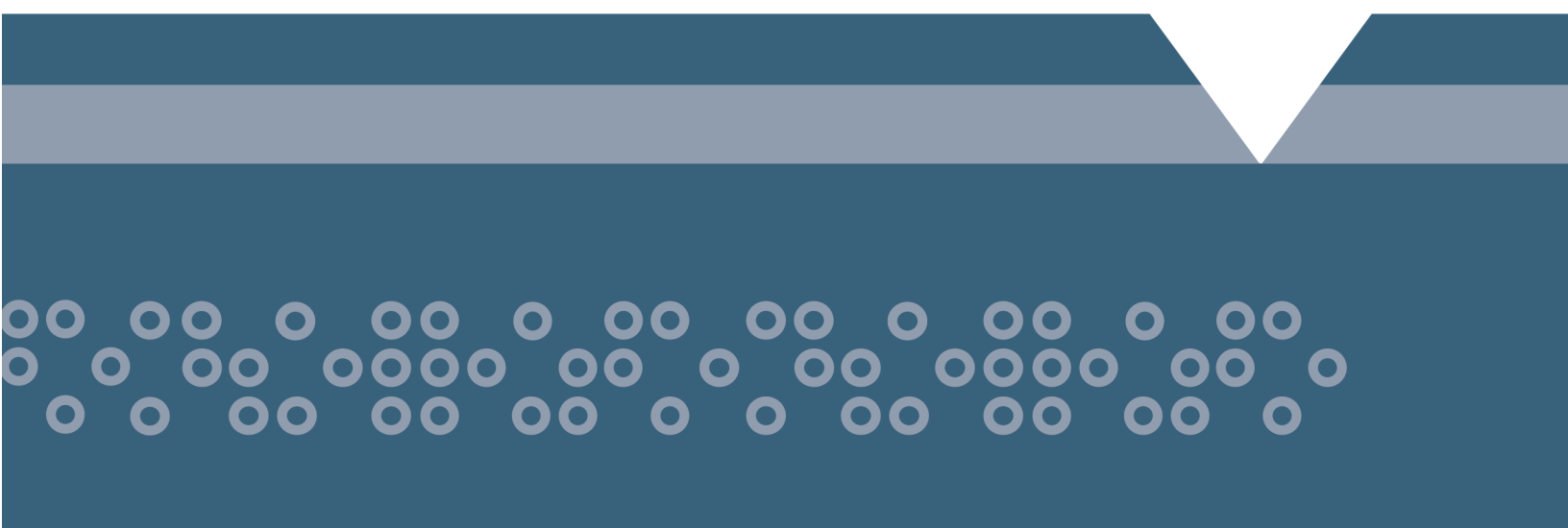


**The United Way of Northeast Louisiana, Inc.**  
Monroe, Louisiana

June 30, 2023 and 2022



**HMV**  
CERTIFIED PUBLIC  
ACCOUNTANTS

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

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

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**AUDITED FINANCIAL STATEMENTS**

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PREMIER PLAZA  
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201  
318.388.3108 (P) | 318.429.2124 (F)

To the Board of Directors and Management of  
The United Way of Northeast Louisiana, Inc.  
Monroe, Louisiana 71201

### **Independent Auditor's Report**

#### **Report on the Audit of the Financial Statements**

##### ***Opinion***

We have audited the accompanying financial statements of The United Way of Northeast Louisiana, Inc., Inc. (a Louisiana corporation), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of The United Way of Northeast Louisiana, Inc., Inc. as of June 30, 2023 and 2022, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The United Way of Northeast Louisiana, Inc., Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The United Way of Northeast Louisiana, Inc., Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 United Way of Northeast Louisiana, Inc., Inc.'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 United Way of Northeast Louisiana, Inc., Inc.'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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 25 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 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 on page 25 is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Heard, McElroy & Vestal, LLC*

Monroe, Louisiana  
December 18, 2023

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

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2023 AND 2022**

ASSETS	2023	2022
Cash and cash equivalents	\$ 2,291,208	\$ 1,744,182
Investments	588,557	584,156
Pledges receivable, less allowances for uncollectibles of \$451,957 and \$349,731, respectively	1,290,846	1,237,463
Receivables - third party processors	4,916	4,014
Other receivables	72,285	112,225
Prepayments & deposits	10,381	8,463
Property and equipment, less accumulated depreciation of \$977,029 and \$945,994, respectively	273,622	271,393
Right-of-use lease asset	80,160	-
<b>Total assets</b>	<b>\$ 4,611,975</b>	<b>\$ 3,961,896</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Agency program support payable	\$ 359,609	\$ 355,752
Donor designations payable	58,464	86,160
Accounts payable	13,530	7,712
Accrued liabilities	98,578	97,370
Refundable advances	743,633	162,269
Lease liability	80,160	-
Total liabilities	1,353,974	709,263
<b>Net assets:</b>		
Net assets without donor restrictions	1,800,743	1,834,370
Net assets with donor restrictions:		
Cash restricted for local disaster recovery	11,193	12,193
Cash restricted for homeless response	18,896	3,974
Annual campaign pledges	1,427,169	1,402,096
Total net assets with donor restrictions	1,457,258	1,418,263
Total net assets	3,258,001	3,252,633
<b>Total liabilities and net assets</b>	<b>\$ 4,611,975</b>	<b>\$ 3,961,896</b>

The accompanying notes are an integral part of these financial statements.

