

**CAPITAL AREA UNITED WAY**  
Baton Rouge, Louisiana

**FINANCIAL REPORT**

June 30, 2024 and 2023

# **CAPITAL AREA UNITED WAY**

Baton Rouge, Louisiana

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June 30, 2024 and 2023

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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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***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.

#### ***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.

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC and its subsidiary entities provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The 2024 Statement of Community Allocations, Grants, and Designations on page 21 through 23 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 audits 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, Louisiana  
December 20, 2024



**CAPITAL AREA UNITED WAY**

Baton Rouge, Louisiana

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2024 and 2023

	<b>ASSETS</b>	
	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,602,570	\$ 1,160,835
Certificates of deposit	398,958	1,104,736
Investments	8,275,937	8,446,555
Campaign pledges receivable, net of allowance of \$597,778 and \$604,704, respectively	1,915,736	1,623,028
Building lease receivable, net of discount of \$104,259 and \$134,221, respectively	558,741	630,779
Other receivables	185	185
Prepaid expenses and other current assets	27,634	35,082
Property and equipment, net	<u>28,015</u>	<u>43,393</u>
 Total assets	 <u>\$ 12,807,776</u>	 <u>\$ 13,044,593</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Designations payable	\$ 331,892	\$ 214,572
Accounts payable	23,704	37,962
Other accrued expenses	<u>205,838</u>	<u>160,169</u>
 Total liabilities	 <u>561,434</u>	 <u>412,703</u>
 <b>NET ASSETS</b>		
Without donor restrictions	6,548,458	7,549,409
With donor restrictions	<u>5,697,884</u>	<u>5,082,481</u>
 Total net assets	 <u>12,246,342</u>	 <u>12,631,890</u>
 Total liabilities and net assets	 <u>\$ 12,807,776</u>	 <u>\$ 13,044,593</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, 2024 and 2023

	2024			2023		
	Without Donor Restriction	With Donor Restriction	Totals	Without Donor Restriction	With Donor Restriction	Totals
<b>REVENUE AND SUPPORT</b>						
Annual campaign, net						
Current year campaign	\$ -	\$ 4,963,874	\$ 4,963,874	\$ -	\$ 4,559,414	\$ 4,559,414
Prior year campaign	302,866	-	302,866	113,250	-	113,250
Less: donor designations	-	(764,321)	(764,321)	-	(398,620)	(398,620)
Less: estimated bad debts	-	(417,788)	(417,788)	-	(390,235)	(390,235)
	302,866	3,781,765	4,084,631	113,250	3,770,559	3,883,809
Future campaigns, net	-	79,077	79,077	-	22,740	22,740
Total annual campaigns, net	302,866	3,860,842	4,163,708	113,250	3,793,299	3,906,549
Program grants	383,557	-	383,557	297,479	-	297,479
Donated goods and services	41,948	-	41,948	17,020	-	17,020
Sponsorship and special events	476,529	-	476,529	501,439	-	501,439
Investment income (losses), net	351,605	-	351,605	83,088	-	83,088
Other revenues	143,024	-	143,024	28,916	-	28,916
	1,699,529	3,860,842	5,560,371	1,041,192	3,793,299	4,834,491
Net assets released from purpose restrictions	3,245,439	(3,245,439)	-	4,273,306	(4,273,306)	-
Total revenues and support	4,944,968	615,403	5,560,371	5,314,498	(480,007)	4,834,491
<b>EXPENSES</b>						
Program services:						
Gross funds awarded	3,193,630	-	3,193,630	3,660,161	-	3,660,161
Less: donor designations	(404,992)	-	(404,992)	(307,886)	-	(307,886)
	2,788,638	-	2,788,638	3,352,275	-	3,352,275
Community impact programs	1,476,572	-	1,476,572	1,441,565	-	1,441,565
Total program services	4,265,210	-	4,265,210	4,793,840	-	4,793,840
Management and general	841,012	-	841,012	855,066	-	855,066
Fundraising	839,697	-	839,697	697,579	-	697,579
Total expenses	5,945,919	-	5,945,919	6,346,485	-	6,346,485
Change in net assets	(1,000,951)	615,403	(385,548)	(1,031,987)	(480,007)	(1,511,994)
<b>NET ASSETS</b>						
Beginning of year	7,549,409	5,082,481	12,631,890	8,581,396	5,562,488	14,143,884
End of year	\$ 6,548,458	\$ 5,697,884	\$ 12,246,342	\$ 7,549,409	\$ 5,082,481	\$ 12,631,890

