

**THE UNITED WAY OF
NORTHEAST LOUISIANA, INC.**

**Financial Statements
for the
Years Ended June 30, 2007 and 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/24/07

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

YEARS ENDED JUNE 30, 2007 AND 2006

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Independent Auditors' Report

Board of Directors The United Way of Northeast Louisiana, Inc.

We have audited the accompanying statements of financial position of **The United Way of Northeast Louisiana, Inc. (the United Way)**, as of June 30, 2007 and June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the years ended June 30, 2007 and 2006. 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 audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide* issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. 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 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, 2007 and June 30, 2006, and the changes in its net assets and its cash flows for the years ended June 30, 2007 and 2006 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 September 14, 2007 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

(A Professional Accounting Corporation)

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THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2007	2006
ASSETS		
Cash and Cash Equivalents	\$ 608,904	\$ 897,327
Investments (Note 2)	395,183	183,860
Pledges Receivable, less allowances for uncollectibles of \$400,113 and \$337,842 respectively	1,295,813	1,398,812
Other Receivables	125,369	29,063
Prepaid Insurance	3,193	2,781
Property and Equipment, less accumulated depreciation of \$403,542 and \$347,402 respectively (Note 3)	715,947	716,450
Other Assets	-	469
TOTAL ASSETS	\$ 3,144,409	\$ 3,228,762
LIABILITIES AND NET ASSETS		
Liabilities		
Allocations Payable (Note 1)	\$ 1,530,753	\$ 1,781,419
Designations Payable	153,356	177,623
Accounts Payable	17,883	18,856
Accrued Payroll, Pension, and Taxes	50,756	43,457
Agency Endowment Funds	13,228	11,835
Total Liabilities	1,765,976	2,033,190
Net Assets (Note 5)		
Unrestricted (Deficit)	(203,637)	(476,026)
Legacy Foundation - Donor Advised	139,102	122,752
Total Unrestricted (Deficit)	(64,535)	(353,274)
Temporarily Restricted		
Annual Campaign Pledges	1,220,808	1,358,569
Legacy Foundation	24,187	26,496
Private Grants	77,973	70,745
United Way 2-1-1	120,000	-
Hurricane Relief	-	93,036
Total Temporarily Restricted	1,442,968	1,548,846
Total Net Assets	1,378,433	1,195,572
TOTAL LIABILITIES AND NET ASSETS	\$ 3,144,409	\$ 3,228,762

The accompanying notes are an integral part of these statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	YEAR ENDED JUNE 30, 2007							Total
	Unrestricted		Temporarily Restricted					
	Undesignated	Designated Fund Donor Advised	Campaign	Legacy Foundation	Private Grants	United Way 2-1-1	Hurricane Relief	
		Legacy Foundation						
PUBLIC SUPPORT & REVENUE								
Gross Campaign Results (Note 5)	\$ -	\$ -	\$ 3,207,000	\$ -	\$ -	\$ -	\$ -	\$ 3,207,000
Campaign Previously Reported	-	-	(13,360)	-	-	-	-	(13,360)
Campaign for Future Year	-	-	5,581	-	-	-	-	5,581
Legacy Transfer	-	-	(16,500)	-	-	-	-	(16,500)
Donor Designations	-	-	(328,220)	-	-	-	-	(328,220)
Temporarily restricted for United Way projects	-	-	(160,000)	-	40,000	120,000	-	-
Provision for Uncollectible	-	-	(271,826)	-	-	-	-	(271,826)
Net Campaign Revenue	-	-	2,422,675	-	40,000	120,000	-	2,582,675
Additional Pledges	64,622	-	-	-	-	-	-	64,622
In-Kind Contributions	44,190	-	-	-	-	-	-	44,190
Grants and Other Income	372,550	-	-	-	-	-	-	372,550
Other Gains (Losses)	8,231	-	-	-	-	-	-	8,231
Investment Income	37,172	17,377	-	2,396	-	-	-	56,945
Net Assets Released from Restrictions	2,691,976	(1,027)	(2,560,436)	(4,705)	(32,772)	-	(93,036)	-
TOTAL PUBLIC SUPPORT & REVENUE	3,218,741	16,350	(137,761)	(2,309)	7,228	120,000	(93,036)	3,129,213
EXPENSES								
Program Services								
Gross Funds Awarded/Distributed	1,825,888	-	-	-	-	-	-	1,825,888
Less: Donor Designations	(328,220)	-	-	-	-	-	-	(328,220)
Net Funds Awarded/Distributed	1,497,668	-	-	-	-	-	-	1,497,668
Childcare Counts	22,894	-	-	-	-	-	-	22,894
United Way 2-1-1	420,790	-	-	-	-	-	-	420,790
Neighborhood Collaborative	74,823	-	-	-	-	-	-	74,823
Community Investment	195,252	-	-	-	-	-	-	195,252
Hurricane Relief	93,036	-	-	-	-	-	-	93,036
Total Program Services	2,304,463	-	-	-	-	-	-	2,304,463
Support Services								
Organizational Administration	287,565	-	-	-	-	-	-	287,565
Fundraising	319,437	-	-	-	-	-	-	319,437
United Way of America Dues	34,887	-	-	-	-	-	-	34,887
Total Support Services	641,889	-	-	-	-	-	-	641,889
Total Expenses	2,946,352	-	-	-	-	-	-	2,946,352
Increase (Decrease) In Net Assets	272,389	16,350	(137,761)	(2,309)	7,228	120,000	(93,036)	182,861
Net Assets (Deficit) - Beginning of Year	(476,026)	122,752	1,358,569	26,496	70,745	-	93,036	1,195,572
NET ASSETS (DEFICIT) - END OF YEAR	\$ (203,637)	\$ 139,102	\$ 1,220,808	\$ 24,187	\$ 77,973	\$ 120,000	\$ -	\$ 1,378,433

