$ 5,124,850	\$ 23,500,440	\$ 25,049,801

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, 2023  
with Summarized Comparative Totals for 2022

	2023									
	PROGRAM SERVICES			SUPPORTING SERVICES				Total Supporting Services Expenses	Total	Summarized 2022 Total
	Community Impact and Grant Distribution	Grants and Other	Total Program Expenses	Fund Raising	Marketing and Public Relations	Management and General				
Allocations/designations and assistance to others	\$ 8,349,926	\$ -	\$ 8,349,926	\$ -	\$ -	\$ -	\$ -	\$ 8,349,926	\$ 5,786,484	
Less: donor designations	(1,965,097)	-	(1,965,097)	-	-	-	-	(1,965,097)	(858,129)	
Net allocations	<u>6,384,829</u>	<u>-</u>	<u>6,384,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,384,829</u>	<u>4,928,355</u>	
Salaries	324,875	2,315,607	2,640,482	797,160	215,954	263,248	1,276,362	3,916,844	3,658,213	
Employee benefits	53,930	343,274	397,204	143,688	41,659	41,170	226,517	623,721	568,190	
Payroll taxes	23,371	149,520	172,891	54,828	15,297	16,730	86,855	259,746	248,662	
Total salaries and related expenses	<u>402,176</u>	<u>2,808,401</u>	<u>3,210,577</u>	<u>995,676</u>	<u>272,910</u>	<u>321,148</u>	<u>1,589,734</u>	<u>4,800,311</u>	<u>4,475,065</u>	
Professional fees	12,619	1,630,478	1,643,097	113,450	9,193	43,733	166,376	1,809,473	1,930,542	
Supplies	5,708	150,864	156,572	36,802	7,216	1,421	45,439	202,011	196,182	
Disaster relief supplies	-	-	-	-	-	-	-	-	595,659	
Telephone and internet	4,388	29,475	33,863	11,967	4,272	2,122	18,361	52,224	58,501	
Postage and shipping	94	2,439	2,533	3,414	1,956	91	5,461	7,994	9,269	
Occupancy	4,131	242,459	246,590	19,632	3,545	4,020	27,197	273,787	202,791	
Equipment rental and maintenance	9,898	45,438	55,336	19,255	5,178	4,264	28,697	84,033	86,664	
Printing, publications, and advertising	1,855	172,088	173,943	228,209	7,914	1,078	237,201	411,144	314,294	
Local travel and report meetings	24,204	163,943	188,147	100,233	28,964	3,499	132,696	320,843	294,170	
Training and out of town travel	6,341	45,364	51,705	13,600	2,791	1,664	18,055	69,760	35,814	
Membership dues	908	16,332	17,240	5,086	992	654	6,732	23,972	26,625	
Equipment purchases	470	64,086	64,556	1,450	3,464	153	5,067	69,623	25,674	
Provision for uncollectible accounts	338,219	-	338,219	-	-	-	-	338,219	422,945	
Miscellaneous	544	6,652	7,196	1,654	384	436	2,474	9,670	2,200	
Total other expenses before national organization dues and depreciation	<u>811,555</u>	<u>5,378,019</u>	<u>6,189,574</u>	<u>1,550,428</u>	<u>348,779</u>	<u>384,283</u>	<u>2,283,490</u>	<u>8,473,064</u>	<u>8,676,395</u>	
United Way Worldwide dues	-	-	-	-	-	132,443	132,443	132,443	214,350	
Depreciation	<u>1,396</u>	<u>15,864</u>	<u>17,260</u>	<u>4,574</u>	<u>1,029</u>	<u>1,134</u>	<u>6,737</u>	<u>23,997</u>	<u>63,570</u>	
Total other functional expenses	<u>812,951</u>	<u>5,393,883</u>	<u>6,206,834</u>	<u>1,555,002</u>	<u>349,808</u>	<u>517,860</u>	<u>2,422,670</u>	<u>8,629,504</u>	<u>8,954,315</u>	
Less: Expenses included with revenues on the statement of activities										
Provision for doubtful accounts	(338,219)	-	(338,219)	-	-	-	-	(338,219)	(422,945)	
TOTAL FUNCTIONAL EXPENSES	<u>\$ 6,859,561</u>	<u>\$ 5,393,883</u>	<u>\$ 12,253,444</u>	<u>\$ 1,555,002</u>	<u>\$ 349,808</u>	<u>\$ 517,860</u>	<u>\$ 2,422,670</u>	<u>\$ 14,676,114</u>	<u>\$ 13,459,725</u>	

