

CAPITAL AREA UNITED WAY
Baton Rouge, Louisiana

FINANCIAL REPORT

June 30, 2023 and 2022

CAPITAL AREA UNITED WAY

Baton Rouge, Louisiana

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Capital Area United Way

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Capital Area United Way (the "Organization"), which comprise the statements of financial position as of June 30, 2023, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of the Organization for the year ended June 30, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on February 14, 2023.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Community Allocations, Grants, and Designations on pages 20 through 22 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 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.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, LA
March 14, 2024



CAPITAL AREA UNITED WAY

Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

	ASSETS	
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,160,835	\$ 1,923,353
Certificates of deposit	1,104,736	1,104,170
Investments	8,446,555	8,764,316
Campaign pledges receivable, net	1,623,028	1,941,461
Building lease receivable, net of discount of \$134,221 and \$167,450, respectively	630,779	699,550
Other receivables	185	49,935
Prepaid expenses and other current assets	35,082	23,460
Property and equipment, net	<u>43,393</u>	<u>60,572</u>
 Total assets	 <u>\$ 13,044,593</u>	 <u>\$ 14,566,817</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Designations payable	\$ 214,572	\$ 285,704
Accounts payable	37,962	4,368
Other accrued expenses	<u>160,169</u>	<u>132,861</u>
 Total liabilities	 <u>412,703</u>	 <u>422,933</u>
NET ASSETS		
Without donor restrictions	7,549,409	8,581,396
With donor restrictions	<u>5,082,481</u>	<u>5,562,488</u>
 Total net assets	 <u>12,631,890</u>	 <u>14,143,884</u>
 Total liabilities and net assets	 <u>\$ 13,044,593</u>	 <u>\$ 14,566,817</u>

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

CAPITAL AREA UNITED WAY
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2023 and 2022

	2023			2022		
	Without	With	Totals	Without	With	Totals
	Donor Restriction	Donor Restriction		Donor Restriction	Donor Restriction	
REVENUE AND SUPPORT						
Annual campaign, net						
Current year campaign	\$ -	\$ 4,559,414	\$ 4,559,414	\$ -	\$ 4,599,866	\$ 4,599,866
Prior year campaign	113,250	-	113,250	80,127	-	80,127
Less: donor designations	-	(398,620)	(398,620)	-	(540,380)	(540,380)
Less: estimated bad debts	-	(390,235)	(390,235)	-	(170,336)	(170,336)
	113,250	3,770,559	3,883,809	80,127	3,889,150	3,969,277
Future campaigns, net	-	22,740	22,740	-	190,520	190,520
Total annual campaigns, net	113,250	3,793,299	3,906,549	80,127	4,079,670	4,159,797
Program grants	297,479	-	297,479	2,176,897	-	2,176,897
Donated goods and services	17,020	-	17,020	49,749	-	49,749
Sponsorship revenue	452,067	-	452,067	5,500	-	5,500
Investment income (losses), net	102,235	-	102,235	(711,445)	-	(711,445)
Special events	49,372	-	49,372	506,855	-	506,855
Other revenues	28,916	-	28,916	2,723	-	2,723
	1,060,339	3,793,299	4,853,638	2,110,406	4,079,670	6,190,076
Net assets released from purpose restrictions	4,273,306	(4,273,306)	-	8,578,607	(8,578,607)	-
Total revenues and support	5,333,645	(480,007)	4,853,638	10,689,013	(4,498,937)	6,190,076
EXPENSES						
Program services:						
Gross funds awarded	3,660,161	-	3,660,161	5,190,137	-	5,190,137
Less: donor designations	(307,886)	-	(307,886)	(180,026)	-	(180,026)
	3,352,275	-	3,352,275	5,010,111	-	5,010,111
Community impact programs	1,439,439	-	1,439,439	1,351,294	-	1,351,294
Total program services	4,791,714	-	4,791,714	6,361,405	-	6,361,405
Management and general	861,929	-	861,929	812,464	-	812,464
Fundraising	711,989	-	711,989	695,404	-	695,404
Total expenses	6,365,632	-	6,365,632	7,869,273	-	7,869,273
Change in net assets	(1,031,987)	(480,007)	(1,511,994)	2,819,740	(4,498,937)	(1,679,197)
NET ASSETS						
Beginning of year	8,581,396	5,562,488	14,143,884	5,761,656	10,061,425	15,823,081
End of year	\$ 7,549,409	\$ 5,082,481	\$ 12,631,890	\$ 8,581,396	\$ 5,562,488	\$ 14,143,884