The accompanying notes are an integral part of these statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

YEAR ENDED JUNE 30, 2006

	YEAR ENDED JUNE 30, 2006							Total
	Unrestricted		Temporarily Restricted					
	Undesignated	Designated Fund		Legacy Foundation	Private Grants	United Way 2-1-1	Hurricane Relief	
		Donor Advised						
	Legacy Foundation	Campaign						
PUBLIC SUPPORT & REVENUE								
Gross Campaign Results (Note 5)	\$ -	\$ -	\$ 3,350,000	\$ -	\$ -	\$ -	\$ -	\$ 3,350,000
Campaign Previously Reported	-	-	(38,645)	-	-	-	-	(38,645)
Campaign for Future Year	-	-	13,360	-	-	-	-	13,360
Legacy Transfer	-	-	(15,000)	-	-	-	-	(15,000)
Donor Designations	-	-	(346,445)	-	-	-	-	(346,445)
Provision for Uncollectible	-	-	(298,137)	-	-	-	-	(298,137)
Net Campaign Revenue	-	-	2,665,133	-	-	-	-	2,665,133
Additional Pledges	53,956	-	-	-	-	-	-	53,956
In-Kind Contributions	44,752	-	-	-	-	-	-	44,752
Grants and Other Income	347,956	-	-	-	-	426,790	-	774,746
Other Gains (Losses)	64,221	-	-	-	-	-	-	64,221
Investment Income	36,082	12,258	-	1,870	860	-	-	51,070
Sponsorships	29,750	-	-	-	-	-	-	29,750
Net Assets Released from Restrictions	3,199,861	(35,762)	(2,810,878)	(4,778)	(750)	(13,939)	(333,754)	-
TOTAL PUBLIC SUPPORT & REVENUE	3,776,578	(23,504)	(145,745)	(2,908)	110	(13,939)	93,036	3,683,628
EXPENSES								
Program Services								
Gross Funds Awarded/Distributed	2,283,920	-	-	-	-	-	-	2,283,920
Less: Donor Designations	(346,445)	-	-	-	-	-	-	(346,445)
Net Funds Awarded/Distributed	1,937,475	-	-	-	-	-	-	1,937,475
Childcare Counts	27,705	-	-	-	-	-	-	27,705
United Way 2-1-1	386,058	-	-	-	-	-	-	386,058
Neighborhood Collaborative	55,062	-	-	-	-	-	-	55,062
Community Investment	195,014	-	-	-	-	-	-	195,014
Hurricane Relief	389,428	-	-	-	-	-	-	389,428
Total Program Services	2,990,742	-	-	-	-	-	-	2,990,742
Support Services								
Organizational Administration	286,293	-	-	-	-	-	-	286,293
Fundraising	289,906	-	-	-	-	-	-	289,906
United Way of America Dues	36,698	-	-	-	-	-	-	36,698
Total Support Services	612,897	-	-	-	-	-	-	612,897
Total Expenses	3,603,639	-	-	-	-	-	-	3,603,639
Increase (Decrease) In Net Assets	172,939	(23,504)	(145,745)	(2,908)	110	(13,939)	93,036	79,989
Net Assets (Deficit) - Beginning of Year	(648,965)	146,256	1,504,314	29,404	70,635	13,939	-	1,115,583
NET ASSETS (DEFICIT) - END OF YEAR	\$ (476,026)	\$ 122,752	\$ 1,358,569	\$ 26,496	\$ 70,745	\$ -	\$ 93,036	\$ 1,195,572