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



**UNITED WAY OF SOUTHEAST LOUISIANA**Statement of Cash Flows  
For the Year Ended June 30, 2023  
with Comparative Totals for 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,549,361)	\$ 2,173,981
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	23,997	63,570
Amortization of right of use asset	46,294	10,440
Loss (gain) on disposal property and equipment	456	(2,752,015)
Provision for uncollectible accounts	338,219	422,945
Discount on pledges receivable	(1,851)	(32,096)
Realized and unrealized investment (income) loss, net	(1,371,535)	1,236,552
Changes in assets and liabilities:		
Pledges receivable	(587,129)	81,820
Other assets and prepaid expenses	(156,302)	(23,965)
Allocations and designations payable	733,971	(836,747)
Refundable advances	(50,804)	678,073
Accounts payable and accrued liabilities	46,961	79,513
Program payable	-	(210,509)
Lease liability	(44,613)	(4,414)
Net cash provided by (used in) operating activities	<u>(2,571,697)</u>	<u>887,148</u>
Cash flows from investing activities:		
Purchases of property and equipment	(375,987)	(222,708)
Proceeds from sale of property and equipment	-	3,420,890
Net purchases of investments	<u>(3,083,550)</u>	<u>(4,592,017)</u>
Net cash used in investing activities	<u>(3,459,537)</u>	<u>(1,393,835)</u>
Cash flows from financing activities:		
Principal payments on finance lease	<u>(1,681)</u>	<u>(6,026)</u>
Net cash used in financing activities	<u>(1,681)</u>	<u>(6,026)</u>
Net change in cash and cash equivalents	(6,032,915)	(512,713)
Cash and cash equivalents - Beginning of year	<u>9,730,390</u>	<u>10,243,103</u>
Cash and cash equivalents - End of year	<u>\$ 3,697,475</u>	<u>\$ 9,730,390</u>

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

# UNITED WAY OF SOUTHEAST LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 1. 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 eradicate poverty in Southeast Louisiana. 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 provides grants to support programs and groups working together in a collaborative way that supports our vision of "equitable communities where all individuals are healthy, educated, and economically stable."

### 2. Summary of Significant Accounting Policies

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

#### Basis of Accounting

The financial statements of UWSELA are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### Basis of Presentation

Financial statement presentation follows the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASC 958, UWSELA is required to report information regarding its financial position and activities according to two classes of net assets:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of UWSELA. These net assets may be used at the discretion of the UWSELA's management and the Board of Trustees (Board). Net assets without donor restriction include net assets designated by the Board as well as certain net assets functioning as part of UWSELA's endowment.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UWSELA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

The financial statements include certain prior year summarized comparative information in total but not by net asset class or function. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with UWSELA's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**2. Summary of Significant Accounting Policies (continued)**

Public Support and Revenue

Contributions to UWSELA are recognized when cash, securities or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Allowances are provided for amounts estimated to be uncollectible. The allowance for uncollectible pledges is maintained at a level which 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 with donor restrictions.

UWSELA also receives support in the form of grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when UWSELA has incurred expenditures or met requirements in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances.

In addition, custodial funds, whereby UWSELA simply serves as a conduit for contributions to others based on donor designations, are included in public support in UWSELA's financial statements but are then subtracted from public support and the related expense. UWSELA honors all designations.

Contributions of Nonfinancial Assets

UWSELA receives in-kind contributions of time and pro bono services from members of the community related to program operations, special events, and fund-raising campaigns. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by UWSELA. UWSELA recognizes contributions of nonfinancial assets and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Although a large number of volunteers have donated significant amounts of their time to UWSELA's fund raising campaigns and allocation activities during 2023 and 2022, these services were not reflected in the accompanying financial statement of activities because they do not meet the necessary criteria for recognition under U.S. GAAP.