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

CAPITAL AREA UNITED WAY

Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,511,994)	\$ (1,679,197)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	17,179	17,458
Amortization	68,771	133,175
Realized and unrealized loss on investments	119,312	727,451
Change in allowance for uncollectible campaign pledges	121,573	(195,856)
Change in campaign pledges and other receivables	246,610	(108,996)
Change in prepaid expenses and other assets	(11,622)	4,738
Change in designations payable	(71,132)	46,141
Change in accounts payable and other liabilities	60,902	(95,126)
Net cash used in operating activities	<u>(960,401)</u>	<u>(1,150,212)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	2,454,630	4,053,339
Purchases of investments and reinvestment of related earnings	<u>(2,256,747)</u>	<u>(4,056,073)</u>
Net cash provided by (used in) investing activities	<u>197,883</u>	<u>(2,734)</u>
Decrease in cash and cash equivalents	(762,518)	(1,152,946)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,923,353</u>	<u>3,076,299</u>
End of year	<u>\$ 1,160,835</u>	<u>\$ 1,923,353</u>

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

CAPITAL AREA UNITED WAY

Baton Rouge, Louisiana

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	2023			
	Community Impact	Management and General	Fundraising	Total
Community impact funds	\$ 3,641,484	\$ -	\$ -	\$ 3,641,484
Less: donor designations	(307,886)	-	-	(307,886)
Disaster awards	18,677	-	-	18,677
	<u>3,352,275</u>	<u>-</u>	<u>-</u>	<u>3,352,275</u>
Salaries and wages	504,366	378,274	378,274	1,260,914
Payroll taxes	37,465	32,782	23,415	93,662
Employee benefits	89,802	179,605	29,934	299,341
Campaign supplies and expenses	36,653	9,163	45,816	91,632
Conferences, conventions, and travel	10,122	1,446	12,533	24,101
Depreciation	5,325	6,013	5,841	17,179
Donated goods and services	-	-	17,020	17,020
Dues and subscriptions	9,415	1,394	7,297	18,106
Equipment rental and repairs	40,270	53,814	26,847	120,931
Occupancy	52,517	93,170	48,822	194,509
Office supplies and postage	11,838	76,071	106,150	194,059
Professional fees	342,975	30,197	10,040	383,212
Program materials and expenses	176,249	-	-	176,249
United Way of America dues	122,442	-	-	122,442
	<u>1,439,439</u>	<u>861,929</u>	<u>711,989</u>	<u>3,013,357</u>
Total expenses	<u>\$ 4,791,714</u>	<u>\$ 861,929</u>	<u>\$ 711,989</u>	<u>\$ 6,365,632</u>

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

CAPITAL AREA UNITED WAY
Baton Rouge, Louisiana

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022

	2022			
	Community Impact	Management and General	Fundraising	Total
Community impact funds	\$ 3,372,069	\$ -	\$ -	\$ 3,372,069
Less: donor designations	(180,026)	-	-	(180,026)
Disaster awards	1,818,068	-	-	1,818,068
	<u>5,010,111</u>	<u>-</u>	<u>-</u>	<u>5,010,111</u>
Salaries and wages	413,450	310,088	310,088	1,033,626
Payroll taxes	32,633	28,554	20,395	81,582
Employee benefits	97,395	194,791	32,465	324,651
Campaign supplies and expenses	60,237	15,059	75,297	150,593
Conferences, conventions, and travel	5,541	792	6,863	13,196
Depreciation	5,412	6,110	5,936	17,458
Donated goods and services	-	-	49,749	49,749
Dues and subscriptions	6,209	919	4,812	11,940
Equipment rental and repairs	45,917	61,360	30,611	137,888
Occupancy	53,768	95,388	50,253	199,409
Office supplies and postage	11,110	71,393	99,621	182,124
Professional fees	318,138	28,010	9,314	355,462
Program materials and expenses	138,813	-	-	138,813
UWA & LAUW dues	162,671	-	-	162,671
	<u>1,351,294</u>	<u>812,464</u>	<u>695,404</u>	<u>2,859,162</u>
Total expenses	<u>\$ 6,361,405</u>	<u>\$ 812,464</u>	<u>\$ 695,404</u>	<u>\$ 7,869,273</u>