The accompanying notes are an integral part of these statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	YEAR ENDED JUNE 30, 2007						Total
	PROGRAM SERVICES						
	Allocation Services	Childcare Council	United Way 211	Neighborhood Collaborative	Community Investment	Hurricane Relief	
EXPENSES							
Allocation/Awards	\$ 1,825,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,825,888
Less: Donor Designations	(328,220)	-	-	-	-	-	(328,220)
Sub-Total	<u>1,497,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,497,668</u>
Salaries	-	4,371	282,081	31,523	93,093	38,587	449,655
Hospitalization Insurance	-	-	27,423	2,231	7,982	2,730	40,366
Other Payroll Expenses	-	999	35,338	6,258	13,796	2,629	60,020
Sub-Total	<u>-</u>	<u>5,370</u>	<u>345,842</u>	<u>40,012</u>	<u>114,871</u>	<u>43,946</u>	<u>550,041</u>
Auto	-	52	4,513	1,935	1,597	215	8,312
Awards, Recognition Banquet	-	-	-	-	73	-	73
Bank Charges	-	-	-	20	-	-	20
Building and Property Maintenance	-	51	1,377	157	4,444	24	6,053
Campaign Events	-	-	-	-	-	-	-
Campaign Supplies	-	-	-	-	-	-	-
Community Meetings	-	-	60	-	1,237	-	1,297
Depreciation	-	186	6,446	722	20,480	-	27,834
Dues, Memberships, and Subscriptions	-	2	1,704	68	428	20	2,222
Emergency/Disaster Relief	-	-	-	-	-	-	-
Equipment	-	34	1,417	140	3,452	39	5,082
Insurance	-	12	402	220	1,263	10	1,907
Janitorial	-	29	1,020	114	3,206	30	4,399
Leadership Giving Recognition	-	-	-	-	-	-	-
Marketing	-	2	7,699	1,509	8,729	325	18,264
Meetings and Lunches	-	-	619	117	1,814	-	2,550
Office Rent	-	-	5	-	1	-	6
Office Supplies	-	26	6,884	418	2,581	269	10,178
Overhead Allocated	-	-	-	-	-	-	-
Payments for Program Services	-	4,948	-	28,199	1,052	-	34,199
Postage	-	(11)	563	22	665	-	1,239
Professional Fees	-	11,974	16,850	284	10,484	-	39,592
Specific Assistance to Individuals	-	-	4,599	-	-	47,851	52,450
Telephone & Internet	-	55	10,097	430	6,209	158	16,949
Travel, Education, and Training	-	89	8,151	171	4,665	74	13,150
Utilities	-	75	2,542	285	8,001	75	10,978
Sub-Total	<u>-</u>	<u>17,524</u>	<u>74,948</u>	<u>34,811</u>	<u>80,381</u>	<u>49,090</u>	<u>256,754</u>
United Way of America Dues	-	-	-	-	-	-	-
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,497,668</u>	<u>\$ 22,894</u>	<u>\$ 420,790</u>	<u>\$ 74,823</u>	<u>\$ 195,252</u>	<u>\$ 93,036</u>	<u>\$ 2,304,463</u>

The accompanying notes are an integral part of these statements.

