
UNITED WAY OF SOUTHEAST LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2022

UNITED WAY OF SOUTHEAST LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of United Way of Southeast Louisiana (UWSELA), a nonprofit organization, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UWSELA as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about UWSELA's ability to continue as a going concern within 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 Summarized Comparative Information

We have previously audited UWSELA's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information on page 26 is required by Louisiana state law and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing 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 October 21, 2022, 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.

Postlethwaite & Netterville

Metairie, Louisiana
October 21, 2022

UNITED WAY OF SOUTHEAST LOUISIANA

Statement of Financial Position

June 30, 2022

with Summarized Comparative Totals for 2021

	2022			Summarized 2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
ASSETS				
Cash and cash equivalents	\$ 7,110,934	\$ 2,619,456	\$ 9,730,390	\$ 10,243,103
Investments, at fair value:				
Certificates of deposit	539,359	198,684	738,043	1,469,143
U.S. Treasury securities	4,566,006	1,681,980	6,247,986	549,653
Mutual funds	4,423,245	1,773,123	6,196,368	7,301,592
Beneficial interest in assets held by others (legally restricted)	3,437,584	-	3,437,584	3,897,839
Investment in common endowment fund of Greater New Orleans Foundation	333,766	14,724	348,490	394,779
Total investments	<u>13,299,960</u>	<u>3,668,511</u>	<u>16,968,471</u>	<u>13,613,006</u>
Pledge receivables, net	2,785,012	13,412	2,798,424	3,271,093
Other assets and prepaid expenses	141,533	279,144	420,677	396,712
Right of use asset	2,437	-	2,437	12,877
Property, plant, and equipment:				
Land	-	-	-	292,805
Automobile	52,230	-	52,230	52,230
Building	-	-	-	1,298,264
Furniture and equipment	157,997	-	157,997	336,593
Less: accumulated depreciation	<u>(161,169)</u>	<u>-</u>	<u>(161,169)</u>	<u>(1,421,097)</u>
Total property, plant, and equipment	<u>49,058</u>	<u>-</u>	<u>49,058</u>	<u>558,795</u>
Total assets	<u>\$ 23,388,934</u>	<u>\$ 6,580,523</u>	<u>\$ 29,969,457</u>	<u>\$ 28,095,586</u>
LIABILITIES AND NET ASSETS				
Allocations payable	\$ 2,765,066	\$ 167,040	\$ 2,932,106	\$ 3,134,816
Designations payable	851,911	-	851,911	1,485,948
Deferred revenue	-	790,151	790,151	112,078
Accounts payable and accrued expenses	129,343	213,708	343,051	263,538
Program payable	-	-	-	210,509
Lease liability	2,437	-	2,437	12,877
Total liabilities	<u>3,748,757</u>	<u>1,170,899</u>	<u>4,919,656</u>	<u>5,219,766</u>
Net assets:				
Without donor restrictions	19,640,177	-	19,640,177	18,700,672
With donor restrictions	-	5,409,624	5,409,624	4,175,148
Total net assets	<u>19,640,177</u>	<u>5,409,624</u>	<u>25,049,801</u>	<u>22,875,820</u>
Total liabilities and net assets	<u>\$ 23,388,934</u>	<u>\$ 6,580,523</u>	<u>\$ 29,969,457</u>	<u>\$ 28,095,586</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, 2022

with Summarized Comparative Totals for 2021

	2022			Summarized
	Without Donor Restrictions	With Donor Restrictions	Total	2021 Total
SUPPORT AND REVENUE				
Public Support:				
Contributions of cash and other financial assets	\$ 6,359,807	\$ 4,458,085	\$ 10,817,892	\$ 18,733,905
Less:				
Provision for uncollectible accounts	(422,945)	-	(422,945)	(507,665)
Donor designations	(852,583)	(5,546)	(858,129)	(1,163,827)
Total public support	5,084,279	4,452,539	9,536,818	17,062,413
Revenue:				
Investment income (loss), net	(1,071,148)	(276,978)	(1,348,126)	1,600,638
Contributions of nonfinancial assets	187,419	679,366	866,785	904,672
Grants, program, and consulting fees	11,485	1,739,437	1,750,922	1,284,469
Service fee income	103,923	-	103,923	72,715
Special events	141,479	-	141,479	19,922
Rental income	3,642	-	3,642	21,852
Other income	20,175	-	20,175	18,217
Gain on disposal of property and equipment	2,752,015	-	2,752,015	27,302
Gain on settlement of lawsuit	-	-	-	45,141
Insurance proceeds	1,806,073	-	1,806,073	-
Net assets released from restrictions	5,359,888	(5,359,888)	-	-
Total public support and revenue	14,399,230	1,234,476	15,633,706	21,057,341
FUNCTIONAL EXPENSES				
Allocations to agencies and other assistance provided	5,786,484	-	5,786,484	6,358,219
Less: designations to agencies	(858,129)	-	(858,129)	(1,163,827)
Net allocations	4,928,355	-	4,928,355	5,194,392
United Way Worldwide dues	214,350	-	214,350	149,935
Depreciation expense	63,570	-	63,570	79,818
Other functional expenses	8,253,450	-	8,253,450	6,582,491
Total functional expenses	13,459,725	-	13,459,725	12,006,636
Change in net assets	939,505	1,234,476	2,173,981	9,050,705
Net assets at beginning of year	18,700,672	4,175,148	22,875,820	13,825,115
Net assets at end of year	\$ 19,640,177	\$ 5,409,624	\$ 25,049,801	\$ 22,875,820