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

CAPITAL AREA UNITED WAY

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Capital Area United Way (CAUW or the Organization) is a nonprofit organization which serves the parishes of East Baton Rouge, Ascension, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, St. James, West Baton Rouge, and West Feliciana. Each fall, the CAUW conducts an annual united fundraising campaign, evaluates needed community services, and distributes funds, primarily in the following year, to various organizations that provide other community services in addition to providing program services in conjunction with these efforts.

The accounting and reporting policies of the Organization conform to the accounting principles generally accepted in the United States of America and the prevailing practices within the not-for-profit industry. The significant accounting policies used by the Organization in preparing and presenting its financial statements are summarized as follows:

Basis of presentation

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, which requires the Organization to report financial information regarding its financial position and activities according to the following net asset classifications:

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 the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have net assets where the donor stipulated funds were to be held in perpetuity at either June 30, 2023 or 2022.

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For purposes of financial statement presentation, the Organization considers all highly liquid investments with maturities of ninety days or less at the date of acquisition to be cash equivalents.

Cash equivalents and certificates of deposit include funds held in certificates of deposit and money market funds at financial institutions which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk with respect to cash and cash equivalents or certificates of deposit.

Certificates of deposit

Certificates of deposit are recorded at cost plus accrued interest, which approximates fair value.

Investments and investment income

Investments in equity securities with readily determinable fair values and all investments are recorded at fair value based on quoted market prices. For those investments for which quoted market prices are unavailable, management estimates fair value based on information provided by the fund managers or the general partners. Unrealized gains and losses are recorded in current year operations as increases or decreases in net assets without donor restrictions. Dividend, interest, and other investment income are recorded as increases in net assets without donor restrictions unless the use is restricted by the donor.

Donated investments are recorded at market value at the date of receipt, which is then treated as cost. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost bases of the securities sold, using the specific identification method, and these realized gains and losses flow through the Organization's current operations.

Property and equipment

Property and equipment are stated at cost. Donated property is recorded at its estimated fair value on the date of receipt, which is then treated as cost. Additions, renewals, and betterments that increase the values or extend the lives of assets are capitalized. Maintenance and repair expenditures are expensed as incurred.

Depreciation has been provided using the straight-line method over the estimated useful lives of the related assets, as follows:

Furniture, fixtures and office equipment	5 - 10 years
Leasehold improvements	10 - 25 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gains or losses are recognized in the Organization's current operations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Contributions and sponsorships

Contributions received are recorded based on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a 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 restrictions and reported in the statements of activities as net assets released from restrictions.

Grants receive the same accounting treatment as contributions if management determines there are no donor-imposed conditions. Revenues from grants that are determined to have donor-imposed conditions are recognized as the related expenses are incurred, with unexpended funds recorded as refundable advances.

Annual fall campaign results are reduced by pledges collected on behalf of others or pledged to a specific organization (i.e., donor designation) and by a provision for uncollectible pledges. The net campaign results are reflected as net assets with donor restrictions since the amounts are generally collected over time and disbursed during subsequent periods.

Contributed services and donated materials

The Organization recognizes revenue for certain services received at the estimated fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation.

Allocated expenses

Personnel expenses are allocated between program and supporting services based upon the results of time studies. Fundraising expenses related to the annual campaign are conducted throughout the year and are expensed when incurred. Management and general expenses include those expenses not directly identifiable with a specific function but provide for the overall support and direction of the Organization. All other expenses are directly related to the function in which they are classified.