YEAR ENDED JUNE 30, 2007

SUPPORT SERVICES

Organizational Administration	CFC Administration	Total Organizational Administration	Fundraising				UWA Dues	Total	TOTAL
			CFC	Campaign	Legacy	Total			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,825,888
-	-	-	-	-	-	-	-	-	(328,220)
-	-	-	-	-	-	-	-	-	1,497,668
126,570	729	127,299	3367	151,926	-	155,293	-	282,592	732,247
15,828	121	15,949	486	15,860	-	16,346	-	32,295	72,661
21,522	156	21,678	626	16,576	-	17,202	-	38,880	98,900
163,920	1,006	164,926	4,479	184,362	-	188,841	-	353,767	903,808
3,710	-	3,710	56	4,740	-	4,796	-	8,506	16,818
8,359	-	8,359	67	14,486	-	14,553	-	22,912	22,985
955	-	955	-	1,127	-	1,127	-	2,082	2,102
4,392	-	4,392	65	5,358	-	5,423	-	9,815	15,868
-	-	-	-	5,711	-	5,711	-	5,711	5,711
-	-	-	1,081	4,134	-	5,215	-	5,215	5,215
380	-	380	-	55	-	55	-	435	1,732
20,155	-	20,155	274	8,178	-	8,452	-	28,607	56,441
2,096	-	2,096	14	648	-	662	-	2,758	4,980
-	-	-	-	-	-	-	-	-	-
3,443	-	3,443	55	1,525	-	1,580	-	5,023	10,105
3,840	-	3,840	19	645	-	664	-	4,504	6,411
3,190	-	3,190	47	1,294	-	1,341	-	4,531	8,930
-	-	-	-	13,630	-	13,630	-	13,630	13,630
9,248	-	9,248	818	22,197	-	23,015	-	32,263	50,527
3,653	-	3,653	195	1,464	-	1,659	-	5,312	7,862
2	-	-	-	3,977	-	3,977	-	3,977	3,983
4,369	502	4,871	-	11,433	-	11,433	-	16,304	26,482
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	34,199
914	-	914	324	5,005	17	5,346	-	6,260	7,499
31,739	3,268	35,007	-	9,208	1,232	10,440	-	45,447	85,039
130	-	130	-	120	-	120	-	250	52,700
6,310	-	6,310	86	3,866	-	3,952	-	10,262	27,211
4,044	-	4,044	1,172	2,355	-	3,527	-	7,571	20,721
7,942	-	7,942	118	3,800	-	3,918	-	11,860	22,838
118,871	3,770	122,639	4,391	124,956	1,249	130,596	-	253,235	509,989
-	-	-	-	-	-	-	34,887	34,887	34,887
\$ 282,791	\$ 4,776	\$ 287,565	\$ 8,870	\$ 309,318	\$ 1,249	\$ 319,437	\$ 34,887	\$ 641,889	\$ 2,946,352

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	YEAR ENDED JUNE 30, 2006						Total
	PROGRAM SERVICES						
	Allocation Services	Childcare Counts	United Way 211	Neighborhood Collaborative	Community Investment	Hurricane Relief	
EXPENSES							
Allocation/Awards	\$ 2,283,920	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,283,920
Less: Donor Designations	(346,445)	-	-	-	-	-	(346,445)
Sub-Total	1,937,475	-	-	-	-	-	1,937,475
Salaries	-	7,778	238,955	31,200	92,347	74,048	444,328
Hospitalization Insurance	-	987	27,221	2,487	7,613	437	38,745
Other Payroll Expenses	-	1,419	26,561	7,287	14,390	7,003	56,660
Sub-Total	-	10,184	292,737	40,974	114,350	81,488	539,733
Auto	-	-	2,919	866	1,603	12,421	17,809
Awards, Recognition Banquet	-	-	2,415	1	852	-	3,268
Bank Charges	-	6	183	7	1,240	-	1,436
Building and Property Maintenance	-	379	4,301	577	11,706	75	17,038
Campaign Events	-	-	-	-	-	-	-
Campaign Supplies	-	-	-	-	-	-	-
Community Meetings	-	-	-	-	145	-	145
Depreciation	-	530	9,880	636	18,030	2,214	31,290
Dues, Memberships, and Subscriptions	-	9	4,376	96	240	-	4,721
Emergency/Disaster Relief	-	-	-	-	-	174,958	174,958
Equipment	-	239	1,101	84	2,145	2,274	5,843
Insurance	-	39	321	219	1,278	-	1,857
Janitorial	-	119	1,018	142	4,054	2,516	7,849
Leadership Giving Recognition	-	-	-	-	-	-	-
Marketing	-	32	18,460	51	6,486	217	25,246
Meetings and Lunches	-	88	1,446	109	1,133	11,942	14,718
Office Supplies	-	113	4,298	295	2,217	5,847	12,770
Overhead Allocated	-	(1,441)	(18,974)	(3,207)	(17,309)	74,209	33,278
Payments for Program Services	-	15,957	-	10,611	-	-	26,568
Postage	-	(6)	1,540	65	785	46	2,430
Professional Fees	-	930	24,754	217	27,127	6,042	59,070
Specific Assistance to Individuals	-	-	5,941	-	-	-	5,941
Telephone & Internet	-	222	19,766	505	8,611	10,493	39,597
Travel, Education, and Training	-	47	7,367	2,504	1,524	1,139	12,581
Utilities	-	258	2,209	310	8,797	3,547	15,121
Sub-Total	-	17,521	93,321	14,088	80,664	307,940	513,534
United Way of America Dues	-	-	-	-	-	-	-
TOTAL FUNCTIONAL EXPENSES	\$ 1,937,475	\$ 27,705	\$ 386,058	\$ 55,062	\$ 195,014	\$ 389,428	\$ 2,990,742

The accompanying notes are an integral part of these statements.