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, 2022
with Summarized Comparative Totals for 2021

	2022									
	PROGRAM SERVICES			SUPPORTING SERVICES						Summarized 2021 Total
	Community Impact and Grant Distribution	Grants and Other	Total Program Expenses	Fund Raising	Marketing and Public Relations	Management and General	Total Supporting Services Expenses	Total		
Allocations/designations and assistance to others	\$ 5,786,484	\$ -	\$ 5,786,484	\$ -	\$ -	\$ -	\$ -	\$ 5,786,484	\$ 6,358,219	
Less: donor designations	(858,129)	-	(858,129)	-	-	-	-	(858,129)	(1,163,827)	
Net allocations	<u>4,928,355</u>	<u>-</u>	<u>4,928,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,928,355</u>	<u>5,194,392</u>	
Salaries	261,885	2,121,270	2,383,155	780,918	234,563	259,577	1,275,058	3,658,213	3,456,081	
Employee benefits	42,493	303,090	345,583	140,624	41,017	40,966	222,607	568,190	523,833	
Payroll taxes	19,315	141,586	160,901	54,430	16,304	17,027	87,761	248,662	250,155	
Total salaries and related expenses	<u>323,693</u>	<u>2,565,946</u>	<u>2,889,639</u>	<u>975,972</u>	<u>291,884</u>	<u>317,570</u>	<u>1,585,426</u>	<u>4,475,065</u>	<u>4,230,069</u>	
Professional fees	79,024	1,345,892	1,424,916	306,612	85,138	113,876	505,626	1,930,542	1,181,057	
Supplies	4,461	146,796	151,257	35,831	7,788	1,306	44,925	196,182	81,717	
Disaster relief supplies	-	595,659	595,659	-	-	-	-	595,659	501,805	
Telephone and internet	4,241	30,246	34,487	15,627	5,681	2,706	24,014	58,501	55,173	
Postage and shipping	187	4,847	5,034	2,858	1,151	226	4,235	9,269	7,670	
Occupancy	8,705	121,801	130,506	48,013	12,830	11,442	72,285	202,791	260,102	
Equipment rental and maintenance	7,936	50,040	57,976	19,154	5,017	4,517	28,688	86,664	68,360	
Printing, publications, and advertising	2,166	151,807	153,973	151,623	7,621	1,077	160,321	314,294	88,608	
Local travel and report meetings	31,908	170,975	202,883	68,019	19,741	3,527	91,287	294,170	61,471	
Training and out of town travel	3,911	20,787	24,698	9,560	819	737	11,116	35,814	8,346	
Membership dues	3,916	16,447	20,363	4,323	1,392	547	6,262	26,625	17,530	
Equipment purchases	132	20,218	20,350	3,580	1,571	173	5,324	25,674	18,317	
Miscellaneous	75	1,068	1,143	850	109	98	1,057	2,200	2,266	
Total other expenses before national organization dues and depreciation	<u>470,355</u>	<u>5,242,529</u>	<u>5,712,884</u>	<u>1,642,022</u>	<u>440,742</u>	<u>457,802</u>	<u>2,540,566</u>	<u>8,253,450</u>	<u>6,582,491</u>	
United Way Worldwide dues	-	-	-	-	-	214,350	214,350	214,350	149,935	
Depreciation	<u>3,623</u>	<u>40,379</u>	<u>44,002</u>	<u>12,647</u>	<u>3,395</u>	<u>3,526</u>	<u>19,568</u>	<u>63,570</u>	<u>79,818</u>	
Total other functional expenses	<u>473,978</u>	<u>5,282,908</u>	<u>5,756,886</u>	<u>1,654,669</u>	<u>444,137</u>	<u>675,678</u>	<u>2,774,484</u>	<u>8,531,370</u>	<u>6,812,244</u>	
TOTAL FUNCTIONAL EXPENSES	<u>\$ 5,402,333</u>	<u>\$ 5,282,908</u>	<u>\$ 10,685,241</u>	<u>\$ 1,654,669</u>	<u>\$ 444,137</u>	<u>\$ 675,678</u>	<u>\$ 2,774,484</u>	<u>\$ 13,459,725</u>	<u>\$ 12,006,636</u>	

