

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

**Financial Statements**  
**June 30, 2012**

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**Broussard & Company**  
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of United Way of Southwest Louisiana, Inc. (the United Way) (a non-profit organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the United Way's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2012, on our consideration of the United Way'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The United Way allocations and community services supplementary information is presented for purposes of additional analysis 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 underlying 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.

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

*Broussard and Company*

Lake Charles, Louisiana  
October 30, 2012

**United Way of Southwest Louisiana, Inc.**  
**Statement of Financial Position**  
**As of June 30, 2012**

<b>Assets</b>	
<b>Assets</b>	
Cash and cash equivalents	\$ 1,246,450
Investments	1,169,006
2012 pledges receivable	98,272
2011 pledges receivable (less allowance for uncollectible pledges of \$300,000)	1,645,452
Prepaid expenses	2,299
Other receivables	25,497
Cash and cash equivalents - restricted	146,516
Property and equipment, net of accumulated depreciation of \$1,089,612	<u>331,586</u>
 Total Assets	 <u><u>\$ 4,665,078</u></u>
 <b>Liabilities and Net Assets</b>	
<b>Liabilities</b>	
Accounts payable and accrued expenses	<u>\$ 37,345</u>
 Total Liabilities	 <u>37,345</u>
 <b>Net Assets</b>	
Unrestricted:	
Appropriated - property and equipment	331,586
Unappropriated	<u>4,106,831</u>
Total unrestricted	4,438,417
Temporarily restricted	<u>189,316</u>
Total Net Assets	<u><u>4,627,733</u></u>
 Total Liabilities and Net Assets	 <u><u>\$ 4,665,078</u></u>



**United Way of Southwest Louisiana, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Combined Total</u>
<b>Revenues, Gains and Other Support</b>			
Campaign applicable to current period:			
Contributions received - current period	\$ -	\$ 4,005,574	\$ 4,005,574
Contributions received - (released from restriction)	4,160,247	(4,160,247)	-
Total campaign for current period	<u>4,160,247</u>	<u>(154,673)</u>	<u>4,005,574</u>
Campaign revenue received for next allocation period	-	186,859	186,859
Total campaign for next allocation period	<u>-</u>	<u>186,859</u>	<u>186,859</u>
Total campaign	4,160,247	32,186	4,192,433
Grant income	-	40,250	40,250
Rent income	-	30,300	30,300
Meeting income	3,410	-	3,410
Investment income	8,463	-	8,463
Sports Hall of Fame income	2,960	-	2,960
Reimbursement income	15,660	-	15,660
Processing fee revenue	3,547	-	3,547
Net assets satisfied by payments	70,550	(70,550)	-
Total revenues, gains and other support	<u>4,264,837</u>	<u>32,186</u>	<u>4,297,023</u>
<b>Allocations and Functional Expenses</b>			
Funds allocated to member agencies	2,292,830	-	2,292,830
Other allocations	96,335	-	96,335
	<u>2,389,165</u>	<u>-</u>	<u>2,389,165</u>
Other functional expenses:			
Fund raising	552,554	-	552,554
Community initiatives	395,270	-	395,270
Management and general	230,778	-	230,778
Total functional expenses	<u>1,178,602</u>	<u>-</u>	<u>1,178,602</u>
Total allocations and functional expenses	<u>3,567,767</u>	<u>-</u>	<u>3,567,767</u>
Change in Net Assets	697,070	32,186	729,256
Net Assets - Beginning of Year	3,741,347	157,130	3,898,477
Net Assets - End of Year	<u>\$ 4,438,417</u>	<u>\$ 189,316</u>	<u>\$ 4,627,733</u>

See accompanying notes to financial statements.