UWSELA also accepts contributions of other nonfinancial assets from time to time. UWSELA recognizes these contributions of nonfinancial assets and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

More information on contributions of nonfinancial assets can be found in Note 14.

Investments

Investments are recorded at cost when purchased, or if donated, at fair value at the date of donation. Thereafter, investments are reported at their fair value in the statement of financial position. Net investment income/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Investment income restricted by a donor is reported as an increase in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income are recognized. See Note 4 for discussion of fair value measurements.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**2. Summary of Significant Accounting Policies (continued)**

Property, Plant and Equipment

Purchased property and equipment are stated at cost. Donated property and equipment are recorded at fair value at the date of receipt. Individual items of \$2,000 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.

Allocations/Grants

Annual grants to programs and collaborative groups are established after the completion of the annual fund-raising campaign and accrued upon approval by the Board. Donor designated pledges are assessed both a fund-raising and management and general fee based on actual historical costs in accordance with United Way Worldwide Membership Requirements. Unexpended grants to programs and collaborative groups are returned to net assets in the year in which the amounts of the unexpended grants are determined.

Functional Expenses

Expenses are presented according to their functional classification of program or supporting services in the statement of functional expenses. Allocable expenses are spread using the full-time equivalent method which is based on the number of full-time employees in each department.

Program services consist of grant distribution, grant monitoring, and grant outcomes. "Grants and Other" expenses include Individual Development Account (IDA), Volunteer Income Tax Assistance, Earned Income Tax Credit programs, Rebuilding Grants & Assistance related to floods and tornadoes, volunteerism, public policy, Financial Stability/Prosperity Center, Grade Level Reading, Louisiana Prisoner Re Entry, SNAP ENT, Covid-19 Pandemic Relief, Equity Initiative, and Mental Health Collaborative.

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, 2023, 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.

Cash and Cash Equivalents

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, and which are not held for investing purposes.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**2. Summary of Significant Accounting Policies (continued)**

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets or changes in net assets.

**3. Liquidity and Availability of Resources**

UWSELA has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board has approved a reserve policy that requires four months of annual grants and four months of operating expenses be maintained. Spending of this reserve balance requires Board approval. Excess cash is invested in a ladder from three months to two years which can include certificates of deposit and/or United States treasury bills and notes depending on market conditions, as well as utilizing a repurchase agreement and a federated money market account. UWSELA cash flows have seasonal variations during the year attributable to the annual campaign and when payments are received from donors on pledges. To manage liquidity, UWSELA maintains a line of credit of \$1,000,000, which it could draw upon (see Note 11).

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**3. Liquidity and Availability of Resources (continued)**

UWSELA's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 3,697,475	\$ 9,730,390
Investments	16,499,420	12,876,549
Pledge receivables, net	3,041,443	2,782,532
Other receivables	469,556	303,246
Total financial assets available within one year	<u>23,707,894</u>	<u>25,692,717</u>
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	<u>(5,124,850)</u>	<u>(5,089,052)</u>
Total amounts unavailable for general expenditures within one year	<u>(5,124,850)</u>	<u>(5,089,052)</u>
Total amounts unavailable to management without Board approval:		
Board designated for building fund	(4,119,954)	(3,599,659)
Board designated reserves	(3,150,020)	(3,270,418)
Board designated for donor advised funds	(42,164)	(43,481)
Board designated Anonymous Donor Fund	<u>(2,513,606)</u>	<u>(4,468,598)</u>
Total amount unavailable to management without Board's approval	<u>(9,825,744)</u>	<u>(11,382,156)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 8,757,300</u>	<u>\$ 9,221,509</u>

**4. Investments and Fair Value Measurements**

Investment income on the statement of activities is presented net of external investment fees of \$44,563 and \$51,306 for the years ended June 30, 2023 and 2022, respectively.

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 in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability. Below 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, 2023 and 2022.

Brokered certificates of deposit are short term and are valued at fair value, which is reflective of cost plus accrued interest.

U.S. Treasury 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, and include the use of Net Asset Values (NAV) as the primary input to measure fair value.

The following is a schedule of investments held by UWSELA at June 30, 2023, including the fair value detailed by level of measurement.