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

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions			Total
	Undesignated	Annual			
		Campaign Pledges	Local Disaster Response	Homeless Response	
<b>Public support and revenue:</b>					
Gross campaign results	\$ -	\$ 3,120,631	\$ -	\$ -	\$ 3,120,631
Campaign previously reported	-	(27,037)	-	-	(27,037)
Campaign for future years	-	17,008	-	-	17,008
Donor designations	-	(77,943)	-	-	(77,943)
Provision for uncollectible pledges	-	(218,444)	-	-	(218,444)
Net campaign revenue	-	2,814,215	-	-	2,814,215
Additional pledges	58,186	-	-	-	58,186
Contributed goods and services	8,750	-	-	-	8,750
Grants and other income	1,554,200	-	-	18,896	1,573,096
Other gains	10,553	-	-	-	10,553
Investment income	82,776	-	-	-	82,776
Total	1,714,465	2,814,215	-	18,896	4,547,576
Net assets released from restriction					
Satisfaction of purpose restrictions	2,794,116	(2,789,142)	(1,000)	(3,974)	-
Total public support and revenues	4,508,581	25,073	(1,000)	14,922	4,547,576
<b>Expenses:</b>					
Program services					
Gross Funds Awarded/Distributed	1,338,874	-	-	-	1,338,874
Less: donor designations	(71,389)	-	-	-	(71,389)
Net allocations granted to agency programs	1,267,485	-	-	-	1,267,485
United Way 211	664,405	-	-	-	664,405
LAUW-211	733,422	-	-	-	733,422
Community Impact	814,474	-	-	-	814,474
Local disaster response and recovery	1,000	-	-	-	1,000
Front door to housing	92,534	-	-	-	92,534
Total program services	3,573,320	-	-	-	3,573,320
Support services					
Organizational administration	358,387	-	-	-	358,387
Fundraising	610,501	-	-	-	610,501
Total support services	968,888	-	-	-	968,888
Total expenses	4,542,208	-	-	-	4,542,208
Change in net assets	(33,627)	25,073	(1,000)	14,922	5,368
Net assets, beginning of year	1,834,370	1,402,096	12,193	3,974	3,252,633
Net assets, end of year	\$ 1,800,743	\$ 1,427,169	\$ 11,193	\$ 18,896	\$ 3,258,001

The accompanying notes are an integral part of these financial statements.

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

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Without Donor	With Donor Restrictions			Total
	Restrictions	Annual			
	Undesignated	Campaign Pledges	Local Disaster Response	Homeless Response	
<b>Public support and revenue:</b>					
Gross campaign results	\$ -	\$ 3,043,194	\$ -	\$ -	\$ 3,043,194
Campaign previously reported	-	(28,436)	-	-	(28,436)
Campaign for future years	-	27,037	-	-	27,037
Donor designations	-	(76,130)	-	-	(76,130)
Provision for uncollectible pledges	-	(213,024)	-	-	(213,024)
Net campaign revenue	-	2,752,641	-	-	2,752,641
Additional pledges	63,519	-	-	-	63,519
Contributed goods and services	10,839	-	-	-	10,839
Grants and other income	959,299	-	110,914	50	1,070,263
Other gains	161,020	-	-	-	161,020
Investment income	8,837	-	-	-	8,837
Total	1,203,514	2,752,641	110,914	50	4,067,119
Net assets released from restriction					
Satisfaction of purpose restrictions	2,734,831	(2,600,059)	(122,816)	(11,956)	-
Total public support and revenues	3,938,345	152,582	(11,902)	(11,906)	4,067,119
<b>Expenses:</b>					
Program services					
Gross Funds Awarded/Distributed	1,155,935	-	-	-	1,155,935
Less: donor designations	(76,130)	-	-	-	(76,130)
Net allocations granted to agency programs	1,079,805	-	-	-	1,079,805
United Way 211	183,584	-	-	-	183,584
LAUW-211	719,677	-	-	-	719,677
Community impact	503,753	-	-	-	503,753
COVID-19 response	1,583	-	-	-	1,583
Local disaster response and recovery	122,816	-	-	-	122,816
Front door to housing	92,652	-	-	-	92,652
Total program services	2,703,870	-	-	-	2,703,870
Support services					
Organizational administration	358,881	-	-	-	358,881
Fundraising	574,052	-	-	-	574,052
Total support services	932,933	-	-	-	932,933
Total expenses	3,636,803	-	-	-	3,636,803
Change in net assets	301,542	152,582	(11,902)	(11,906)	430,316
Net assets, beginning of year	1,532,828	1,249,514	24,095	15,880	2,822,317
Net assets, end of year	\$ 1,834,370	\$ 1,402,096	\$ 12,193	\$ 3,974	\$ 3,252,633

The accompanying notes are an integral part of these financial statements.