YEAR ENDED JUNE 30, 2006

SUPPORT SERVICES

Organizational Administration	CFC Administration	Total Organizational Administration	Fundraising			Total	UWA Dues	Total	TOTAL
			CFC	Campaign	Legacy				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,283,920
-	-	-	-	-	-	-	-	-	(346,445)
-	-	-	-	-	-	-	-	-	1,937,475
144,849	1,019	145,868	4,074	133,973	-	138,047	-	283,915	728,243
19,121	162	19,283	646	12,739	-	13,385	-	32,668	71,413
29,253	195	29,448	780	19,336	-	20,116	-	49,564	106,224
193,223	1,376	194,599	5,500	166,048	-	171,548	-	366,147	905,880
3,576	-	3,576	27	6,761	-	6,788	-	10,364	28,173
873	-	873	157	2,156	-	2,313	-	3,186	6,454
378	1	379	-	336	-	336	-	715	2,151
9,132	-	9,132	222	5,020	-	5,242	-	14,374	31,412
-	-	-	-	38,276	-	38,276	-	38,276	38,276
-	-	-	1,639	1,242	-	2,881	-	2,881	2,881
810	-	810	-	-	-	-	-	810	955
12,266	-	12,266	275	6,120	-	6,395	-	18,661	49,951
3,874	-	3,874	9	780	-	789	-	4,663	9,384
-	-	-	-	-	-	-	-	-	174,958
2,034	-	2,034	29	1,394	-	1,423	-	3,457	9,300
3,292	-	3,292	20	517	-	537	-	3,829	5,686
2,759	-	2,759	61	1,376	-	1,437	-	4,196	12,045
-	-	-	-	10,113	-	10,113	-	10,113	10,113
2,599	-	2,599	693	22,857	-	23,550	-	26,149	51,395
3,812	-	3,812	114	2,406	-	2,520	-	6,332	21,050
2,983	159	3,142	-	7,936	-	7,936	-	11,078	23,848
(17,266)	(251)	(17,517)	-	(15,761)	-	(15,761)	-	(33,278)	-
-	-	-	-	-	-	-	-	-	26,568
452	-	452	417	4,758	277	5,452	-	5,904	8,334
40,499	2,719	43,218	-	8,235	1,335	9,570	-	52,788	111,858
125	-	125	-	-	-	-	-	125	6,066
6,077	-	6,077	159	3,437	-	3,596	-	9,673	49,270
4,624	-	4,624	133	1,893	-	2,026	-	6,650	19,231
6,167	-	6,167	133	2,806	-	2,939	-	9,106	24,227
89,066	2,628	91,694	4,088	112,658	1,612	118,358	-	210,052	723,586
-	-	-	-	-	-	-	36,698	36,698	36,698
\$ 282,289	\$ 4,004	\$ 286,293	\$ 9,588	\$ 278,706	\$ 1,612	\$ 289,906	\$ 36,698	\$ 612,897	\$ 3,603,639

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2007	2006
Cash from operating activities:		
Increase in net assets	\$ 182,861	\$ 79,989
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	56,441	49,951
Loss on disposal of property and equipment	263	7,947
Donated securities included in contributions	(39,286)	(67,747)
(Gain) Loss on market value of investments	(11,434)	327
Gain on sale of investments	(2,888)	(8,574)
Change in allowance for uncollectible pledges	(7,945)	35,594
Changes in assets and liabilities:		
Pledges receivable	110,944	66,519
Other receivables	(96,306)	462
Prepaid insurance	(412)	1,862
Other assets	469	-
Allocations payable	(250,666)	(95,183)
Designations payable	(24,267)	28,005
Accounts payable	(973)	9,553
Accrued payroll, pension, and taxes	7,299	7,453
Agency funds escrow payable	1,393	763
Net cash provided (used) by operating activities	(74,507)	116,921
Cash flows from investing activities:		
Proceeds from sale of investments	42,276	103,730
Purchase of investments	(199,991)	-
Purchase of property and equipment	(56,201)	(133,321)
Net cash used by investing activities	(213,916)	(29,591)
Net increase (decrease) in cash and cash equivalents	(288,423)	87,330
Cash and cash equivalents at beginning of year	897,327	809,997
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 608,904	\$ 897,327
Noncash operating, investing and financing activities:		
Investments contributed to satisfy pledges	\$ 39,286	\$ 67,747
In-kind contributions	\$ 44,190	\$ 44,752

The accompanying notes are an integral part of these statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Organization

The United Way of Northeast Louisiana, Inc.'s (the United Way) purpose is to help people and improve the community. The primary source of funding is the annual campaign, which supports twenty-seven not-for-profit agencies (partner agencies) throughout the community. The Legacy Foundation was established in 1999 as a Standing Committee of the Board of Directors of the United Way to provide a new and exciting way for people to make a significant and long-lasting improvement in the quality of life for future generations through planned giving and endowment building.