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

UNITED WAY OF SOUTHEAST LOUISIANAStatement of Cash Flows
For the Year Ended June 30, 2022
with Comparative Totals for 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,173,981	\$ 9,050,705
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	63,570	79,818
Amortization of right of use asset	10,440	9,536
Gain on disposal property and equipment	(2,752,015)	(27,302)
Provision for uncollectible accounts	422,945	507,665
Discount on pledges receivable	(32,096)	(24,450)
Investment income (loss), net	1,236,552	(1,600,638)
Changes in assets and liabilities:		
Pledges receivable	81,820	202,728
Other assets and prepaid expenses	(23,965)	(105,089)
Allocations and designations payable	(836,747)	490,347
Deferred revenue	678,073	(62,856)
Accounts payable and accrued liabilities	79,513	(424,903)
Program payable	(210,509)	(111,241)
Lease liability	(10,440)	(9,536)
Net cash provided by operating activities	<u>881,122</u>	<u>7,974,784</u>
Cash flows from investing activities:		
Purchases of property and equipment	(222,708)	(13,624)
Proceeds from sale of property and equipment	3,420,890	37,390
Net purchases of investments	(4,592,017)	(1,346,801)
Net cash used in investing activities	<u>(1,393,835)</u>	<u>(1,323,035)</u>
Net change in cash and cash equivalents	(512,713)	6,651,749
Cash and cash equivalents - Beginning of year	<u>10,243,103</u>	<u>3,591,354</u>
Cash and cash equivalents - End of year	<u>\$ 9,730,390</u>	<u>\$ 10,243,103</u>

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

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 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.

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

2. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

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, 2021, from which the summarized information was derived.

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.

For programs, consulting fees, and exchange-type grants and contracts, revenue is recognized when earned in accordance with ASC 606, *Revenue from Contracts with Customers*. Program fees and payments under exchange-type grants and contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

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 2022 and 2021, 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.

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

2. Summary of Significant Accounting Policies (continued)

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.

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 \$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.

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 and Equity Initiative.

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

2. Summary of Significant Accounting Policies (continued)

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, 2022, 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, and which are not held for investing purposes.

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.

Recent Accounting Pronouncements

On September 17, 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The ASU requires the new standard to be applied retrospectively. UWSELA adopted this ASU during the year ended June 30, 2022. The ASU was applied on a retrospective basis, and the adoption had no impact to net assets as of June 30, 2022 or 2021.

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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).

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 9,730,390	\$ 10,243,103
Investments	12,876,549	9,320,388
Pledge receivables, net	2,782,532	3,077,297
Other receivables	303,246	298,968
Total financial assets available within one year	<u>25,692,717</u>	<u>22,939,756</u>
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	<u>(5,089,052)</u>	<u>(3,761,489)</u>
Total amounts unavailable for general expenditures within one year	<u>(5,089,052)</u>	<u>(3,761,489)</u>
Total amounts unavailable to management without Board approval:		
Board designated for building fund	(3,599,659)	(372,538)
Board designated reserves	(3,270,418)	(3,236,484)
Board designated for donor advised funds	(43,481)	(32,480)
Board designated Anonymous Donor Fund	<u>(4,468,598)</u>	<u>(7,253,529)</u>
Total amount unavailable to management without Board's approval	<u>(11,382,156)</u>	<u>(10,895,031)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 9,221,509</u>	<u>\$ 8,283,236</u>

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

4. Investments and Fair Value Measurements

Investment income on the statement of activities is presented net of external investment fees of \$51,306 and \$21,763 for the years ended June 30, 2022 and 2021, 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.

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, 2022 and 2021.

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.