	Total Fair Value	Level 1	Level 2	Level 3
Investments:				
U.S. Treasury securities	\$ 13,144,991	\$ 13,144,991	\$ -	\$ -
Investments in endowments:				
Mutual funds	4,358,179	4,358,179	-	-
Beneficial interest in assets held by others	3,559,173	-	-	3,559,173
Investment in common endowment fund of Greater New Orleans Foundation	361,213	-	361,213	-
Total	<u>\$ 21,423,556</u>	<u>\$ 17,503,170</u>	<u>\$ 361,213</u>	<u>\$ 3,559,173</u>

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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

The following is a schedule of investments held by UWSELA at June 30, 2022, including the fair value detailed by level of measurement.

	<u>Total</u> <u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Certificates of deposit	\$ 738,043	\$ 738,043	\$ -	\$ -
U.S. Treasury securities	6,247,986	6,247,986	-	-
Investments in endowments:				
Mutual funds	6,196,368	6,196,368	-	-
Beneficial interest in assets held by others	3,437,584	-	-	3,437,584
Investment in common endowment fund of Greater New Orleans Foundation	<u>348,490</u>	<u>-</u>	<u>348,490</u>	<u>-</u>
Total	<u>\$ 16,968,471</u>	<u>\$ 13,182,397</u>	<u>\$ 348,490</u>	<u>\$ 3,437,584</u>

**5. Allowance for Uncollectible Pledges**

An analysis of activity in the allowance for uncollectible pledges is as follows for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Balance – beginning of year	\$ 773,852	\$ 899,937
Add (deduct):		
Provision for uncollectible pledges	338,219	422,945
Cancellations and removal of excess shrinkage	<u>(488,965)</u>	<u>(549,030)</u>
Balance - end of year	<u>\$ 623,106</u>	<u>\$ 773,852</u>

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

Pledges receivable consists of campaign promises to give.

Pledges receivable due within one year are recorded at fair value with no discount recorded, as collection is expected within 12 months. UWSELA has two long-term pledges, with expected collection dates in future years. As such, a discount to net present value has been recorded on these pledges. A pledge receivable from one donor accounts for approximately 7% and 14% of pledges receivable, net, at June 30, 2023 and 2022, respectively.



**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**6. Pledges Receivable – Promises to Give (continued)**

Pledges receivable at June 30, 2023 included:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current Campaign	\$ 3,342,243	\$ 17,333	\$ 3,359,576
Prior Campaign	314,972	-	314,972
Less: discount to net present value at 4.25%	(2,257)	-	(2,257)
Less: allowance for uncollectible pledges	(623,106)	-	(623,106)
Balance - end of year	<u>\$ 3,031,852</u>	<u>\$ 17,333</u>	<u>\$ 3,049,185</u>

Estimated to be collected as follows:

Within one year	\$ 3,041,442
In one to five years	7,743
	<u>\$ 3,049,185</u>

Pledges receivable at June 30, 2022 included:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current Campaign	\$ 2,982,722	\$ 13,412	\$ 2,996,134
Prior Campaign	580,250	-	580,250
Less: discount to net present value at 4.25%	(4,108)	-	(4,108)
Less: allowance for uncollectible pledges	(773,852)	-	(773,852)
Balance - end of year	<u>\$ 2,785,012</u>	<u>\$ 13,412</u>	<u>\$ 2,798,424</u>

Estimated to be collected as follows:

Within one year	\$ 2,782,532
In one to five years	15,892
	<u>\$ 2,798,424</u>

**7. Retirement Plans**

UWSELA has a Safe Harbor 401(k) Plan for all employees. UWSELA makes a matching contribution as well as a discretionary contribution to the plan each December for eligible employees. For the years ended June 30, 2023 and 2022, UWSELA contributed \$204,237 and \$194,404, respectively, to the plan.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**8. Net Assets Without Donor Restriction**

UWSELA's Board 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 net assets without donor restrictions in the statement of financial position in accordance with FASB ASC Topic 958, *Not-for-Profit Entities*. The net assets without donor restriction of UWSELA, including the amounts designated by the Board at June 30, 2023 and 2022, are summarized as follows:

	<u>2023</u>	<u>2022</u>
Anonymous Donor Fund	\$ 2,513,606	\$ 4,468,598
Board designated building fund	4,119,954	3,599,659
Beneficial interest held by others (board designated)	3,559,173	3,437,584
Board designated operating reserve	3,150,020	3,270,418
Land, building, equipment and automobiles	440,592	913,187
Subsequent revenue for operating budget	959,968	795,892
Financial stability (Prosperity Center)	856,738	661,223
Working capital	440,000	413,031
Louisiana prisoner re-entry initiative	370,578	373,468
Equity Initiative	318,529	355,596
IDA Program	333,548	345,562
Board designated endowment funds	346,489	333,766
NOLA Coalition	201,307	-
SB6/Collaborative Support/Grade-Level Reading	449,071	296,510
BIPOC Business Support	-	250,000
Covid-19 Pandemic Relief	56,191	45,000
Donor advised funds	42,164	43,481
Undistributed Fall 2023 and 2022 campaign	48,730	26,659
Special event revenue for subsequent year	8,941	6,593
Community Resource Navigators	156,041	-
Algiers Fire	3,950	3,950
	<u>\$ 18,375,590</u>	<u>\$ 19,640,177</u>

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**9. Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<u>Donor restricted</u>		
Ratepayer endowment funds	\$ 2,216,477	\$ 2,079,738
Hurricane Ida Relief	928,841	1,475,672
Financial Stability (Prosperity Center)	836,469	673,089
Undistributed Fall 2023 and 2022 campaign	285,189	460,562
IDA Program	289,893	293,898
Women United fund	131,521	123,200
SB6/Collaborative Support/Grade-Level Reading	136,352	111,929
Covid-19 Pandemic Relief	36,412	44,796
Tornado Relief	91,515	35,923
UWW Door Dash	-	25,000
Digital Divide	27,611	24,006
Stemfest Northshore	17,500	17,500
Endowment funds at Greater New Orleans Foundation	14,724	14,724
Louisiana prisoner re-entry initiative	-	12,629
Equity Initiative	12,005	12,005
Algiers Fire	4,275	4,275
School to career/Ready By 21	678	678
Loyola Nancy Marsiglia Institute	1,183	-
Mental Health Collaborative	44,899	-
ALICE Summit	34,306	-
Funds Raised for UWSELA Endowment Campaign	15,000	-
	<u>\$ 5,124,850</u>	<u>\$ 5,409,624</u>

**10. Endowment Assets**

As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees 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 without donor restriction and is used to cover operating expenses. There were no contributions to the endowment fund for the years ended June 30, 2023 and 2022. Investment income (loss) for the years ended June 30, 2023 and 2022, net of administrative expenses and grants, totaled \$121,589 and (\$460,255), respectively. The amount of the endowment reflected in the statement of financial position as beneficial interest in assets held by others is \$3,559,173 and \$3,437,584 at June 30, 2023 and 2022, respectively.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**10. Endowment Assets (continued)**

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 restricted in perpetuity. Cumulative gains and other income of \$346,489 are without donor restrictions and are board designated. There were no contributions to the endowment funds for the years ended June 30, 2023 and 2022. Investment income (loss) for the years ended June 30, 2023 and 2022, net of administrative expenses and grants, totaled \$12,723 and (\$46,290), respectively. The amount of endowments reflected in the statement of financial position as investment in common endowment fund is \$361,213 and \$348,490 at June 30, 2023 and 2022, 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 restricted in perpetuity. Investment income and unrealized gains and losses are restricted as to time. There were no contributions to the endowment for the years ended June 30, 2023 and 2022. Investment income (loss) for the years ended June 30, 2023 and 2022, net of withdrawals, totaled \$136,739 and (\$373,912), respectively. As of June 30, 2023 and 2022, the amount of endowments reflected in the statement of financial position as mutual funds, certificates of deposit, and U.S. Treasury securities for the Ratepayer Fund is \$2,216,477 and \$2,079,738, respectively.