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, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (385,548)	\$ (1,511,994)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	16,749	17,179
Amortization	72,038	68,771
Provision for uncollectable expense	417,788	390,235
Realized and unrealized (gain) loss on investments	(351,605)	119,312
Change in allowance for uncollectible campaign pledges	(424,704)	(268,662)
Change in campaign pledges and other receivables	(285,792)	246,610
Change in prepaid expenses and other assets	7,448	(11,622)
Change in designations payable	117,320	(71,132)
Change in accounts payable and other liabilities	31,411	60,902
Net cash used in operating activities	(784,895)	(960,401)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales of investments	2,732,521	2,454,630
Purchases of investments and reinvestment of related earnings	(1,504,520)	(2,256,747)
Purchase of property and equipment	(1,371)	-
Net cash provided by investing activities	1,226,630	197,883
Increase (decrease) in cash and cash equivalents	441,735	(762,518)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	1,160,835	1,923,353
End of year	\$ 1,602,570	\$ 1,160,835

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, 2024

	2024			
	Community Impact	Management and General	Fundraising	Total
Community impact funds	\$ 3,193,630	\$ -	\$ -	\$ 3,193,630
Less: donor designations	(404,992)	-	-	(404,992)
	2,788,638	-	-	2,788,638
Salaries and wages	655,730	387,406	312,087	1,355,223
Employee benefits	144,625	76,174	69,046	289,845
Payroll taxes	47,524	26,289	23,001	96,814
Program development	171,410	64,682	178,349	414,441
Professional fees	283,188	40,665	77,381	401,234
Occupancy	22,581	102,193	47,242	172,016
Equipment rental and repairs	55,380	54,022	43,663	153,065
Office supplies and postage	7,957	54,989	16,114	79,060
UWA & LAUW dues	76,134	-	-	76,134
Donated goods and services	-	-	41,948	41,948
Travel	6,520	4,151	23,064	33,735
Depreciation	-	16,749	-	16,749
Dues and subscriptions	1,853	8,936	3,340	14,129
Conferences	3,670	4,756	4,462	12,888
	1,476,572	841,012	839,697	3,157,281
Total expenses	\$ 4,265,210	\$ 841,012	\$ 839,697	\$ 5,945,919

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
	3,352,275	-	-	3,352,275
Salaries and wages	504,366	378,274	378,274	1,260,914
Employee benefits	89,802	179,605	29,934	299,341
Payroll taxes	37,465	32,782	23,415	93,662
Professional fees	342,975	30,197	10,040	383,212
Occupancy	52,517	93,170	48,822	194,509
Campaign supplies and expenses	36,653	9,163	45,816	91,632
Office supplies and postage	9,931	63,818	89,051	162,800
UWA & LAUW dues	122,442	-	-	122,442
Equipment rental and repairs	44,303	59,204	29,536	133,043
Program materials and expenses	176,249	-	-	176,249
Conferences, conventions, and travel	10,122	1,446	12,533	24,101
Dues and subscriptions	9,415	1,394	7,297	18,106
Depreciation	5,325	6,013	5,841	17,179
Donated goods and services	-	-	17,020	17,020
	1,441,565	855,066	697,579	2,994,210
Total expenses	\$ 4,793,840	\$ 855,066	\$ 697,579	\$ 6,346,485

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, 2024 or 2023.

#### **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. The Organization invests funds in a certificates of deposit which are exposed to market and credit risks. Therefore, the Organization's certificates of deposit may be subject to significant fluctuations in fair value. As a result, the certificates of deposit balances reported on the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

**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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Property and equipment (Continued)**

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.

### **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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Reclassification**

Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 financial statement presentation.

### **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.

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, 2024, 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 expensed as incurred and amounted to \$61,423 and \$22,052 for the years ended June 30, 2024 and 2023, respectively.

### **Recently adopted accounting standards**

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326). This ASU, implemented as of July 1, 2023, replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This standard did not have a significant impact on the financial statements of the Organization for the year ended June 30, 2024.