Income tax status

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code. Accordingly, no provision for income taxes is necessary.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax status (Continued)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that would more likely than not be substantiated upon examination. Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

Advertising costs

Advertising costs, which are included in campaign expenses, are expenses as incurred and amounted to \$22,052 and \$10,594 for the years ended June 30, 2023 and 2022, respectively.

Recently Adopted Accounting Standard

The Organization implemented ASU 2016-02, *Leases (Topic 842)*, effective July 1, 2022. The ASU's core principle is that "a lessee should recognize the assets and liabilities that arise from leases." The ASU considered that "all leases create an asset and a liability," and accordingly requires recording the assets and liabilities related to all leases with a term greater than 12 months. Concurrent with the implementation of ASU 2016-02, the Organization adopted ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which intended to simplify the transition requirement giving the Organization the option to apply the transition provisions of the new standard at the date of adoption instead of at the earliest comparative period. In implementing these ASUs, the Organization elected the practical expedient provided in ASU 2016-02 and applied to all lease agreements using the modified retrospective method, and when implemented with ASU 2018-11, allowed the Organization to recognize the leased assets and liabilities on its balance sheet beginning on July 1, 2022. In adopting the standard on July 1, 2022, the Organization did not recognize right-of-use assets and their corresponding liabilities as they are considered to be immaterial to the financial statements.

NOTE 2 - CAMPAIGN PLEDGES RECEIVABLE

Campaign pledges receivable, all of which are considered current in nature, were comprised of the following at June 30, 2023 and 2022:

	2023	2022
United Way:		
2023 Campaign	\$ 1,003	\$ -
2022 Campaign	1,802,024	148,088
2021 Campaign and prior	424,705	2,276,504
	2,227,732	2,424,592
Less allowance for uncollectible pledges	(604,704)	(483,131)
	\$ 1,623,028	\$ 1,941,461

NOTE 3 - BUILDING LEASE RECEIVABLE

During the year ended June 30, 2006, the Organization received a donation of a 25-year lease for its office building to be occupied rent-free through December 31, 2030. At the time of the lease donation, the Organization estimated that the rental rates for comparable facilities would be \$8,500 per month.

At the time of the donation, a building lease receivable and corresponding contribution were recorded equal to the present value of the monthly rentals (assuming a discount rate of 4.75% in 2023). The annual rental of \$102,000 was recorded, net of the amortized discount, resulting in net office rent expense of \$68,771 and \$76,063 for the years ended June 30, 2023 and 2022, respectively.

Rent expense expected to be recorded in future years, in accordance with the lease agreement, is as follows:

Year ending June 30th	Lease Amount	Discount Amortization	Net Expense
2024	\$ 102,000	\$ 29,962	\$ 72,038
2025	102,000	26,540	75,460
2026	102,000	22,956	79,044
2027	102,000	19,201	82,799
2028	102,000	15,268	86,732
Thereafter	255,000	20,294	234,706
	\$ 765,000	\$ 134,221	\$ 630,779

NOTE 4 - INVESTMENTS

Investments consisted of the following at June 30, 2023 and 2022:

	2023	2022
Cash equivalents	\$ 296,494	\$ 183,111
Fixed income securities	6,972,533	7,809,608
Exchange traded funds	678,329	300,425
Investments - BRAF	499,199	471,172
	\$ 8,446,555	\$ 8,764,316

Fair value measurements of investments for years 2023 and 2022 under the fair value hierarchy of ASC 820 are disclosed at Note 11.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2023 and 2022:

	2023	2022
Furniture, fixtures, and office equipment	\$ 601,163	\$ 601,163
Leasehold improvements	283,631	283,631
	884,794	884,794
Less: accumulated depreciation	(841,401)	(824,222)
	\$ 43,393	\$ 60,572

Depreciation expense totaled \$17,179 and \$17,458 for the years ended June 30, 2023 and 2022, respectively.