**THE UNITED WAY OF NORTHEAST LOUISIANA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services						Support Services			Total Expenses	
	Allocation Services	United Way 2-1-1	LAUW - 2-1-1	Community Impact	Front Door to Housing	Local Disaster Response	Total	Organizational Administration	Fundraising Campaign		Total
Allocation/awards	\$ 1,338,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,338,874	\$ -	\$ -	\$ -	\$ 1,338,874
Less: donor designations	(71,389)	-	-	-	-	-	(71,389)	-	-	-	(71,389)
Sub-total	<u>1,267,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,267,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,267,485</u>
Salaries	-	89,268	538,951	432,980	-	-	1,061,199	179,382	309,106	488,488	1,549,687
Hospitalization insurance	-	17,906	47,236	68,814	-	-	133,956	22,400	37,866	60,266	194,222
Other payroll expenses	-	12,491	65,272	61,380	-	-	139,143	25,004	43,118	68,122	207,265
Total salaries and related expenses	<u>-</u>	<u>119,665</u>	<u>651,459</u>	<u>563,174</u>	<u>-</u>	<u>-</u>	<u>1,334,298</u>	<u>226,786</u>	<u>390,090</u>	<u>616,876</u>	<u>1,951,174</u>
Auto	-	3,368	236	11,419	-	-	15,023	3,783	11,345	15,128	30,151
Awards, recognition banquet	-	-	-	-	-	-	-	738	21,380	22,118	22,118
Bank charges	-	-	-	-	-	-	-	799	4,575	5,374	5,374
Building and property maintenance	-	3,269	-	7,910	-	-	11,179	1,420	1,852	3,272	14,451
Campaign events	-	-	-	-	-	-	-	-	6,365	6,365	6,365
Campaign supplies	-	-	-	-	-	-	-	-	12,431	12,431	12,431
Community meetings	-	320	200	303	-	-	823	490	3,298	3,788	4,611
Dues, memberships and subscriptions	-	16,667	-	12,273	-	-	28,940	8,069	9,114	17,183	46,123
Equipment	-	2,210	-	30,343	-	-	32,553	6,527	20,592	27,119	59,672
Community impact program expenses	-	-	-	44,073	-	-	44,073	-	-	-	44,073
Insurance	-	1,096	-	1,761	-	-	2,857	4,311	1,101	5,412	8,269
Interest	-	-	-	-	-	-	-	664	-	664	664
Janitorial	-	2,488	-	2,620	-	-	5,108	1,035	2,293	3,328	8,436
Leadership giving recognition	-	-	-	-	-	-	-	-	13,076	13,076	13,076
Marketing	-	5,467	69	38,719	-	-	44,255	1,057	46,504	47,561	91,816
Meetings and lunches	-	208	120	152	-	-	480	3,756	1,059	4,815	5,295
Office rent	-	-	-	10,299	-	-	10,299	7,066	6,348	13,414	23,713
Office supplies	-	1,687	1,381	2,695	-	-	5,763	3,022	4,207	7,229	12,992
Postage	-	-	44	26	-	-	70	(215)	2,014	1,799	1,869
Professional fees	-	7,698	-	17,926	-	1,000	26,624	67,823	13,530	81,353	107,977
Specific assistance	-	472,950	-	21,287	92,534	-	586,771	-	-	-	586,771
Telephone and internet	-	4,027	77,358	10,189	-	-	91,574	4,809	7,681	12,490	104,064
Travel, education and training	-	-	2,555	3,150	-	-	5,705	1,689	5,987	7,676	13,381
Utilities	-	8,044	-	6,907	-	-	14,951	3,312	5,264	8,576	23,527
United Way worldwide dues	-	8,316	-	17,944	-	-	26,260	3,939	13,567	17,506	43,766
Miscellaneous	-	1,339	-	131	-	-	1,470	59	-	59	1,529
Depreciation expense	-	5,586	-	11,173	-	-	16,759	7,448	6,828	14,276	31,035
	<u>-</u>	<u>544,740</u>	<u>81,963</u>	<u>251,300</u>	<u>92,534</u>	<u>1,000</u>	<u>971,537</u>	<u>131,601</u>	<u>220,411</u>	<u>352,012</u>	<u>1,323,549</u>
Total expenses	<u>\$ 1,267,485</u>	<u>\$ 664,405</u>	<u>\$ 733,422</u>	<u>\$ 814,474</u>	<u>\$ 92,534</u>	<u>\$ 1,000</u>	<u>\$ 3,573,320</u>	<u>\$ 358,387</u>	<u>\$ 610,501</u>	<u>\$ 968,888</u>	<u>\$ 4,542,208</u>

The accompanying notes are an integral part of these financial statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services							Support Services			Total Expenses	
	Allocation Services	United Way 2-1-1	LAUW - 2-1-1	Community Impact	Front Door to Housing	Local Disaster Response	COVID 19 Programs	Total	Organizational Administration	Fundraising Campaign		Total
Allocation/awards	\$ 1,155,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,155,935	\$ -	\$ -	\$ -	\$ 1,155,935
Less: donor designations	(76,130)	-	-	-	-	-	-	(76,130)	-	-	-	(76,130)
Sub-total	<u>1,079,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,079,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,079,805</u>
Salaries	-	90,011	528,224	289,611	-	-	-	907,846	165,170	308,567	473,737	1,381,583
Hospitalization insurance	-	16,035	44,799	47,343	-	-	-	108,177	15,439	31,624	47,063	155,240
Other payroll expenses	-	29,717	68,284	45,343	-	-	-	143,344	21,521	40,915	62,436	205,780
Total salaries and related expenses	-	<u>135,763</u>	<u>641,307</u>	<u>382,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,159,367</u>	<u>202,130</u>	<u>381,106</u>	<u>583,236</u>	<u>1,742,603</u>
Auto	-	1,008	-	8,223	-	-	-	9,231	4,720	16,037	20,757	29,988
Awards, recognition banquet	-	-	-	-	-	-	-	-	-	18,821	18,821	18,821
Bank charges	-	-	-	-	-	-	-	-	915	3,143	4,058	4,058
Building and property maintenance	-	2,225	-	4,063	-	-	-	6,288	3,239	2,658	5,897	12,185
Campaign events	-	-	-	-	-	-	-	-	-	1,186	1,186	1,186
Campaign supplies	-	-	-	-	-	-	-	-	-	10,743	10,743	10,743
Community meetings	-	-	-	30	-	-	-	30	4,059	950	5,009	5,039
Dues, memberships and subscriptions	-	12,478	200	9,798	-	-	-	22,476	8,277	327	8,604	31,080
Equipment	-	1,643	-	1,688	-	-	-	3,331	2,718	15,428	18,146	21,477
Community impact program expenses	-	-	-	13,816	-	-	-	13,816	-	-	-	13,816
Insurance	-	970	-	1,816	-	-	-	2,786	4,424	1,238	5,662	8,448
Janitorial	-	1,112	-	2,911	-	-	-	4,023	1,728	2,220	3,948	7,971
Leadership giving recognition	-	-	-	-	-	-	-	-	-	566	566	566
Marketing	-	838	-	26,718	-	-	-	27,556	3,550	55,831	59,381	86,937
Meetings and lunches	-	4	135	12	-	-	-	151	2,062	555	2,617	2,768
Office rent	-	-	-	4,848	-	-	-	4,848	3,168	6,384	9,552	14,400
Office supplies	-	2,345	965	4,851	-	-	-	8,161	9,089	11,179	20,268	28,429
Postage	-	-	14	14	-	-	-	28	343	2,586	2,929	2,957
Professional fees	-	3,356	-	6,070	-	-	-	9,426	86,778	7,959	94,737	104,163
Specific assistance	-	-	-	-	92,652	122,816	1,583	217,051	-	-	-	217,051
Telephone and internet	-	3,279	66,077	8,234	-	-	-	77,590	5,681	7,642	13,323	90,913
Travel, education and training	-	-	351	356	-	-	-	707	-	265	265	972
Utilities	-	3,018	-	5,931	-	-	-	8,949	4,068	4,040	8,108	17,057
United Way worldwide dues	-	10,231	-	22,077	-	-	-	32,308	4,846	16,693	21,539	53,847
Depreciation expense	-	5,314	10,628	-	-	-	-	15,942	7,086	6,495	13,581	29,523
	<u>-</u>	<u>47,821</u>	<u>78,370</u>	<u>121,456</u>	<u>92,652</u>	<u>122,816</u>	<u>1,583</u>	<u>464,698</u>	<u>156,751</u>	<u>192,946</u>	<u>349,697</u>	<u>814,395</u>
Total expenses	<u>\$ 1,079,805</u>	<u>\$ 183,584</u>	<u>\$ 719,677</u>	<u>\$ 503,753</u>	<u>\$ 92,652</u>	<u>\$ 122,816</u>	<u>\$ 1,583</u>	<u>\$ 2,703,870</u>	<u>\$ 358,881</u>	<u>\$ 574,052</u>	<u>\$ 932,933</u>	<u>\$ 3,636,803</u>