**NOTE 2 - CAMPAIGN PLEDGES RECEIVABLE**

Campaign pledges receivable, all of which are considered current in nature, were comprised of the following at June 30, 2024 and 2023:

	2024	2023
United Way:		
2024 Campaign	\$ 38,588	\$ -
2023 Campaign	1,925,698	1,003
2022 Campaign and prior Centennial Campaign	353,790 195,448	2,226,729 -
	2,513,524	2,227,732
Less allowance for uncollectible pledges	(597,788)	(604,704)
	\$ 1,915,736	\$ 1,623,028

**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 2024). The annual rental of \$102,000 was recorded, net of the amortized discount, resulting in net office rent expense of \$72,038 and \$68,771 for the years ended June 30, 2024 and 2023, 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
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
2029	102,000	11,149	90,851
Thereafter	153,000	9,145	143,855
	\$ 663,000	\$ 104,259	\$ 558,741

**NOTE 4 - INVESTMENTS**

Investments consisted of the following at June 30, 2024 and 2023:

	2024	2023
Fixed income securities	\$ 4,902,360	\$ 6,972,533
Equity securities	1,981,657	-
Exchange traded funds	706,394	678,329
Investments - BRAF	558,782	499,199
Cash equivalents	126,744	296,494
	\$ 8,275,937	\$ 8,446,555

Fair value measurements of investments for years 2024 and 2023 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, 2024 and 2023:

	2024	2023
Furniture, fixtures, and office equipment	\$ 602,534	\$ 601,163
Leasehold improvements	283,631	283,631
	886,165	884,794
Less: accumulated depreciation	(858,150)	(841,401)
	\$ 28,015	\$ 43,393

Depreciation expense totaled \$16,749 and \$17,179 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 6 - LINE OF CREDIT**

The Capital Area United Way had established a \$500,000 line of credit through Regions Bank. The line of credit expired in May of 2024. There were no draws on the line of credit during the years ended June 30, 2024 or 2023. The line of credit was reestablished in the amount of \$250,000 in September 2024 with a maturity date of September 2025.

**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.

**NOTE 7 - AGENCY TRANSACTIONS/DESIGNATIONS PAYABLE (CONTINUED)**

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, 2024 and 2023:

	2024	2023
Funds held for operating reserves	\$ 2,699,667	\$ 2,640,084
Funds held for Centennial Campaign	177,489	166,356
Funds held for Buildings	83,539	83,539
Total	\$ 2,960,695	\$ 2,889,979

Net assets with donor restrictions were available for the following purposes or periods as of June 30, 2024 and 2023:

	2024	2023
Campaign revenues for future periods	\$ 4,851,327	\$ 4,200,322
Building lease receivable	558,741	630,779
Disaster relief	75,000	75,000
Community Responsiveness Fund	18,458	18,458
VITA grant - tax preparation	194,358	157,922
	\$ 5,697,884	\$ 5,082,481

**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, 2024 or 2023.

**NOTE 9 - ENDOWED NET ASSETS (CONTINUED)**

A summary of endowed net assets (board-designated endowment) as of June 30, 2024 and 2023, is as follows:

	2024	2023
Board-designated endowment	\$ <u>558,782</u>	\$ <u>499,199</u>

A summary of changes in endowed net assets for the years ended June 30, 2024 and 2023, is as follows:

Endowed net assets - June 30, 2022	\$ 471,172
Investment gain	28,027
Endowed net assets - June 30, 2023	499,199
Investment gain	59,583
Endowed net assets - June 30, 2024	\$ 558,782

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 \$82,000 and \$88,000 for the years ended June 30, 2024 and 2023, 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.

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

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.

**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.

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

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.

*Equity securities* – Any security representing an ownership interest in an entity (for example, common, preferred, or other capital stock) or the right to acquire (for example, warrants, rights, forward purchase contracts, and call options) or dispose of (for example, put options and forward sale contracts) an ownership interest in an entity at fixed or determinable prices. However, the term does not include convertible debt or preferred stock that by its terms either must be redeemed by the issuing entity or its redeemable at the option of the investor. Securities are valued at the closing price reported on the active market on which the individual securities are traded.