**Interpretation of Relevant Law**

The Board 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 net assets with donor restriction in perpetuity (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 net assets with donor restriction in perpetuity is classified as net assets with donor restriction due to time until those amounts are appropriated for expenditures by UWSELA 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 UWSELA 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 UWSELA
- 7)The investment policies of UWSELA

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**10. Endowment Assets (continued)**

Financial Summary

The following summarizes the financial activity of the endowment assets of UWSELA for the year ended June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2022	\$ 3,771,349	\$ 2,094,462	\$ 5,865,811
Investment return:			
Investment income	49,231	43,399	92,630
Net appreciation (depreciation) (realized and unrealized)	<u>242,982</u>	<u>192,415</u>	<u>435,397</u>
Total investment return	292,213	235,814	528,027
Appropriation of endowment assets for grants	<u>(157,900)</u>	<u>(99,075)</u>	<u>(256,975)</u>
Endowment net assets, June 30, 2023	<u>\$ 3,905,662</u>	<u>\$ 2,231,201</u>	<u>\$ 6,136,863</u>

The following summarizes the financial activity of the endowment assets of UWSELA for the year ended June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2021	\$ 4,277,893	\$ 2,468,374	\$ 6,746,267
Investment return:			
Investment income	15,924	40,896	56,820
Net appreciation (depreciation) (realized and unrealized)	<u>(371,374)</u>	<u>(317,133)</u>	<u>(688,507)</u>
Total investment return	(355,450)	(276,237)	(631,687)
Appropriation of endowment assets for grants	<u>(151,094)</u>	<u>(97,675)</u>	<u>(248,769)</u>
Endowment net assets, June 30, 2022	<u>\$ 3,771,349</u>	<u>\$ 2,094,462</u>	<u>\$ 5,865,811</u>

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**10. Endowment Assets (continued)**

Endowment Net Asset Composition by Type of Fund as of June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor - restricted endowment funds	\$ -	\$ 2,231,201	\$ 2,231,201
Board - designated endowment funds	<u>3,905,662</u>	<u>-</u>	<u>3,905,662</u>
June 30, 2023	<u>\$ 3,905,662</u>	<u>\$ 2,231,201</u>	<u>\$ 6,136,863</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor - restricted endowment funds	\$ -	\$ 2,094,462	\$ 2,094,462
Board - designated endowment funds	<u>3,771,349</u>	<u>-</u>	<u>3,771,349</u>
June 30, 2022	<u>\$ 3,771,349</u>	<u>\$ 2,094,462</u>	<u>\$ 5,865,811</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 U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. 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. At June 30, 2023 and 2022, 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 funds with donor restrictions that UWSELA must hold in perpetuity or for a donor-specified period(s) as well as board-designated endowment funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to preserve the principal of the endowment assets.

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.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**10. Endowment Assets (continued)**

Spending Policy and How the Investment Objectives Relate to Spending Policy

UWSELA has a policy of appropriating for distribution each year the donors' contributions 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.

**11. 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 (8.25% and 4.75% at June 30, 2023 and 2022, respectively). The line of credit matures on January 4, 2025. At June 30, 2023 and 2022, there was no outstanding balance on the line of credit.

**12. Concentration of Risk**

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 \$3,052,637 and \$7,970,917 were fully collateralized by U.S. Treasury securities at June 30, 2023 and 2022, respectively.

The investments in UWSELA's endowment funds are not guaranteed or otherwise secured by the trustees. The endowment funds are held at the Greater New Orleans Foundation, and in mutual funds and other investments as described in Note 4.

UWSELA receives promises to give from a large number of contributors, representing individuals and corporations from different industries across Southeast Louisiana; however, as of June 30, 2023 and 2022 a pledge receivable from one donor accounts for approximately 7% and 14% of pledges receivable, net, respectively.

**13. Related Parties**

UWSELA purchased general liability and umbrella insurance policies from Hartwig-Moss Insurance Agency (Hartwig-Moss). The president of Hartwig-Moss is a member of the Finance and Operations Committee of UWSELA. The total paid to Hartwig-Moss during 2023 and 2022 was \$39,453 and \$55,429, respectively.