**United Way of Southwest Louisiana, Inc.**  
**Schedule of Functional Expenses**  
**For the Year Ended June 30, 2012**

	Fund Raising	Community Initiatives	Management and General	Total
Salaries	\$ 215,319	195,290	\$ 90,134	\$ 500,743
Payroll taxes	17,845	16,185	7,470	41,500
Health and life insurance	33,420	30,310	13,990	77,720
Retirement plan	12,863	11,667	5,385	29,915
Total compensation	<u>279,447</u>	<u>253,452</u>	<u>116,979</u>	<u>649,878</u>
Professional fees	10,371	9,893	4,321	24,585
Office supplies and expense	12,389	3,097	5,162	20,648
Printing	4,754	1,189	1,981	7,924
Campaign expenses	41,082	10,271	17,118	68,471
Bad debt expense	41,427	10,357	17,262	69,046
Postage and shipping	4,052	1,013	1,689	6,754
Computer expense	6,775	1,693	2,823	11,291
Telephone	11,084	2,771	4,619	18,474
Utilities	13,561	3,390	5,650	22,601
Repairs and maintenance	40,163	10,041	16,735	66,939
Conferences	2,474	618	1,031	4,123
Dues and subscriptions	1,298	324	541	2,163
Training and seminars	2,838	710	1,182	4,730
Organizational expenses	6,166	1,542	2,570	10,278
Travel	16,105	4,026	6,711	26,842
Insurance	17,612	4,403	7,339	29,354
Meeting expense	5,906	1,477	2,461	9,844
United Way programs	-	66,240	-	66,240
Depreciation	28,642	7,161	11,934	47,737
Miscellaneous	6,408	1,602	2,670	10,680
Total functional expenses	<u>\$ 552,554</u>	<u>\$ 395,270</u>	<u>\$ 230,778</u>	<u>\$1,178,602</u>

See accompanying notes to financial statements.

**United Way of Southwest Louisiana, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2012**

<b>Cash Flows From Operating Activities</b>	
Change in net assets	\$ 729,256
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	47,737
(Increase) in pledges receivable	(272,355)
(Increase) in prepaid expenses	(1,799)
(Increase) in other receivables	(16,534)
(Increase) in accounts payable	11,109
(Decrease) in due to designated agencies	<u>(4,642)</u>
Net Cash Provided by Operating Activities	<u>492,772</u>
<b>Cash Flows From Investing Activities</b>	
Purchase of investments	(1,119,005)
Maturity of investments	980,212
Purchase of equipment	<u>(33,050)</u>
Net Cash Provided by Investing Activities	<u>(171,843)</u>
Net Increase in Cash and Cash Equivalents	320,929
Cash and Cash Equivalents - Beginning of Period	<u>1,072,037</u>
Cash and Cash Equivalents - End of Period	<u><u>\$ 1,392,966</u></u>
Cash and Cash Equivalents at the end of the year consisted of:	
Unrestricted Cash	\$ 1,246,450
Restricted Cash	<u>146,516</u>
	<u><u>\$ 1,392,966</u></u>

See accompanying notes to financial statements.



**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements**  
**June 30, 2012**

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

**Nature of Activities**

The United Way of Southwest Louisiana, Inc. (the United Way) is a nonprofit corporation recognized under the laws of the State of Louisiana for the purpose of raising funds for the benefit of other community nonprofit organizations. The United Way's mission is to unite the community for the assessment of human needs and the delivery of appropriate services.

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

Currently, United Way of Southwest Louisiana works with our partners to deliver nearly 55 programs and multiple services that target community needs that center around the building blocks for a good life: a quality education that leads to stable employment, sufficient income to support a family through retirement, and sound mental and physical health.

**Income Taxes**

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

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

**Method of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. The United Way follows the standards of accounting and financial reporting for voluntary health and welfare agencies prescribed by the United Way Worldwide and the American Institute of Certified Public Accountants.

**Accounting Estimates**

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

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2012**

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

**Compensated Absences**

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave is not payable upon termination or resignation. Vacation leave accumulates based on the length of the employee's service. Upon termination or resignation, the outstanding balance unused vacation leave can be paid to an employee. Any liability as of June 30, 2012 would be considered immaterial and has not been recorded on the United Way's accounting records.

**Property and Equipment**

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

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

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

**Contributed Services**

No amounts have been reflected in the financial statements for donated services. The United Way generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the United Way but these services do not meet the criteria for recognition as contributed services.

**Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain indirect costs have been allocated to the functional categories based on the United Way's analysis of time devoted to each category. The allocation for the year ending June 30, 2012 was based on the following percentages:



**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2012**

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

Fund raising	60%
Community initiatives	15%
Management and general	25%

**Campaign Revenue**

Campaign revenues received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. All donations of campaign revenue are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the donation is received, the donation is reported as unrestricted.

Gifts designated by the donor for a particular agency are not recognized as revenue. These pass through donations are recorded as a liability until paid to the designated agency by the United Way.