*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, 2024 and 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>June 30, 2024</u>
Cash equivalents	\$ 126,744	\$ -	\$ -	\$ 126,744
Equity securities	1,981,657	-	-	1,981,657
Fixed income securities	4,902,360	-	-	4,902,360
Exchange traded funds	706,394	-	-	706,394
Investments - BRAF	<u>-</u>	<u>558,782</u>	<u>-</u>	<u>558,782</u>
Total investments at fair value	<u>\$ 7,717,155</u>	<u>\$ 558,782</u>	<u>\$ -</u>	<u>\$ 8,275,937</u>

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

	<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>

**NOTE 12 - DONATED SERVICES AND ASSETS**

The Organization received the following contributions of nonfinancial assets for the year ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Purchase discounts	\$ -	\$ 9,707
Banking services	10,673	7,313
Food and beverage items	7,250	-
Supplies and prizes	24,025	-
	<u>\$ 41,948</u>	<u>\$ 17,020</u>

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

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

**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:

	2024	2023
Cash and cash equivalents	\$ 1,602,570	\$ 1,160,835
Certificates of deposit	398,958	1,104,736
Campaign pledges receivable, net	1,915,736	1,623,028
Other receivables	185	185
Investments	7,717,155	7,947,356
Investments - BRAF	558,782	499,199
	12,193,386	12,335,339
Less: assets with donor restrictions, including future campaigns	(5,697,884)	(5,082,481)
Less: assets with board designations	(2,960,695)	(2,889,979)
	\$ 3,534,807	\$ 4,362,879

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 \$250,000, which it could draw upon if needed. The line of credit expires in September of 2025.

**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, 2024 and 2023 is as follows:

	2024	2023
Numerator:		
Management and general	\$ 841,012	\$ 855,066
Fundraising	839,697	697,579
Total management and general and fundraising expenses:	\$ 1,680,709	\$ 1,552,645
Denominator:		
Total revenues and support	\$ 5,560,371	\$ 4,834,491
Overhead ratio:	30.23%	32.12%
Overhead ratio, excluding fundraising expenses:	15.13%	17.69%

**NOTE 15 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 20, 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, 2024

Agency	2024		
	Community Impact Funds	Donor Designations	Total Payments
	Awarded		
100 Black Men of Metro Baton Rouge	\$ -	\$ 11,225	\$ 11,225
Adult Literacy Advocates	40,000	-	40,000
American Cancer Society	500	-	500
American Red Cross	18,751	3,358	22,109
AMI Kids Baton Rouge	40,000	712	40,712
Ascension Parish School Board	-	2,000	2,000
Assumption Arc, Inc.	-	16,568	16,568
Baton Rouge Area Alcohol & Drug Center	-	6,707	6,707
Baton Rouge Children's Advocacy Center	54,070	2,637	56,707
Baton Rouge Tigers Australian Rules Football Club	1,000	-	1,000
Baton Rouge Youth Coalition	37,500	2,524	40,024
Beloved Community 2021	14,013	-	14,013
Big Buddy	-	1,623	1,623
Blossom	-	5,000	5,000
Bobby Webres Community Outreach Initiative, Inc.	-	10,000	10,000
Boys & Girls Club of Metro Louisiana	65,000	2,385	67,385
Cancer Association of Greater New Orleans, Inc.	25,000	-	25,000
Cancer Services	-	10,406	10,406
Capital Area Agency on Aging	-	1,432	1,432
Capital Area Family Violence Intervention Center	75,000	6,373	81,373
Career Compass of Louisiana	74,000	-	74,000
Catholic Charities of the Diocese of Baton Rouge	150,000	20,442	170,442
Center for the Innovative Training of Youth Inc.	50,000	-	50,000
Child Advocacy Services	60,000	1,573	61,573
Christian Outreach Center of Baton Rouge	37,500	-	37,500
Crisis Intervention Center	-	156	156
Cystic Fibrosis Foundation	-	2,268	2,268
Donaldsonville Area ARC, Inc.	-	16,568	16,568
Dreams Come True of Louisiana, Inc.	-	33,137	33,137
East Baton Rouge Truancy Assessment, Inc.	28,500	-	28,500
EBR Council on Aging	-	299	299
EBR - National Association of University Women	500	-	500
Epilepsy Alliance Louisiana	-	2,454	2,454
Eternal Crisis Outreach	12,500	-	12,500
Families Helping Families of Greater Baton Rouge	-	11	11
Family Service of Greater Baton Rouge	50,000	-	50,000
Fathers On A Mission	-	10,000	10,000
Front Yard Bikes	100,000	4,110	104,110
Gardere Initiative	35,500	252	35,752
Goodwill Industries of Southeastern Louisiana	100,000	-	100,000
Grandparents Raising Grandchildren Information Center of LA	37,500	-	37,500
Greater Baton Rouge Food Bank, Inc.	40,000	35,930	75,930
Holy Family Papa Bears, Inc.	1,000	-	1,000