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**14. Contributions of Nonfinancial Assets (Donated Services and Assets)**

During the fiscal year ended June 30, 2023, UWSELA received donated services for advertising and legal consultation. UWSELA also received contributions of goods and supplies for special events and programs. Contributions of nonfinancial assets during the fiscal year ended June 30, 2023 includes:

<u>Program or Supporting Service</u>	<u>Donated Services</u>	<u>Donated Gift Cards</u>	<u>Donated Goods</u>	<u>Total</u>
Advertising	\$ 127,432	\$ -	\$ -	\$ 127,432
Louisiana Prisoner Re Entry	-	2,000	-	2,000
Thanksgiving Giveaway	-	-	2,627	2,627
Gumbo Cook-Off	-	-	25,384	25,384
Total	<u>\$ 127,432</u>	<u>\$ 2,000</u>	<u>\$ 28,011</u>	<u>\$ 157,443</u>

During the fiscal year June 30, 2022, UWSELA received donated services for advertising and legal consultation. UWSELA also received contributions of goods and supplies for Disaster Relief and other special events and programs. Contributions of nonfinancial assets during the fiscal year ended June 30, 2022 includes:

<u>Program or Supporting Service</u>	<u>Donated Services</u>	<u>Donated Gift Cards</u>	<u>Donated Goods</u>	<u>Total</u>
Advertising	\$ 169,994	\$ -	\$ -	\$ 169,994
Legal Services	13,000	-	-	13,000
Louisiana Prisoner Re Entry	8,707	-	-	8,707
Disaster Relief	-	800	594,859	595,659
Silent Auction	-	-	4,425	4,425
Backpack Giveaway	-	-	75,000	75,000
Total	<u>\$ 191,701</u>	<u>\$ 800</u>	<u>\$ 674,284</u>	<u>\$ 866,785</u>

All donated services and assets were utilized by UWSELA's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets.

Donated advertising and legal services are valued at the standard hourly rates charged for those services. Donated gift cards are valued at the exchange value of the gift card. Donated goods are valued at the publicly available price for similar items.



**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**15. Leases**

UWSELA has leases for office space and office equipment. The Company's leases have remaining lease terms of two to five years, some of which may include options to terminate the leases within three years. As of June 30, 2023 and 2022, assets recorded under finance leases were \$4,766 and \$2,437, and accumulated depreciation associated with finance leases was \$1,681 and \$6,026, respectively. As of June 30, 2023, assets recorded under operating leases were \$256,050, and accumulated depreciation associated with operating leases was \$45,913.

**The components of lease expense were as follows:**

**Year Ended June 30,**

	<u>2023</u>	<u>2022</u>
<i>Operating lease cost</i>		
Operating lease cost	\$ 67,223	\$ -
Total operating lease cost	<u>\$ 67,223</u>	<u>\$ -</u>
<i>Finance lease cost:</i>		
Amortization of right-of-use assets	\$ 1,681	6,026
Interest on lease liabilities	381	280
Total finance lease cost	<u>\$ 2,062</u>	<u>\$ 6,306</u>

**Other information related to leases was as follows:**

**Year Ended June 30,**

	<u>2023</u>	<u>2022</u>
Supplemental Cash Flows Information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating Leases		
Operating cash flows from operating leases	\$ 67,223	\$ -
Finance Leases:		
Operating cash flows from finance leases	\$ 381	\$ 280
Financing cash flows from finance leases	\$ 1,681	\$ 6,026
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 334,012	\$ -
Finance leases	\$ 5,538	\$ -
Weighted Average Remaining Lease Term		
Operating leases	4.55	0.00
Finance leases	4.17	0.17
Weighted Average Discount Rate		
Operating leases	8.50%	0.00%
Finance leases	8.50%	4.25%

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**15. Leases (continued)**

**Future minimum lease payments under non-cancellable leases as of June 30, 2023 are as follows:**

2024	\$	75,388
2025		75,781
2026		64,576
2027		41,777
2028		41,051
Thereafter		17,141
Total future minimum lease payments		<u>315,714</u>
Less imputed interest		<u>(54,898)</u>
Total	\$	<u><u>260,816</u></u>

**16. Sale of Building**

On June 29, 2022, UWSELA sold the office building at 2515 Canal Street for cash proceeds of \$3,140,637, plus deposit previously paid of \$75,000 and \$205,253 paid for real estate commissions fees, for total cash paid of \$3,420,890. After writing off remaining net book value of land and building of \$666,105, including the new roof put in place after Hurricane Ida, the net gain on the sale of the building was \$2,754,785. This amount is included in Gain on Disposal of Assets in the Statement of Activities for the year ended June 30, 2022.