NOTE 6 - LINE OF CREDIT

The Capital Area United Way has established a \$500,000 line of credit through Regions Bank. The line of credit expires in May of 2024. There were no draws on the line of credit during the years ended June 30, 2023 or 2022.

NOTE 7 - AGENCY TRANSACTIONS/DESIGNATIONS PAYABLE

Agency transactions include contributions designated by donors for payment to specified organizations. These transactions are accounted for as pass-through transactions which represent transfers of assets from resource providers (contributors) to intermediary not-for-profit organizations (CAUW) that act as agents for resource providers by transferring those assets to specified third-party recipients. When contributors to the fundraising campaign designate specific beneficiaries, the Organization has no discretion in distributing those assets. Such amounts are not recorded as revenues or expenses. When such amounts are collected, they are recorded as designations payable until remitted to the underlying beneficiary organization.

NOTE 8 - NET ASSETS

The Board of Directors has chosen to place the following limitations on net assets without donor restrictions as of June 30, 2023 and 2022:

	2023	2022
Funds held for operating reserves	\$ 2,640,084	\$ 2,612,057
Funds held for Centennial Capital Campaign	166,356	-
Funds held for Community Impact Program	-	97,909
Funds held for Buildings	83,539	83,539
Total	\$ 2,889,979	\$ 2,793,505

Net assets with donor restrictions were available for the following purposes or periods as of June 30, 2023 and 2022:

	2023	2022
Campaign revenues for future periods	\$ 4,200,322	\$ 4,620,050
Building lease receivable	630,779	699,550
Disaster relief	75,000	90,000
Community Responsiveness Fund	18,458	-
VITA grant - tax preparation	157,922	152,888
	\$ 5,082,481	\$ 5,562,488

NOTE 9 - ENDOWED NET ASSETS

The Organization has established prudent investment and spending policies with the objective of maintaining the purchasing power of its endowed net assets in perpetuity. The investment policy sets forth the guidelines relative to asset allocation parameters and investment return goals. The spending policy sets forth guidelines related to the amount of financial support available and the types of programs funded. Both policies are reviewed annually by the Organization's Board of Directors. There are no donor established endowments as of June 30, 2023 or 2022.

A summary of endowed net assets (board-designated endowment) as of June 30, 2023 and 2022, is as follows:

	2023	2022
Board-designated endowment	\$ 499,199	\$ 471,172

NOTE 9 - ENDOWED NET ASSETS (CONTINUED)

A summary of changes in endowed net assets for the years ended June 30, 2023 and 2022, is as follows:

Endowed net assets - June 30, 2021	\$	490,115
Investment loss		(18,943)
Endowed net assets - June 30, 2022		471,172
Investment gain		28,027
Endowed net assets - June 30, 2023	\$	499,199

The board-designated endowment is included in Note 8 – Net assets in the funds held for operating reserves line item.

NOTE 10 - DEFINED CONTRIBUTION PLAN

The CAUW maintains a 403(b) retirement and thrift plan for all eligible employees. The Organization makes matching contributions equal to 100% of each employee's elective contribution up to a maximum of 3% of eligible compensation, after the employee has completed one year of service. The Organization can also make additional discretionary contributions. Participants vest immediately in their voluntary contributions and over a five-year period for contributions made by the CAUW. Total expenses related to this Plan totaled approximately \$88,000 and \$87,000 for the years ended June 30, 2023 and 2022, respectively.

NOTE 11 - DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with the *Fair Value Measurements and Disclosure* topic of the FASB Accounting Standards Codification, disclosure of fair value information about financial instruments is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows.

Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not necessarily represent the underlying value of the Organization.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

**NOTE 11 - DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS
(CONTINUED)**

Fair Value Hierarchy

The topic on *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 - valuation is based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 - valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 - valuation is based on unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following methods and assumptions were used by the Organization in estimating its fair value measurements and disclosures for financial instruments:

Cash and cash equivalents – consist of primarily money market funds or other highly liquid investment accounts.

Fixed income securities – valued using pricing models maximizing the use of observable inputs for similar securities.