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

4. Investments and Fair Value Measurements (continued)

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, 2022, 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	\$ 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>

The following is a schedule of investments held by UWSELA at June 30, 2021, 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	\$ 1,469,143	\$ 1,469,143	\$ -	\$ -
U.S. Treasury securities	549,653	549,653	-	-
Investments in endowments:				
Mutual funds	7,301,592	7,301,592	-	-
Beneficial interest in assets held by others	3,897,839	-	-	3,897,839
Investment in common endowment fund of Greater New Orleans Foundation	<u>394,779</u>	<u>-</u>	<u>394,779</u>	<u>-</u>
Total	<u>\$13,613,006</u>	<u>\$ 9,320,388</u>	<u>\$ 394,779</u>	<u>\$3,897,839</u>

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

5. Allowance for Uncollectible Pledges

An analysis of activity in the allowance for uncollectible pledges is as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Balance – beginning of year	\$ 899,937	\$ 987,153
Add (deduct):		
Provision for uncollectible pledges	422,945	507,665
Cancellations and removal of excess shrinkage	<u>(549,030)</u>	<u>(594,881)</u>
Balance - end of year	<u>\$ 773,852</u>	<u>\$ 899,937</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 14% and 17% of pledges receivable, net, at June 30, 2022 and 2021, respectively.

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	0	580,250
Less: discount to net present value at 4.25%	(4,108)	-	(4,108)
Less: allowance for uncollectible pledges	<u>(773,852)</u>	<u>-</u>	<u>(773,852)</u>
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>

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

6. Pledges Receivable – Promises to Give (continued)

Pledges receivable at June 30, 2021 included:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current Campaign	\$ 3,221,997	\$ 25,439	\$ 3,247,436
Prior Campaign	959,798	-	959,798
Less: discount to net present value at 4.25%	(36,204)	-	(36,204)
Less: allowance for uncollectible pledges	(899,937)	-	(899,937)
Balance - end of year	<u>\$ 3,245,654</u>	<u>\$ 25,439</u>	<u>\$ 3,271,093</u>

Estimated to be collected as follows:

Within one year	\$ 3,077,297
In one to five years	193,796
	<u>\$ 3,271,093</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, 2022 and 2021, UWSELA contributed \$194,404 and \$215,987, respectively, to the plan.

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022 and 2021, are summarized as follows:

	<u>2022</u>	<u>2021</u>
Anonymous Donor Fund	\$ 4,468,598	\$ 7,253,529
Board designated building fund	3,599,659	372,538
Beneficial interest held by others (board designated)	3,437,584	3,897,839
Board designated operating reserve	3,270,418	3,236,484
Land, building, equipment and automobiles	913,187	545,445
Subsequent revenue for operating budget	795,892	924,469
Financial stability (Prosperity Center)	661,223	836,905
Working capital	413,031	84,277
Louisiana prisoner re-entry initiative	373,468	395,343
Equity Initiative	355,596	-
IDA Program	345,562	200,000
Board designated endowment funds	333,766	380,055
SB6/Collaborative Support/Grade-Level Reading	296,510	237,575
BIPOC Business Support	250,000	250,000
Covid-19 Pandemic Relief	45,000	50,000
Donor advised funds	43,481	32,480
Undistributed Fall 2022, and 2021 campaign	26,659	975
Special event revenue for subsequent year	6,593	2,758
Algiers Fire	3,950	-
	<u>\$ 19,640,177</u>	<u>\$ 18,700,672</u>

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

9. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
<u>Donor restricted</u>		
Ratepayer endowment funds	\$ 2,079,738	\$ 2,453,650
Hurricane Ida Relief	1,475,672	-
Financial Stability (Prosperity Center)	673,089	572,912
Undistributed Fall 2022, and 2021 campaign	460,562	420,491
IDA Program	293,898	161,254
Women United fund	123,200	76,530
SB6/Collaborative Support/Grade-Level Reading	111,929	287,915
Covid-19 Pandemic Relief	44,796	96,525
Tornado Relief	35,923	-
UWW Door Dash	25,000	-
Digital Divide	24,006	13,739
Stemfest Northshore	17,500	17,500
Endowment funds at Greater New Orleans Foundation	14,724	14,724
Louisiana prisoner re-entry initiative	12,629	30,055
Equity Initiative	12,005	4,330
Algiers Fire	4,275	-
School to career/Ready By 21	678	678
Loyola Nancy Marsiglia Institute	-	14,753
Hurricane Delta Relief	-	6,516
Make Change NOLA	-	3,260
Hurricane Laura Relief	-	269
Hurricane Sally Relief	-	47
	<u>\$ 5,409,624</u>	<u>\$ 4,175,148</u>

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022 and 2021. Investment loss for the year ended June 30, 2022, net of administrative expenses and grants, totaled \$460,255 and investment income for the year ended June 30, 2021, net of administrative expenses and grants, totaled \$678,441, respectively. The amount of the endowment reflected in the statement of financial position as beneficial interest in assets held by others is \$3,437,584 and \$3,897,839 at June 30, 2022 and 2021, respectively.