**17. Weather Related Event**

Hurricane Ida made landfall on the Louisiana coast in August 2021. UWSELA opened a claim with its insurer for damages sustained as a result of Hurricane Ida. During 2022, UWSELA received insurance proceeds of \$1,806,073 for property and equipment damages. The insurance proceeds relating to property and equipment damages have been included in revenues in the 2022 Statement of Activities. UWSELA's loss on disposal of property and equipment of approximately \$2,770 during 2022 is attributable to losses sustained during Hurricane Ida and is included in Gain on Disposal of Assets in the Statement of Activities.

**18. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 26, 2023, and determined no matters occurred that would require additional financial statement disclosure. No events after this date have been evaluated for inclusion in the financial statements.

**UNITED WAY OF SOUTHEAST LOUISIANA**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Agency Head: Michael Williamson, President/CEO

*Not applicable. Public funds were not used for agency head compensation, benefits, and other payments during the fiscal year ended June 30, 2023.*

**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 Trustees  
United Way of Southeast 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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2023.

### **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) as a basis for designing 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 or significant deficiencies may exist that have not been identified.

### **Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*EisnerAmper LLP*

EISNERAMPER LLC  
Metairie, Louisiana  
October 26, 2023

EISNERAMPER  
LLP



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees  
United Way of Southeast Louisiana

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited United Way of Southeast Louisiana's ("UWSELA's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of UWSELA's major federal programs for the year ended June 30, 2023. UWSELA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on the Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of UWSELA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of UWSELA's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to UWSELA's federal programs.

## **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on UWSELA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about UWSELA's compliance with the requirements of the major federal program.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding UWSELA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of UWSELA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 UWSELA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*EisnerAmper LLP*

EISNERAMPER, LLC  
Metairie, Louisiana  
October 26, 2023

EISNERAMPER  
LLP





**UNITED WAY OF SOUTHEAST LOUISIANA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023**

<u>GRANTOR</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>ENTITY NUMBER</u>	<u>ACTIVITY</u>
<b><u>U.S. Department of Health &amp; Human Services</u></b>			
<u>Direct:</u>			
Substance Abuse and Mental Health Service Administration (SAMHSA)	93.243	N/A	\$ 113,704
<u>Pass-through program from:</u>			
<u>State of Louisiana Department of Children and Family Services</u> Temporary Assistance for Needy Families (TANF)	93.558	N/A	124,544
<b><u>U.S. Department of the Treasury</u></b>			
<u>Direct:</u>			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	N/A	142,876
<b><u>U.S. Department of Agriculture</u></b>			
<u>Pass-through program from:</u>			
<u>State of Louisiana Department of Children and Family Services</u> State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Total SNAP cluster	10.561	N/A	<u>165,626</u> <u>165,626</u>
<b><u>U.S. Department of Homeland Security</u></b>			
<u>Direct:</u>			
Emergency Food and Shelter Program	97.024	N/A	292,373
<b><u>U.S. Department of Homeland Security</u></b>			
<u>Pass-through program from:</u>			
<u>Jefferson Parish</u> Second Chance Act Reentry Initiative	16.812	N/A	<u>63,622</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 902,745</u></b>

UWSELA did not pass through any amounts to sub-recipients.

Accompanying notes to schedule of expenditures of federal awards

**UNITED WAY OF SOUTHEAST LOUISIANA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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 fiscal year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). 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 is defined in Note 1 to the financial statements for the year ended June 30, 2023. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies, as applicable.

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 the UWSELA financial statements for the year ended June 30, 2023. Such expenditures are recognized following the cost principles contained in accordance with 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 revenues of \$902,745 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, 2023, UWSELA elected 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, 2023**

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

*Financial Statements*

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

Internal control over financial reporting:

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

Noncompliance material to the financial statements noted? No

*Federal Awards*

Internal controls over major program:

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

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

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

Identification of major program:

United States Department of Agriculture:  
State Administrative Matching Grants  
for the Supplemental Nutrition Assistance Program 10.561

United States Department of Homeland Security:  
Emergency Food and Shelter Program 97.024

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

Auditee qualified as a low-risk auditee under Section 530 of The Uniform Guidance: No

**UNITED WAY OF SOUTHEAST LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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

None reported.

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

None reported.