The accompanying notes are an integral part of these financial statements.

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

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 5,368	\$ 430,316
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,035	29,523
Change in allowance for uncollectibles	102,226	103,644
Changes in assets and liabilities:		
Pledges receivable	(155,609)	(295,198)
Receivables - third party processors	(902)	234,353
Other receivables	39,940	(58,227)
Prepaid assets	(1,918)	(358)
Agency program support payable	3,857	49,939
Donor designations payable	(27,696)	(301,768)
Accounts payable	5,818	(16,569)
Accrued payroll liabilities	1,208	(313)
Refundable advances	581,364	41,287
Net cash provided by operating activities	584,691	216,629
<b>Cash flow from investing activities:</b>		
Interest income added to investments	(4,401)	(390)
Purchase of equipment	(33,264)	(19,513)
Proceeds from sale of assets	-	-
Net cash used in investing activities	(37,665)	(19,903)
<b>Increase in cash</b>	547,026	196,726
<b>Cash at beginning of year</b>	1,744,182	1,547,456
<b>Cash at end of year</b>	\$ 2,291,208	\$ 1,744,182
<b>Supplemental disclosures</b>		
Cash paid during the year for interest	\$ 664	\$ -
<b>Non-cash transactions:</b>		
In-kind contributions	\$ 8,750	\$ 10,839

The accompanying notes are an integral part of these financial statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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1. **Description of Organization**

The United Way of Northeast Louisiana, Inc.'s (the "United Way"), a Louisiana nonprofit corporation founded in 1951, is a voluntary health and welfare organization, governed by a local volunteer board of directors. United Way's purpose is to help people and improve the community. The primary source of funding is the Annual Campaign, which provides monthly financial support for specified programs of 22 not-for-profit agencies (partner agencies) throughout Northeast Louisiana as well as direct programs of the United Way including 2-1-1 coverage for Northeast Louisiana and programs that encourage financial literacy and childhood reading/literacy.

2. **Summary of Significant Accounting Policies**

***Basis of Accounting and Financial Statement Presentation***

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Financial statement presentation follows the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASC 958, the United Way is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets without Donor Restrictions - Amounts that are not subject to usage or time restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions - 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 United Way or by the passage of time. Certain restrictions may need to be maintained in perpetuity.

Amounts received with donor stipulations that limit the use of the donated assets are reported as restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported in the statement of activities as net assets released from restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

***Cash and Cash Equivalents***

United Way considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

***Investments***

Investments are composed of certificates of deposit and equity securities, which are carried at fair value. The Financial Accounting Standards Board's Accounting Standards Codification (ASC) Section 820 establishes the 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

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

**NOTES TO FINANCIAL STATEMENTS**

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highest priority to unadjusted quoted market 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 under ASC 820-10 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that United Way has the ability to access;

Level 2 - Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on 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 investments held by United Way at June 30, 2023 and 2022 are valued at quoted market prices and other relevant information generated by market transactions held by United Way at that date and are considered to be Level 1 in the fair value hierarchy.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The valuation methodologies used for these items, as well as the general classification of such items pursuant to the fair value hierarchy of ASC Section 820 encompass that investments are reported on the basis of quoted market prices and consist primarily of certificates of deposit, equity securities and fixed income securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future value. Furthermore, while United Way believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements within the fair value hierarchy.

***Public Support and Revenue***

In accordance with ASC 958-605, *Revenue Recognition of Not-for-Profit Entities*, contributions to the United Way are recognized when cash, securities or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

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Allowances are provided for amounts estimated to be uncollectible. The allowance for uncollectible pledges is maintained at a level which the Board considers adequate based on prior collection experience and current economic conditions. All contributions are considered to be available for unrestricted use unless specifically restricted by donors. Pledges outstanding that are designated for future periods are reported as with donor restrictions.

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

In addition, custodial funds, whereby the United Way simply serves as a conduit for contributions to others based on donor designations, are included in public support in the United Way's financial statements but are then subtracted from public support and the related expense. The United Way honors all designations. United Way's policy is to record unconditional promises to give as pledge receivables and contribution revenue when the pledges are received and represent amounts due during the next year.