B. Basis of Presentation

The United Way maintains its accounting records in accordance with *Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations*. The financial statements comply with the provisions of Statements of Financial Accounting Standards (SFAS) 116 *Accounting for Contributions Received and Contributions Made* and (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*.

C. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the United Way considers demand deposits, time deposits and certificates of deposits with an original maturity of three months or less to be cash equivalents.

D. Pledges Receivable

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

E. Property and Equipment

Purchases of fixed assets and major improvements in excess of \$600 are capitalized at cost. Maintenance and repairs are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in operations. Depreciation is calculated on the straight-line method over estimated useful lives ranging from three to thirty years.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS

F. *Allocations Payable*

During the year ended June 30, 2007, the United Way approved allocations to its partner agencies and notified them as to what their allocations will be through June 30, 2008. Therefore, the appropriate payable and expenses related to those allocations have been recorded and recognized in the accompanying financial statements as of June 30, 2007.

G. *Compensated Absences*

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

H. *Net Asset Categories*

Annual campaigns are conducted each fall to raise support for agency allocations paid in the subsequent fiscal year. In accordance with SFAS No. 116, campaign contributions, including unconditional promises to give, are recognized as support when made. Because campaign contributions are for the following year, they are reported as temporarily restricted support in the campaign year.

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

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

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS

I. Donated Securities, Materials, and Services

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

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

J. Functional Expenses

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

K. Income Taxes

The United Way is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

L. Estimates

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

M. Reclassifications

Minor reclassifications have been made to the 2006 financial statements to make them comparable with the 2007 presentation.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS

Note 2 - Investments

Investments at June 30, 2007 and June 30, 2006 include publicly traded equity securities and restricted securities. Investments held were as follows:

	<u>June 30, 2007</u>		<u>June 30, 2006</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Certificates of deposit	\$ 249,991	\$ 249,991	\$ 50,000	\$ 50,000
Equity securities	138,531	108,393	127,610	109,424
Fixed income securities	6,661	5,764	6,250	5,764
	<u>\$ 395,183</u>	<u>\$ 364,148</u>	<u>\$ 183,860</u>	<u>\$ 165,188</u>

Note 3 - Property and Equipment

Property and Equipment are summarized by major classifications as follows:

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Land	\$ 100,000	\$ 100,000
Building	500,000	500,000
Furniture and Fixtures	430,629	374,992
Leasehold Improvements	75,414	75,414
Leased Equipment	13,446	13,446
	<u>1,119,489</u>	<u>1,063,852</u>
Less Accumulated depreciation	<u>(403,542)</u>	<u>(347,402)</u>
	<u>\$ 715,947</u>	<u>\$ 716,450</u>

Depreciation charged to expense is \$56,441 and \$49,951 for the periods ended June 30, 2007 and June 30, 2006 respectively.

Note 4 - Financing Arrangements

The United Way renewed a \$200,000 line of credit on March 21, 2006. The line of credit is unsecured and had not been used as of June 30, 2007 and will expire on September 21, 2007.

**THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 5 - Board Designated and Restricted Funds

Board designated net assets are comprised of the following:

Neighborhood Collaborative

Net funds in the amounts of \$0 and \$898 at June 30, 2007 and June 30, 2006 from resources allocated for the Neighborhood Collaborative have been carried over to fiscal years ending June 30, 2008 and 2007 respectively and designated by the Board of Directors. Additional Neighborhood Collaborative funds are available as described in the "campaign" note below.

Legacy Foundation – Donor Advised

The Legacy Foundation agreements allow donors to make outright charitable contributions to a fund that is used to provide charitable donations to qualified organizations. These funds are under the complete control of the United Way, but donors are allowed to make recommendations as to their distribution. These funds are classified as either unrestricted or temporarily restricted. The unrestricted Legacy Foundation is comprised of the following:

	June 30,	
	2007	2006
Unrestricted Legacy Foundation	\$ 139,102	\$ 122,752

Temporarily restricted net assets are comprised of the following:

Annual Campaign Pledges

Net campaign contributions received for future periods are considered to be temporarily restricted net assets. The campaign for the future year pledges represent the initial pledges received for that campaign and will be available for unrestricted use during the following calendar year.