**Pledges**

Unconditional promises to give or pledges that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give or pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in campaign revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

**Cash and cash equivalents**

The United Way considers all liquid investments with an original maturity of three months or less to be cash equivalents. On two bank accounts, donor restrictions have been placed and the amounts of these accounts are shown as cash and cash equivalents – restricted. These accounts are restricted for hurricane recovery efforts.



**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2012**

**NOTE 2 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2012 consists of the following:

Building	\$ 1,073,868
Land	91,000
Furniture and equipment	<u>256,330</u>
	1,421,198
Less accumulated depreciation	<u>(1,089,612)</u>
Net property and equipment	<u>\$ 331,586</u>

Depreciation expense for the year ended June 30, 2012 was \$47,737.

**NOTE 3 - FAIR VALUE MEASUREMENTS**

The fair value of financial instruments, including cash, approximate the carrying value, principally because of the short maturity of those items.

**NOTE 4 - CONCENTRATIONS OF CREDIT RISK**

The Organization maintains cash balances at several financial institutions located in Southwest Louisiana. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2012, the Organization's uninsured cash balances total \$1,000,062.

**NOTE 5 - SUBSEQUENT EVENTS**

The United Way evaluated its June 30, 2012 financial statements for subsequent events through October 30, 2012, the date of which the financial statements were available to be issued. The United Way is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**NOTE 6 - BOARD COMPENSATION**

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

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2012**

**NOTE 7 – INVESTMENTS**

Investments are comprised of certificates of deposits with varying maturity dates. These investments are stated at market. Market values at June 30, 2012 approximate cost.

**NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2012 are available for the following purposes:

Time restrictions:		
2012 campaign pledges recognized in current period		\$ 186,859
Purpose restrictions:		
Tom Morris Memorial Fund		<u>2,457</u>
		<u>\$ 189,316</u>

**NOTE 9 – NET ASSETS RELEASED FROM RESTRICTION**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the six month period ended June 30, 2012:

Time restrictions:		
2011 campaign revenue		<u>\$ 4,160,247</u>

**NOTE 10 – RETIREMENT BENEFITS**

The United Way sponsors a 401(a) defined contribution plan and tax –deferred annuity plan that covers all eligible employees. Eligible employees include persons with one year of service with a minimum age of 21 years. Employer contributions for the 401(a) plan shall be 10% of the participant’s compensation for the plan year. Employees have the option to contribute to the tax-deferred annuity plan from 1% of salary to the maximum amount permitted by law. Totals costs and employer contributions for the six months ended June 30, 2012 were \$29,915.

**NOTE 11 – COMMUNITY INITIATIVES**

The Helpline is a program that assists with payments such as utility, rent and medical expenses for individuals that need assistance. This is a last resort program providing assistance to an individual only once during a calendar year.

The United Way hosted nine Volunteer Income Tax Assistance (VITA) programs with a total impact of \$2 million. These programs were implemented in Allen, Beauregard, Cameron, Calcasieu and



**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2012**

***NOTE 11 – COMMUNITY INITIATIVES (CONTINUED)***

Jefferson Davis parishes. The programs are designed to increase taxpayer education programs and to provide free tax preparation services to taxpayers qualifying for Earned Income Tax Credits. The VITA program is a partnership with the Internal Revenue Service (IRS), the Louisiana Department of Social Services and various other community organizations. One of the goals of VITA is to assist taxpayers recoup the various Earned Income Credits which are unclaimed in Southwest Louisiana annually. The programs use community volunteers who are IRS certified tax preparers. For the six months ended June 30, 2012, the programs prepared more than 2,300 returns free of charge to qualifying individuals.

The Success by Six initiative of the United Way is a program that focuses on developing a community where all children, by the age of six, have the motional, social, educational and physical development necessary for success in school and in life. All projects of this initiative operate on grants and program income. Some of the current partnerships are with Christus St. Patrick's School Based Health Centers, which provide registered nurses at high-risk, low-income day care centers in order to promote health and wellness development within a day care setting. Health and safety classes, along with CPR and first aid are offered to all child care providers in the region. A partnership with SWLAHEC-Americorp and a contracted literacy coordinator allows for character and literacy development programs to be offered in local Head Start centers, child care centers and after school programs.