Pledges receivable and related contributions are initially recorded at their net realizable value based on amounts expect to be collected from donors. This valuation reflects net pledge balances at a level which, in the judgment of management is adequate to meet the present and potential risks of uncollectibility of the pledges receivable. Management's judgment is based on a variety of factors, which include experience related to charge offs and recoveries, previous collection history and scrutiny of individual accounts. Specific accounts are written off only upon notification from donors that the pledges are no longer collectible. For the annual campaign, any remaining uncollectible pledge balances are written off after two years.

***Donor Designations***

Donor-designated contributions for United Way's partner agencies or other agencies are considered agency transactions because 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 United Way receives the assets, a corresponding liability is recorded to reflect amounts due to third-party beneficiaries.

United Way pledges received from donors who have elected to use third-party pledge administrators to process the designation payments on their behalf are included in gross campaign results and gross agency distributions, in accordance with United Way Worldwide membership requirements. They are not included in pledges receivable or designations payable because those donations are paid directly by the donor to the third-party administrator to remit to the designated agencies.

***Donated Securities, Materials, and Services***

Although a number of volunteers have donated significant time and effort to United Way's fundraising campaigns and allocation activities, these services were not reflected in the accompanying financial statement of activities because they do not meet the necessary criteria for recognition under U.S. GAAP.

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. Other donated goods and services meeting recognition criteria

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THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

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under U.S. GAAP are also recorded as public support and as expense, based on estimated fair values. The United Way did not monetize any contributed nonfinancial assets and unless, otherwise noted, contributed nonfinancial assets did not have donor restrictions.

***Other Revenue***

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

***Property and Equipment***

Property and equipment are stated at cost. Purchases of fixed assets and major improvements in excess of \$600 are capitalized at cost. All donated capital assets are recorded at fair market value on the date of the donation. 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 computed on a straight-line basis over the useful lives of the assets using estimated lives from 3 - 30 years.

***Compensated Absences***

Any unused vacation days will expire 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.

***Net Asset Categories and Contributions***

Annual campaigns are conducted each fall to raise support for agency allocations paid in the subsequent fiscal year. Campaign contributions, including unconditional promises to give, are recognized as support when made. Because campaign contributions are received on a calendar year basis, the first half of the campaign collections (January to June) is reported in Gross Campaign Results and is released from restriction during the current fiscal year. The second half of the campaign collections (July to December) is reported in Gross Campaign Results but remains in net assets with donor restrictions at June 30, 2023.

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 net assets without donor restrictions 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 net assets with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the restriction expires.

***Allocations/Grants***

Annual grants to programs and agencies are established after the completion of the annual fund-raising campaign and accrued upon approval by the Board. Donor designated pledges are assessed a management and general fee based on actual historical costs in accordance with United Way Worldwide Membership Requirements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

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**Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. However, some expenses relate to more than one function and must be allocated among the program and supporting services benefited. Organizational administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of United Way. Costs associated with the annual campaign are included in fundraising expenses. United Way records expenses to departments and programs to facilitate the functionalization between Organizational Administration, Fundraising, and Program Services.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Location</u>
Salaries and Benefits	Time and Effort
Depreciation and Occupancy Expenses	Square footage/Actual usage
United Way Worldwide dues	Personnel percentages

**Advertising**

United Way expenses advertising costs as incurred. Advertising costs were totaled \$91,816 and \$86,937 for the years ended June 30, 2023 and 2022, respectively. Advertising expense was allocated in the marketing line of the statements of functional expenses.

**Income Taxes**

United Way is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Thus, no provision for income taxes is included in the accompanying combined financial statements. United Way believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. United Way's Federal Return of Organization Exempt from Income Tax (Form 990) for the years ended June 30, 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed.

**Use of 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.

**Leases**

United Way determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also may include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less), if any. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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

**NOTES TO FINANCIAL STATEMENTS**

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**Recently Adopted Accounting Standards**

On July 1, 2022, the Organization adopted ASU No. 2016-02 “Leases (Topic 842)” and subsequent amendments thereto, which requires the Organization to recognize most leases on the balance sheet. The standard was adopted under a modified retrospective approach as of the date of adoption and the Organization elected to apply several of the available practical expedients. Adoption of the leasing standard resulted in the recognition of operating right-of-use assets of \$80,160 and operating lease liabilities of \$80,160 as of June 30, 2023. These amounts were determined based on the present value of remaining lease payments, discounted using the Organization’s incremental borrowing rate as of the date of adoption. There was no material impact to the timing of expense or income recognition in the Organization’s statement of operations. Prior periods were not restated and continue to be presented under legacy GAAP. Disclosures about the Organization’s leasing activities are presented in Note 8 – Operating Leases.

**New Accounting Pronouncements Not Yet Adopted**

In June 2016, the FASB issued ASU No. 2016-13 Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on financial Instruments which requires the application of a current expected credit loss (CECL) impairment model to financial assets measured at amortized cost, including trade accounts receivable. Under the CECL model, lifetime expected credit losses on such financial assets are measured and recognized at each reporting date based on historical, current, and forecasted information. Furthermore, financial assets with similar risk characteristics are analyzed on a collective basis. This ASU, as amended, is effective for periods beginning after December 15, 2022 with early adoption permitted. Management does not expect the new standard to have a significant impact on its financial position, results of operations and related disclosures.