Exchange traded funds – these investments are valued using a market approach based on the quoted market prices.

**NOTE 11 - DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS
(CONTINUED)**

Fair Value Hierarchy (Continued)

Limitations - fair value estimates are made at a specific point in time, based on relevant market information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair Value of Assets and Liabilities Measured on a Recurring Basis

The Organization's investments are measured on a recurring basis through estimates and assumptions made by management.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair values as of June 30, 2023 and 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>June 30, 2023</u>
Cash equivalents	\$ 296,494	\$ -	\$ -	\$ 296,494
Fixed income securities	6,972,533	-	-	6,972,533
Exchange traded funds	678,329	-	-	678,329
Investments - BRAF	-	499,199	-	499,199
Total investments at fair value	<u>\$ 7,947,356</u>	<u>\$ 499,199</u>	<u>\$ -</u>	<u>\$ 8,446,555</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>June 30, 2022</u>
Cash equivalents	\$ 183,111	\$ -	\$ -	\$ 183,111
Fixed income securities	7,809,608	-	-	7,809,608
Exchange traded funds	300,425	-	-	300,425
Investments - BRAF	-	471,172	-	471,172
Total investments at fair value	<u>\$ 8,293,144</u>	<u>\$ 471,172</u>	<u>\$ -</u>	<u>\$ 8,764,316</u>

NOTE 12 - DONATED SERVICES AND ASSETS

The Organization received the following contributions of nonfinancial assets for the year ending June 30:

	2023	2022
Purchase discounts	\$ 9,707	\$ 21,978
Banking services	7,313	2,366
Gift cards	-	2,700
Food and beverage items	-	20,107
Supplies	-	2,598
	\$ 17,020	\$ 49,749

Purchase discounts, contributed gift cards, food and supplies received by the Organization are recorded as in-kind contribution revenue with a corresponding increase to food and beverage item or supplies expense.

The Organization utilized valuation methods during the year ended June 30, 2023 and 2022 based upon the valuation of the gift cards, food and beverage items and/or supplies provided by the donor.

NOTE 13 - LIQUIDITY AND AVAILABILITY

The Organization has the following financial assets available to meet its general needs, excluding amounts that are not available for general use within one year of the statement of financial position date because of donor imposed restrictions or internal designations:

	2023	2022
Cash and cash equivalents	\$ 1,160,835	\$ 1,923,353
Certificates of deposit	1,104,736	1,104,170
Campaign pledges receivable, net	1,623,028	1,941,461
Other receivables	185	49,935
Investments	7,947,356	8,293,144
Investments - BRAF	499,199	471,172
	12,335,339	13,783,235
Less: assets with donor restrictions, including future campaigns	(5,082,481)	(5,562,488)
Less: assets with board designations	(2,889,979)	(2,793,505)
	\$ 4,362,879	\$ 5,427,242

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has established a line of credit in the amount of \$500,000, which it could draw upon if needed. The line of credit expires in May of 2024.

NOTE 14 - FUNDRAISING AND MANAGEMENT AND GENERAL EXPENSE RATIO

The Capital Area United Way computes its fundraising and management and general expense ratio as recommended in Functional Expenses and Overhead Reporting Standards for United Ways as revised in 2004. The numerator includes fundraising and management and general expenses. Fundraising costs include marketing and communication expenses. The computation of the ratio for the years ended June 30, 2023 and 2022 is as follows:

	2023	2022
Numerator:		
Management and general	\$ 861,929	\$ 812,464
Fundraising	711,989	695,404
Total management, general and fundraising expenses:	\$ 1,573,918	\$ 1,507,868
Denominator:		
Total revenues and support	\$ 4,853,638	\$ 6,190,076
Overhead ratio:	32.43%	24.36%
Overhead ratio, excluding fundraising expenses:	17.76%	13.13%

NOTE 15 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 14, 2024, the date that the financial statements were available to be issued and determined that no additional disclosures are necessary. No events occurring after this date have been considered for inclusion in these financial statements.