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. Cumulative gains and other income of \$333,766 are without donor restrictions and are board designated. There were no contributions to the endowment funds for the years ended June 30, 2022 and 2021. Investment loss for the year ended June 30, 2022, net of administrative expenses and grants, totaled \$46,290 and investment income for the year ended June 30, 2021, net of administrative expenses and grants, totaled \$68,998, respectively. The amount of endowments reflected in the statement of financial position as investment in common endowment fund is \$348,490 and \$394,779 at June 30, 2022 and 2021, 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, 2022 and 2021. Investment loss for the year ended June 30, 2022, net of withdrawals, totaled \$373,912 and investment income for the year ended June 30, 2021, net of withdrawals, totaled \$485,556, respectively. As of June 30, 2022 and 2021, 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 \$2,079,738 and \$2,453,650, respectively.

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

10. Endowment Assets (continued)

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

Financial Summary

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	<u>\$ 4,277,893</u>	<u>\$ 2,468,374</u>	<u>\$ 6,746,267</u>
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	<u>(355,450)</u>	<u>(276,237)</u>	<u>(631,687)</u>
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, 2022

10. Endowment Assets (continued)

The following summarizes the financial activity of the endowment assets of UWSELA for the year ended June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2020	\$ 3,530,455	\$ 1,982,818	\$ 5,513,273
Investment return:			
Investment income	34,464	29,654	64,118
Net appreciation (depreciation) (realized and unrealized)	858,188	546,702	1,404,890
Total investment return	892,652	576,356	1,469,008
Appropriation of endowment assets for grants	(145,214)	(90,800)	(236,014)
Endowment net assets, June 30, 2021	<u>\$ 4,277,893</u>	<u>\$ 2,468,374</u>	<u>\$ 6,746,267</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	3,771,349	-	3,771,349
June 30, 2022	<u>\$ 3,771,349</u>	<u>\$ 2,094,462</u>	<u>\$ 5,865,811</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor - restricted endowment funds	\$ -	\$ 2,468,374	\$ 2,468,374
Board - designated endowment funds	4,277,893	-	4,277,893
June 30, 2021	<u>\$ 4,277,893</u>	<u>\$ 2,468,374</u>	<u>\$ 6,746,267</u>

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

10. Endowment Assets (continued)

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, 2022 and 2021, 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.

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. The line of credit matures on January 11, 2023. At June 30, 2022 and 2021, there was no outstanding balance on the line of credit.

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 \$7,970,917 and \$8,370,853 were fully collateralized by U.S. Treasury securities at June 30, 2022 and 2021, 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, 2022 and 2021 a pledge receivable from one donor accounts for approximately 14% and 17% of pledges receivable, net, respectively.

Other

An anonymous donor made a contribution of \$10 million during the year ended June 30, 2021. This contribution is not expected to recur and accounts for approximately 59% of total public support for the year ended June 30, 2021.

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 2022 and 2021 was \$55,429 and \$64,521, respectively.

UNITED WAY OF SOUTHEAST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

During the fiscal year ended 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>

During the fiscal year June 30, 2021, UWSELA received donated services for advertising, COVID-19 pandemic relief, and for the Louisiana Prisoner Re-Entry Program. UWSELA also received contributions of goods and supplies for COVID-19 Pandemic Relief and Disaster Relief. Contributions of nonfinancial assets during the fiscal year ended June 30, 2021 includes:

<u>Program or Supporting Service</u>	<u>Donated Services</u>	<u>Donated Gift Cards</u>	<u>Donated Goods</u>	<u>Total</u>
Advertising	\$ 195,510	\$ -	\$ -	\$ 195,510
Pandemic Relief	153,228	30,000	151,021	334,249
Louisiana Prisoner Re Entry	52,579	31,550	-	84,129
Disaster Relief	-	25,000	265,784	290,784
Total	<u>\$ 401,317</u>	<u>\$ 86,550</u>	<u>\$ 416,805</u>	<u>\$ 904,672</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, 2022

15. 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.

16. 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.

17. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 21, 2022, 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, 2022

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, 2022.

**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
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, 2022, 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 21, 2022.

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.

Postlethwaite & Netterville

Metairie, Louisiana
October 21, 2022