**3. Pledges Receivable**

Pledges receivable are detailed as follows:

	<u>Pledges Receivable</u>	<u>Less Allowance for Uncollectibles</u>	<u>Net</u>
<b>June 30, 2023</b>			
Fall 2022 Campaign	\$1,509,290	\$ (218,444)	\$1,290,846
Fall 2021 Campaign	<u>233,513</u>	<u>(233,513)</u>	<u>-</u>
Total	<u>\$1,742,803</u>	<u>\$ (451,957)</u>	<u>\$1,290,846</u>
<b>June 30, 2022</b>			
Fall 2021 Campaign	\$1,450,487	\$ (213,024)	\$1,237,463
Fall 2020 Campaign	<u>136,707</u>	<u>(136,707)</u>	<u>-</u>
Total	<u>\$1,587,194</u>	<u>\$ (349,731)</u>	<u>\$1,237,463</u>

**4. Allowance for Uncollectible Pledges**

An analysis of activity in the allowance for uncollectible pledges is as follows for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Balance - beginning of year	\$ 349,731	\$ 246,087
Add (deduct):		
Provision for uncollectible pledges	218,444	213,024
Cancellations and removal of excess shrinkage	<u>(116,218)</u>	<u>(109,380)</u>
Balance - end of year	<u>\$ 451,957</u>	<u>\$ 349,731</u>

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

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**5. Investments**

Investments at June 30, 2023 and 2022 include certificates of deposit and equity securities. Investments held were as follows:

	June 30,	
	2023	2022
Certificates of deposit	\$ 588,557	\$ 584,156
Total	\$ 588,557	\$ 584,156

For the years ended June 30, 2023 and 2022, United Way's investments (including gains and losses on investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

	June 30,	
	2023	2022
Equity securities	\$ (568)	\$ (8)
Total	\$ (568)	\$ (8)

**6. Property and Equipment**

Property and equipment are summarized by major classifications as follows:

	June 30,	
	2023	2022
Land	\$ 100,000	\$ 100,000
Total nondepreciable assets	100,000	100,000
Building	508,178	508,178
Furniture, fixtures and equipment	529,709	516,254
Leasehold improvements	79,509	79,509
Leased equipment	13,446	13,446
Construction in progress	19,809	-
Total depreciable assets	1,150,651	1,117,387
Total property and equipment	1,250,651	1,217,387
Less: accumulated depreciation	977,029	945,994
Total property and equipment	\$ 273,622	\$ 271,393

Depreciation charged to expense is \$31,035 and \$29,523 for the years ended June 30, 2023 and 2022, respectively.

**7. Employee Retention Credit Funds**

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the Organization was eligible for a

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

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refundable employee retention credit (ERC) subject to certain criteria. During the year ended June 30, 2023, the Organization received \$501,867 related to the CARES Act Employee Retention credit, which included \$30,425 in interest. In accordance with the ASC 958-605 Government Grant Model, the ERC is considered a grant with a donor-imposed condition. The barrier that must be overcome is the reporting entity's eligibility for the ERC, and the donor's right of return is carried out in the form of an audit by the IRS. As a result, the ERC cannot be recognized until either (1) the barrier of eligibility is substantially met, or (2) the statute of limitations expires and the donor can no longer require the grantee to return the funds. The full amount received is currently included in refundable advances on the balance sheet and will be recognized as income as conditions warrant. An additional \$201,560 in Employee Retention Credits has been requested but not yet received. Once all funds are received, the Organization will owe a fee of \$80,760 to the filing entity.

**8. Restricted Funds**

Annual Campaign Pledges

Net campaign contributions received for future periods are considered to be net assets with donor restrictions. 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 the Annual Campaign at Celebrating Excellence to the amounts recorded as net assets with donor restrictions for the annual campaign pledges.

	June 30,	
	2023	2022
Annual campaign	\$ 3,120,631	\$ 3,043,194
Donor designations to United Way Agencies	(32,226)	(50,872)
Donor designations to Non-United Way Agencies	(39,163)	(18,064)
Donor designations processed by third party processors	(6,554)	(7,194)
Provision for uncollectible pledges	(218,444)	(213,024)
Campaign revenue	2,824,244	2,754,040
Less: amounts released from restriction (50%)	(1,414,083)	(1,378,981)
Plus: pledges for future campaign (100%)	17,008	27,037
Campaign – net assets with donor restrictions	\$ 1,427,169	\$ 1,402,096

Cash Restricted for Local Disaster Response

Contributions restricted to local tornado and hurricane response were received during the years ended June 30, 2023 and 2022. As of June 30, 2023, there were remaining restricted contributions to be spent on local disaster response.

Cash Restricted for Homeless Response

The United Way originally reprogrammed \$115,000 originally allocated for the agency which had shut down and, in conjunction with Christopher Youth House and The Wellspring, established a program called "Front Door to Housing" which used a "navigator" type model to identify homeless individuals and families and help connect them directly to resources which could maximize their chances to get into long-term or even permanent housing. From its inception in Fall 2017 through June 30, Front Door to Housing has placed in excess of 89 people/families into long-term housing options.

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NOTES TO FINANCIAL STATEMENTS

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Contributions restricted to homeless response were received during the years ended June 30, 2023 and 2022. As of June 30, 2023, there were remaining restricted contributions to be spent on homeless response.

**9. History of Uncollectibles**

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

<u>Campaign Year</u>	<u>Budget Year</u>	<u>Actual Write-Off</u>
2021	2022	.0% **
2020	2021	3.58%
2019	2020	6.13%
2018	2019	7.11%
2017	2018	5.87%
2016	2017	4.79%
2015	2016	3.90%
2014	2015	6.32%
2013	2014	7.79%
2012	2013	7.14%

\*\* The campaign writeoffs for the 2020 campaign year are not yet finalized and will be updated in next year's audit report.

In general, all other revenues (sponsorships, grants, services, etc) are billed and receivable within 60-90 days. Occasional bad debts on these items are rare and are not considered significant.

**10. Program Services**

**A. Agency Funding**

United Way Community Volunteers communicate to the United Way Board of Directors funding recommendations for the various partner agencies to support programs throughout Northeast Louisiana. In general, campaign contributions raised in Lincoln-Union-Jackson Parishes, net of fundraising and administrative expenses, are allocated to partner agencies and programs providing services in those parishes and those funding recommendations are made by community volunteers from those parishes. All other campaign contributions raised in the annual campaign are allocated to partner agencies and programs throughout Northeast Louisiana based on funding recommendations from panels of community volunteers.