The Southwest Louisiana High School Sports Hall of Fame was formed to recognize Southwest Louisiana high school seniors who have distinguished themselves in the field of athletics. The program is guided by a committee with longtime ties to the sporting community and representing a cross section of the area. Each year a banquet is held to honor the inductees.



## **Supplemental Information**

**United Way of Southwest Louisiana, Inc.**  
**Agency Allocations and Community Services**  
**For the Year Ended June 30, 2012**

	<b>Actual</b>	<b>Budget</b>	<b>Other Allocations</b>
Abraham's Tent	\$ 76,000	\$ 76,000	\$ -
Allen Council on Aging	38,110	38,110	-
American Red Cross	103,887	93,106	10,781
BeauCARE	104,186	104,186	-
Beau A.R.C.	30,900	30,900	-
Beauregard Community Concerns	130,000	130,000	-
Beauregard Council on Aging	48,348	48,348	-
Beauregard Special Olympics	5,000	5,000	-
Big Brothers Big Sisters	107,192	107,192	-
Boy Scouts Louisiana Purchase Council	5,000	5,000	-
Boys & Girls Village	151,800	151,800	-
Boy Scouts of America	121,808	121,808	-
Calcasieu Association for Retarded Citizens	144,050	144,050	-
Calcasieu Community Clinic	29,600	29,600	-
Calcasieu Council on Aging	102,000	102,000	-
Calcasieu Women's Shelter	172,600	172,600	-
Cameron Council on Aging	61,800	61,800	-
Childrens' Museum	26,310	26,310	-
Community Partners	21,097	-	21,097
Family & Youth Counseling	289,386	289,386	-
Foreman-Reynaud YMCA	108,426	108,426	-
Girl Scouts Louisiana Pines to the Gulf	10,620	10,620	-
Jeff Davis Addictive Disorders	53,350	53,350	-
Jeff Davis Council on Aging	44,290	44,290	-
Jeff Davis Special Olympics	5,000	5,000	-
Literacy Council of Southwest Louisiana	77,444	77,444	-
NAMI	16,500	16,500	-
Salvation Army	128,100	128,100	-
Samaritan Counseling Center	1,545	1,545	-
Second Harvest Food Bank	9,359	9,359	-
Southwest Louisiana Law Center	50,000	50,000	-
Louisiana Association of United Way	51,000	51,000	-
United Way of America	64,457	-	64,457
	<b>\$ 2,389,165</b>	<b>\$ 2,292,830</b>	<b>\$ 96,335</b>

See accompanying notes to financial statements.



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

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

We have audited the financial statements of United Way of Southwest Louisiana, Inc. (a nonprofit organization) (the United Way) as of and for the year ended June 30, 2012, and have issued our report thereon dated October 30, 2012. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the United Way's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Way's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the United Way's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified one deficiency in internal control over financial reporting that we consider to be a material weakness.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the United Way's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency, 12-1(IC), described in the accompanying schedule of findings and questioned costs to be a material weakness.



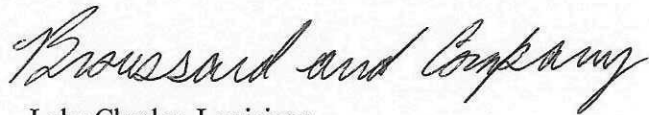
Board of Directors  
United Way of Southwest Louisiana, Inc.  
Lake Charles, Louisiana

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the United Way's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The United Way's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the United Way's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Directors, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Lake Charles, Louisiana  
October 30, 2012

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.**

**Schedule of Findings  
Year Ended June 30, 2012**

**Internal Control over Financial Reporting**

**Current Year Findings**

12-1(IC) Material Weakness

Condition:	The United Way does not prepare its annual financial statements including notes. Many small organizations rely on their independent auditor to generate the annual financial statements including notes. The independent auditor cannot be part of the United Way's internal control over financial reporting.
Criteria:	Internal controls should be put in place to provide reasonable assurance that management review of financial results occurs in order to minimize the risk of a material misstatement.
Cause:	Financial statements including detailed notes encompassing the United Way's entire operations are not produced.
Effect:	Material misstatements in the United Way's financial statements could occur.
Recommendation:	Management should put in a place a financial statement review that includes the United Way's entire operation.
Corrective Action:	The United Way has evaluated the cost versus benefit of establishing internal controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and determined that it is in its best interests to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.