The following schedule recaps Annual Campaign pledges at victory to the amounts recorded as temporarily restricted net assets for the annual campaign pledges.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS

	June 30,	
	2007	2006
Gross campaign results	\$ 3,207,000	\$ 3,350,000
Donor designations to United Way agencies	(91,888)	(116,599)
Donor designations to non-United Way agencies	(125,722)	(119,731)
Designations paid direct by other United Ways	(17,360)	(22,365)
Legacy Transfers	(16,500)	(15,000)
Major gift donor designations	(93,250)	(87,750)
Temporarily restricted for United Way projects	(160,000)	-
Allowance for uncollectible pledges	(271,826)	(298,137)
Campaign revenue	2,430,454	2,690,418
Less amounts released from restriction (50%)	(1,215,227)	(1,345,209)
Plus pledges for future campaign (100%)	5,581	13,360
Campaign - temporarily restricted net assets	\$ 1,220,808	\$ 1,358,569

Included in Campaign-temporarily restricted net assets above are \$0 and \$35,267 restricted for Neighborhood Collaborative as of June 30, 2007 and June 30, 2006, respectively.

Legacy Foundation

The temporarily restricted Legacy Foundation is comprised of the following:

	June 30,	
	2007	2006
Kitty DeGree Designated Fund	\$ 24,187	\$ 26,496

Private Grants

As of June 30, 2007 and June 30, 2006, the balance in temporarily restricted private grants consisted of the following:

	June 30,	
	2007	2006
Northeast LA Child Care Loan Guarantee Fund	\$ 50,000	\$ 51,495
Neighborhood Collaborative	25,300	-
Frost Grant for Child Care Counts	2,450	19,250
Mid South Delta Leaders	223	-
Total Private Grants	\$ 77,973	\$ 70,745

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS

United Way 2-1-1

The telephone number 2-1-1 is a national abbreviated dialing code for free access to health and human service information and referral, making it possible for people in need to navigate the complex and ever growing maze of human service agencies and programs. The United Way's First Call for Help was designated as Northeast Louisiana's 2-1-1 in July, 2004. As of June 30, 2007 and June 30, 2006, the balance of the temporarily restricted United Way 2-1-1 funds was \$120,000 and \$0 respectively.

The United Way of America also provided a Phase III 2-1-1 Grant for \$215,000 to reimburse the United Way for some of the 2-1-1 costs. These funds are included in "Grants and Other Income" for the year ended June 30, 2007. The costs associated with these funds were expensed in the fiscal year ended June 30, 2007.

Hurricane Relief

In the aftermath of Hurricanes Katrina and Rita, the United Way of America through its \$200,000 Phase I grant as well as local donations totaling \$76,790 granted monies for use in the 2-1-1 program for providing assistance to people in need due to the devastating effects of the hurricanes. Of the \$200,000, the United Way used \$89,740 of the Phase I to expand its 2-1-1 call center to handle the additional volume brought about by its call center going from an average of 45 calls per day to a high of 7,358 calls. The remaining \$110,260 was paid to local United Way Agencies in handling their increased efforts.

The United Way of America also provided a Phase II Long Term Recovery Grant for \$150,000. These funds were used during the 2006 and 2007 fiscal years by the United Way in collaboration with other local Agencies in working to further assist families and individuals displaced by Katrina and Rita providing assistance with housing, utilities and transportation.

The local donations were used to further expand the efforts of the call center. The remaining \$14,674 was used during the 2007 fiscal year. A summary of the activity described above is as follows:

	<u>UWA Phase I</u>	<u>UWA Phase II</u>	<u>Public Donations</u>	<u>Total</u>
Activity for the year ended June 30, 2006				
Support	\$ 200,000	\$ 150,000	\$ 76,790	\$ 426,790
Expenses	<u>(200,000)</u>	<u>(71,638)</u>	<u>(62,116)</u>	<u>(333,754)</u>
Temporarily Restricted at June 30, 2006	-	78,362	14,674	93,036
Activity for the year ended June 30, 2007				
Expenses	<u>-</u>	<u>(78,362)</u>	<u>(14,674)</u>	<u>(93,036)</u>
Temporarily Restricted at June 30, 2007	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 6 - History of Uncollectibles

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

Campaign Year	Budget Year	Actual Write-Off
2005	2006	8.40%
2004	2005	7.89%
2003	2004	9.15%
2002	2003	9.15%
2001	2002	10.16%
2000	2001	11.12%
1999	2000	11.26%
1998	1999	10.52%
1997	1998	9.93%
1996	1997	9.30%

Note 7 - Programs

A. Allocation Services

The United Way allocates funding to various partner agencies to support programs throughout northeast Louisiana.