CAPITAL AREA UNITED WAY

Baton Rouge, Louisiana

STATEMENT OF COMMUNITY ALLOCATIONS, GRANTS, AND DESIGNATIONS

For the year ended June 30, 2023

Agency	2023		
	Impact Funds Awarded	Donor Designations	Total Payments
100 Black Men of Metro Baton Rouge, Ltd.	\$ 13,000	\$ 10,346	\$ 23,346
Adult Literacy Advocates of Greater Baton Rouge	40,000	-	40,000
Alpha Epsilon Delta	500	-	500
American Cancer Society	-	28,000	28,000
American Cleft Palate - Craniofacial Association	-	212	212
American Diabetes Association	-	38	38
American Heart Association BR	-	2,651	2,651
American Red Cross	75,000	3,250	78,250
AMI Kids	40,000	847	40,847
Arthritis Association of Louisiana	-	45	45
Ascension Parish School Board	25,000	-	25,000
Baton Rouge Area Alcohol & Drug Center BRAADC	-	38	38
Baton Rouge Children's Advocacy	45,000	6,209	51,209
Baton Rouge Youth Coalition	90,000	3,046	93,046
Beloved Community 2021	18,686	-	18,686
Big Buddy	25,000	3,003	28,003
Blessed to be a Blessing International Ministries	3,000	-	3,000
Boys & Girls Clubs of Metro Louisiana	65,000	2,570	67,570
Cancer Services	10,000	17,549	27,549
Capital Area Agency on Aging	-	2,318	2,318
Capital Area Animal Welfare Society	-	1,306	1,306
Capital Area CASA Associations	-	594	594
Capital Area Corporate Recycling Council	15,000	-	15,000
Capital Area Family Justice Center	30,000	-	30,000
Capital Area Family Violence Intervention Center	60,000	9,798	69,798
Career Compass of Louisiana	74,000	-	74,000
Catholic Charities of the Diocese of Baton Rouge	135,000	18,290	153,290
Center for the Innovative Training of Youth Inc.	50,000	-	50,000
Center for the Arts	15,000	-	15,000
Child Advocacy Services	60,000	8,163	68,163
City Year, Inc.	5,000	-	5,000
Crisis Intervention Center	-	38	38
Cystic Fibrosis Foundation	-	2,152	2,152
Donaldsonville Area ARC, Inc.	-	28,359	28,359
EBR Council on Aging	-	937	937
Epilepsy Alliance Louisiana	10,000	-	10,000
Families Helping Families of GBR, Inc.	-	1,038	1,038
Family Service of GBR	50,000	-	50,000
Franciscan Missionaries of Our Lady University	11,500	-	11,500
Front Yard Bikes	104,000	3,547	107,547
Gardere Community Christian School	15,000	-	15,000
Gardere Initiative Inc.	40,125	-	40,125
Girls on the Run South Louisiana	12,080	-	12,080