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, 2024

Agency	2024		
	Community Impact Funds	Donor	Total Payments
	Awarded	Designations	
HOPE Ministries of Baton Rouge	162,500	5,894	168,394
HOPE Ministries of Pointe Coupee	16,923	-	16,923
Humanities Amped	100,000	-	100,000
Interfaith Federation of Greater Baton Rouge	26,000	-	26,000
It Takes a Village BR	-	311	311
Kids Orchestra Inc.	70,000	10,392	80,392
Knock Out MS Foundation	500	-	500
La Fondation Rose et Verte de Louisiana	500	-	500
LA Magics Elite, Inc.	500	-	500
Louisiana 4-H Foundation	-	5,873	5,873
Louisiana Area Women in Ministry	-	451	451
Louisiana Mental Health Association	7,350	3,955	11,305
Maui United Way	-	10,000	10,000
McMains Children's Development Center	-	6,588	6,588
Mission Heart, Inc.	25,500	-	25,500
O'Brien House	84,000	31	84,031
Opening Doors	75,000	-	75,000
Particular Council of St. Vincent de Paul Baton Rouge	-	13,195	13,195
Louisiana Special Works	500	-	500
Phi Beta Sigma Fraternity, Inc.	50,000	-	50,000
Pointe Coupee Early Childhood Coalition	77,000	13,000	90,000
Rebuilding Together Baton Rouge, Inc.	20,000	-	20,000
Salvation Army of Greater Baton Rouge	77,440	-	77,440
Sexual Trauma Awareness and Response Center (STAR)	-	1,946	1,946
Shriners Hospitals for Children	66,589	10,000	76,589
Southeast Louisiana Legal Services, Corp.	-	644	644
St James ARC	-	2,232	2,232
St James Council on Aging	500	-	500
St. John Interparochial School	-	7,478	7,478
St. Jude Children's Research Hospital	75,000	-	75,000
St. Vincent De Paul	500	-	500
Susan G. Komen 3-Day	-	10,000	10,000
Tankproof	2,000	13,000	15,000
Teach For America	-	421	421
The ARC - Iberville and West Baton Rouge	-	849	849
The ARC Baton Rouge	-	2,701	2,701
The Arc of East Ascension	150,000	8,820	158,820
The Emerge Center	-	150	150
The Haven, Inc.	34,000	6,015	40,015
The Life of a Single Mom	33,500	-	33,500
The Safety Place	-	4,862	4,862
The Salvation Army	50,000	-	50,000
The Walls Project	5,000	-	5,000

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, 2024

Agency	2024		
	Community Impact Funds	Donor	Total Payments
	Awarded	Designations	
Thrive Foundation	3,102	-	3,102
Top Box Foods	-	3,093	3,093
United Way for South Louisiana	-	901	901
United Way of Northeast Louisiana	45,000	-	45,000
Urban Restoration Enhancement Corporation	500	-	500
USNSCC-Baton Rouge Division	-	15,000	15,000
Volunteer Ascension	175,000	33,137	208,137
Volunteers of America South Central Louisiana, Inc.	1,000	-	1,000
We Are the Difference	500	-	500
We Care For Special People, Inc.	-	1,899	1,899
West Feliciana Parish Schools	17,400	-	17,400
YMCA of the Capital Area	37,500	2,004	39,504
Youth Oasis	150,000	-	150,000
YWCA Greater Baton Rouge	\$ 2,788,638	\$ 404,992	\$ 3,193,630

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