B. All Other Programs

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

Childcare Counts! - works to provide solutions for childcare issues facing working parents and is working to insure that parents in Northeast Louisiana are afforded developmentally appropriate childcare for their children.

United Way 2-1-1 - is a free, easy to remember, three-digit telephone number that gives people a fast, easy way to get connected to available services.

The Neighborhood Collaborative - is a broad group of organizations that has joined forces to work toward comprehensively revitalizing a 15 block south Monroe neighborhood.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS

Community Investment - is a program of volunteers and staff of United Way who work with the partner agencies to ensure that United Way dollars are invested to produce the most effective results. They make site visits, gather information and evaluate programs year-round.

Hurricane Relief - This program expanded the United Way's reach to encompass the entire State of Louisiana during the 2005 hurricane season by providing people with assistance through its 2-1-1 call center during the immediate time of crisis and through its ongoing efforts in providing assistance with housing, utilities and transportation.

C. Agency Endowment Funds

Our House, a United Way partner agency, opened a \$10,000 Agency Endowment Fund in a prior year with the Legacy Foundation, a division of the United Way of Northeast Louisiana. The Agency Endowment Fund is a vehicle for any community 501(c)(3) organization to develop a planned giving program to benefit their agency. The United Way charges the Agency Fund a one percent (1%) annual management fee to administer the fund. Agency Endowment Funds of \$13,228 and \$11,835 are reflected in investments and agency endowment funds in the accompanying Statements of Financial Position as of June 30, 2007 and June 30, 2006, respectively

Note 8 - Pension Plan

The United Way has adopted a deferred compensation plan pursuant to IRC Section 401(k). This plan covers employees who have reached 21 years of age and have completed one full year of eligibility service. Employer contributions to the plan are discretionary and are allocated to each participant who either completes 500 hours of service during the plan year or who is employed on the last day of the plan year. The basis for allocation of forfeitures for terminated employees with unvested balances is the ratio a participant's compensation bears to the compensation of all participants. The total pension cost to the United Way for the periods ended June 30, 2007 and June 30, 2006 was \$25,744 and \$34,537 respectively.

Note 9 - Disclosures About Concentrations

Funding Sources

Support from the most recent annual campaign represents approximately 78% of the United Way's total revenue. The United Way's annual campaign covers 12 parishes in northeast Louisiana with the largest concentration being Ouachita Parish and Lincoln Parish. The annual campaign in these two parishes represents a concentration of risk by geographic region and by the nature of the fund-raising activity. Failure of the community

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS

to respond to the campaign or to fulfill their obligation could impact the United Way's ability to collect approximately \$1.3 million in pledges and other receivables. No collateralization is required by the United Way.

Cash Deposits

The United Way maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 2007, the United Way had \$869,271 in total deposits of which \$349,992 was insured by FDIC and \$519,279 was in excess of FDIC coverage.

Note 10 - Subsequent Event

Subsequent to June 30, 2007, the United Way obtained an agreement to ensure that deposits in excess of the \$100,000 FDIC coverage are safeguarded by other means. Specifically, the bank with these deposits will provide the United Way a program to permit these funds to be treated as borrowings and to be secured by a pledge of specific U. S. Securities and U. S. Agency Securities. This agreement is arranged through an automatic sweep between the checking account and a retail repurchase agreement account in such a manner that the checking account balance will maintain an approximate collected balance of \$1,000.



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Francis I. Huffman, CPA
L. Fred Monroe, CPA
Phillip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA

John Herman, CPA
Lynn Andries, CPA
Esther Atteberry, CPA
John Harrington, CPA

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

**Board of Directors
The United Way of Northeast Louisiana, Inc.
Monroe, Louisiana**

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the **United Way of Northeast Louisiana, Inc.**, (the United Way), as of and for the year ended June 30, 2007, which collectively comprise the United Way's basic financial statements and have issued our report thereon dated September 14, 2007. We conducted our audits 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 *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 opinions 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.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the United Way's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the United Way's financial statements that is more than inconsequential will not be prevented or detected by the United Way's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the United Way's internal control.

**United Way of Northeast Louisiana, Inc.
Monroe, Louisiana**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of management of the United Way, Federal and State awarding agencies and other entities granting funds to the United Way, and the Legislative Auditor for the state of Louisiana and is not intended to be used and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

September 14, 2007