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The total agency support expense for the year ended June 30, 2023 was \$1,267,485. Total awards to agency organizations, is summarized below:

<u>Program Service Category</u>	<u>Amount</u>	<u>Percent</u>
Children & Youth Services	\$ 338,792	27%
Economic Opportunity	266,445	21
Healthy & Safe Individuals	606,290	48
Other	55,958	4
	<u>\$ 1,267,485</u>	<u>100%</u>

The total agency support expense for the year ended June 30, 2022 was \$1,079,304. Total awards to agency organizations, is summarized below:

<u>Program Service Category</u>	<u>Amount</u>	<u>Percent</u>
Children & Youth Services	\$ 334,279	31%
Economic Opportunity	240,129	22
Healthy & Safe Individuals	482,581	45
Other	22,816	2
	<u>\$ 1,079,805</u>	<u>100%</u>

**A. Homeless Response**

***Front Door to Housing***

Front Door to Housing, a visionary program that has no counterpart elsewhere in the state, is funded solely by local dollars and serves solely local needs in a collaboration with The Wellspring and the HOME Coalition. It fills an otherwise unfillable gap in how United Way helps the most vulnerable citizens. Front Door to Housing offers outreach, screening and assessment, and referrals. It also provides rehousing assistance for those who have no other option.

June 30, 2023 information

- Number of homeless persons offered assistance: 1,324
- Number persons facing housing instability referred to a community program for rehousing: 1,702
- Number of homeless persons rehoused by Front Door: 42

During the years ended June 30, 2023 and 2022, between restricted funds raised and agency funds reprogrammed a total of \$92,534 and \$92,652, respectively, was spent on the Front Door to Housing program.

**B. All Other Programs**

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

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**United Way 211**, a free, easy to remember, three-digit telephone number that gives people a fast, easy way to get connected to available social assistance services. In calendar year 2022, the United Way of Northeast Louisiana's 211 made 33,388 referrals to community services.

In July 2015, United Way of Northeast Louisiana contracted with Louisiana Association of United Ways (LAUW) to manage 211 services for the Capital Area. In January 2016, the contract was extended to include Southwest Louisiana. In mid-November 2017, United Way of Northeast Louisiana's 211 began to answer calls for the Northwest Louisiana region on behalf of United Way of Northwest Louisiana through the contract with LAUW.

Total calls for all regions under contract answered in calendar year 2021 and 2022 were 85,655 and 83,811, respectively, which represents only the calls that were live answered by staff and does not include calls answered by auto-attendant or transfers to other 211 operations.

In February 2018, United Way 211 initiated a text-based service which continues to grow in popularity and is anticipated to streamline assistance during times of disaster in particular.

The contract with LAUW to cover other areas covers all costs associated with those areas and has provided further economies of scale which has reduced the costs for providing 211 to Northeast Louisiana by more than \$100,000 annually compared to costs prior to the consolidation. For further information, see Note 14.

During the year ended June 30, 2023, the United Way, through the 211 program partnered with Entergy to provide utility assistance in the form of \$150 credits to qualifying customers. Total funds received from Entergy were \$476,390. The funds were applied to the accounts of customers who met the qualifying criteria. A total of \$472,950 was applied to customer accounts and the United Way received an administrative fee of \$440 for processing the payments.

**Community Investment** - 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. Volunteers make recommendations on agency funding.

**Community Impact** - United Way of Northeast Louisiana's agenda is the community's agenda - we stand with the residents, business leaders, and policymakers-to take action together and strategically invest in making a meaningful difference in the lives of people in Northeast Louisiana.

**Children, Youth, and Young Adults Successful in School and Life**

1. Children enter school ready
2. Students are successful in elementary school and prepared for middle/secondary school
3. Youth gain the knowledge, skills, and credentials so that they are prepared for the workforce and are able to obtain family sustaining employment

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**Economic Opportunity for All**

1. Individuals and families have adequate and sustainable resources to support their needs
2. Individuals and families have the skills, knowledge, relationships and economic pathways they need to effectively increase and manage their income
3. Vulnerable populations maximize their ability to live with independence and dignity
4. People/organizations continue to work together to support a thriving, prosperous, robust economy

**Healthy and Safe Individuals, Families and Community**

1. Families/Individuals live in a healthy and safe environment
2. People/organizations work together to strengthen and build a more inclusive community

**Financial Health Center through Workforce Development Board**

1. The United Way of Northeast Louisiana received the Youth Services Grant from the Louisiana Workforce Commission, running from August 2022 to August 2023, aimed at enhancing workforce development for young people aged 18-24. This program successfully engaged 20 participants, balanced in gender with 7 males and 13 females, all of whom were either in college or employed full-time. A key feature was its extensive financial education, offering 2560 hours of training and 90 individual counseling sessions, covering crucial topics like budgeting, credit management, and entrepreneurship. Practical applications included the creation of 20 personalized budgets and the review of credit reports for each participant. Through this initiative, the United Way of Northeast Louisiana has significantly contributed to building a financially literate and prepared future workforce in the region. Total funds received in the year ended June 30, 2023 were \$154,257.

**11. 401(k) Defined Contribution Plan**

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 5% for all eligible employees and will match an additional 2%. Employer contributions are allocated to each participant who completes 1,000 hours of service during the plan year and who is employed on the last day of the plan year. United Way may use unvested forfeitures to pay plan expenses or to reduce amounts otherwise required to be distributed.

The total pension cost of United Way for the year ended June 30, 2023 and 2022 was \$46,466 and \$69,023, respectively.

**12. In Kind Services and Materials**

Contributions of services and materials were reported as revenues and allocated between all program expenses. Donated services and materials for the years ended June 30, 2023 and 2022, all of which was unrestricted were as follows:

	<u>2023</u>	<u>2022</u>
Rental fees	\$ -	\$ 2,000
Lease value of provided vehicle	8,750	8,750
Other	-	89
Total	<u>\$ 8,750</u>	<u>\$ 10,839</u>

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THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

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**13. Related Party Transactions**

United Way pays annual affiliation fees for membership in United Way Worldwide (\$43,766 and \$53,847 for the years ended June 30, 2023 and 2022, respectively) for which United Way receives the right to use the national brand in charitable endeavors, advocacy of issues, member education, training and other support.