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

CAPITAL AREA UNITED WAY

Baton Rouge, Louisiana

STATEMENT OF COMMUNITY ALLOCATIONS, GRANTS, AND DESIGNATIONS

For the year ended June 30, 2023

Agency	2023		
	Impact Funds Awarded	Donor Designations	Total Payments
Goodwill Industries of SELA	100,000	-	100,000
Grandparents Raising Grandchildren Information Center of LA	18,000	-	18,000
Greater Baton Rouge Economic Partnership	9,000	-	9,000
Greater Baton Rouge Food Bank, Inc.	62,250	50,590	112,840
Habitat for Humanity of GBR	15,000	-	15,000
HOPE Ministries of Baton Rouge	140,000	4,931	144,931
Humane Society of Houma	-	79	79
Humanities Amped	100,000	-	100,000
Iberville Council on Aging	-	3	3
Interfaith Federation of GBR	31,200	-	31,200
Istrouma Area Council	4,000	-	4,000
It Takes a Village BR	-	308	308
Janell Legier LaCombe Memorial Fund	-	381	381
Jewel J. Newman Community Center	-	297	297
Kids Orchestra, Inc.	85,000	-	85,000
Launch	15,000	-	15,000
Legendz Sports Academy	1,000	-	1,000
Line 4 Line	15,000	-	15,000
Louisiana 4-H Foundation	-	9,336	9,336
Louisiana Health and Rehab Center, Inc.	-	297	297
Louisiana Mental Health Association	-	4,382	4,382
Louisiana Wildlife & Fisheries Foundation	7,500	-	7,500
LSH Health Foundation	15,000	-	15,000
Mary Bird Perkins Cancer Center	10,000	-	10,000
McMains Children's Development Center	-	10,264	10,264
Mid City Redevelopment Alliance	45,000	-	45,000
Mission Heart, Inc.	45,000	-	45,000
New Hope Children's Clinic	-	319	319
O'Brien House	84,000	1,349	85,349
One Touch Ministry, Inc.	15,000	-	15,000
Opening Doors	75,000	-	75,000
Our Lady of the Lake Hospital	15,000	-	15,000
Particular Council of St. Vincent de Paul BRLA Special Works	71,250	-	71,250
Pennington Biomedical Research	14,410	-	14,410
Perfectly Suited	7,075	-	7,075
Pointe Coupee Early Childhood Coalition	50,000	-	50,000
Rachel McCain	500	-	500
Rebuilding Together Baton Rouge, Inc.	15,000	-	15,000
Salvation Army of GBR	15,000	8,663	23,663
Sexual Trauma Awareness and Response Center	40,000	-	40,000
Shriners Hospital for Children	-	1,286	1,286
Sickle Cell Association of South Louisiana	-	2,190	2,190
Southeast LA Legal Services Corp	54,591	-	54,591

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

CAPITAL AREA UNITED WAY
Baton Rouge, Louisiana

STATEMENT OF COMMUNITY ALLOCATIONS, GRANTS, AND DESIGNATIONS

For the year ended June 30, 2023

Agency	2023		
	Impact Funds Awarded	Donor Designations	Total Payments
Southern Foundation	15,000	-	15,000
Special Olympics Louisiana, Inc.	15,000	-	15,000
St. James ARC	-	5,629	5,629
St. James Council on Aging	-	1,648	1,648
St. Jude's Children's Research Hospital	-	3,213	3,213
St. Vincent de Paul	-	14,509	14,509
Teach for America	15,000	-	15,000
The ARC Baton Rouge	-	760	760
The ARC - Iberville and West Baton Rouge	-	206	206
The Christian Outreach Center of Baton Rouge	71,250	-	71,250
The Emerge Center	165,000	17,862	182,862
The Hospice of Baton Rouge	-	3,141	3,141
The Life of a Single Mom	40,000	3,037	43,037
The Safety Place	15,000	-	15,000
The Walls Project	41,000	-	41,000
The Women's Help Center, Inc.	44,981	-	44,981
Three O'clock Project	56,250	-	56,250
Top Box Foods	56,250	-	56,250
United Way of the Capital Area, Inc.	3,377	-	3,377
United Way for South Louisiana	-	2,549	2,549
United Way of Southeast Louisiana	-	457	457
Urban League of Louisiana	-	198	198
Urban Restoration Enhancement Corporation	60,000	-	60,000
U.S. Naval Sea Cadet Corp-Baton Rouge , Inc.	500	-	500
Volunteer Ascension	31,000	-	31,000
Volunteers in Public Schools (VIPS)	-	2,476	2,476
Volunteers of America South Central Louisiana, Inc.	150,000	984	150,984
We Care For Special People, Inc.	1,000	-	1,000
West Feliciana Parish Schools	30,000	2,136	32,136
Westside Sponsoring Committee	15,000	-	15,000
Woman's Hospital Foundation	-	62	62
YMCA of the Capital Area	40,000	-	40,000
Youth Oasis	75,000	-	75,000
YWCA Greater Baton Rouge	100,000	-	100,000
	<u>\$ 3,352,275</u>	<u>\$ 307,886</u>	<u>\$ 3,660,161</u>

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are an integral part of this statement.