**14. Disclosures about Concentrations**

Support from the most recent annual campaign represents approximately 64% of United Way's total revenue. United Way's annual campaign covers 12 parishes in northeast Louisiana with the largest concentration being Ouachita Parish and Lincoln/Union Parishes. The annual campaign in these parishes represents a concentration of risk by geographic region and by the nature of the fund-raising activity. Failure of the community to respond to the campaign or to fulfill their obligation could impact United Way's ability to collect approximately \$1.29 million in pledges receivable. No collateralization is required by United Way.

The top three campaigns account for 10.55% in gross campaign results and for 16.52% in pledges receivable for the 2022 Campaign, up from 10.25% and 14.00% from the 2021 Campaign.

In general, funds, net of expenses, raised in one geographical area are allocated to programs and activities in that geographical area. As a result, disproportionate increases or decreases within one geographic area would be expected to impact that area more than others.

**LAUW 2-1-1 Contract**

In June, 2016 the United Way entered into a contract with the Louisiana Association of United Ways to provide call center services and management support for 2-1-1 operations with the parishes covered by the Capitol Area United Way, United Way of Southwest Louisiana, and United Way of Northeast Louisiana. In June of 2017, the areas covered by United Way of Northwest Louisiana were added. In June of 2018, United Way of Central Louisiana joined the funding pool, although their parishes had previously been covered via other United Ways. This contract allows for economies of scale and has allowed the United Way of Northeast Louisiana to reduce the direct funding to operate 2-1-1 within Northeast Louisiana by approximately \$100,000 for the year ended June 30, 2022 and approximately \$80,000 for the year ended June 30, 2023.

The LAUW 2-1-1 base contract resulted in revenue of \$238,266 for the year ended June 30, 2023 and \$342,601 for the year ended June 30, 2022 and represented 5% and 9% of total revenue respectively. Loss of this contract would have the potential to increase the cost of providing local 2-1-1 coverage.

**Bank Concentrations**

Checking account funds are held at CrossKeys Bank in Monroe. A sweep arrangement is used for excess checking funds and is intended to provide protections through FDIC.

CDs are placed with various banks throughout Northeast Louisiana and are typically limited to less than \$175,000 at any single institution at any one time. The United Way Finance Committee provides broad guidance on placement policy, taking into consideration the current and expected rate environment, and anticipated funding and liquidity requirements. While the investment policy allows for investments in less liquid instruments such as equity and fixed income instruments under certain circumstances, present committee guidance continues to limit holdings to CDs, generally with a term of 2 years or less.



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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**15. Liquidity and Availability of Resources**

The United Way's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,291,208	\$ 1,744,182
Investments	588,557	584,156
Pledge receivables, net	1,290,846	1,237,463
Receivables-third party processors	4,916	4,014
Other receivables	<u>72,285</u>	<u>112,225</u>
 Total financial assets available within one year	 <u>4,247,812</u>	 <u>3,682,040</u>
 Less: amounts unavailable for general expenditures within one year to:		
Designations payable	58,464	86,160
Cash - restricted net assets	<u>30,089</u>	<u>16,167</u>
 Total amounts unavailable for general expenditures within one year	 <u>88,553</u>	 <u>102,327</u>
 Total financial assets available to management for general expenditures within one year	 <u>\$ 4,159,259</u>	 <u>\$ 3,579,713</u>

United Way has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board has approved a policy that targets three months of annual grants and three months of operating expenses to be maintained. Because this is a target there is presently no actual restriction on use of such funds although the target and progress toward meeting that target is considered during the budget and program/grant funding cycles each year. Excess cash is invested in a ladder from three months to two years of certificates of deposit depending on market conditions, as well as utilizing a repurchase agreement and overnight sweep associated with its operating checking account. United Way cash flows have seasonal variations during the year attributable to the annual campaign and when payments are received from donors on pledges.

**16. Leases**

On February 1, 2018, the United Way entered into a lease agreement for the location of its Ruston office for \$1,200 per month. The lease period was initially for five years ending on January 31, 2023 and was renewed effective February 1, 2023 for five years ending on January 31, 2028. The lease specifies that upon demand United Way is responsible reimbursing lessor for any property taxes in excess of the total amount of property taxes paid on the unit in calendar year 2017. The United Way is responsible for all utilities. Rental expense related to all leases totaled \$23,713 for 2023 and \$14,400 for 2022.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

	Year Ending <u>2023-06</u>
<b>Lease expense</b>	
Finance lease expense	
Amortization of ROU assets	\$ -
Interest on lease liabilities	-
Operating lease expense	22,350
Short-term lease expense *	
Variable lease expense	-
Sublease income *	
<b>Total</b>	<u><u>\$ 22,350</u></u>

**Other Information**

(Gains) losses on sale-leaseback transactions, net *	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases (i.e. Interest)	-
Financing cash flows from finance leases (i.e. principal portion)	-
Operating cash flows from operating leases	17,675
ROU assets obtained in exchange for new finance lease liabilities	-
ROU assets obtained in exchange for new operating lease liabilities	95,154
Weighted-average remaining lease term in years for finance leases	-
Weighted-average remaining lease term in years for operating leases	3.68
Weighted-average discount rate for finance leases	0.00%
Weighted-average discount rate for operating leases	7.00%

**Maturity Analysis**

	Finance	Operating
2024-06	\$ -	\$ 30,900
2025-06	-	22,650
2026-06	-	14,400
2027-06	-	14,400
2028-06	-	8,400
Thereafter	-	-
Total undiscounted cash flows	-	90,750
Less: present value discount	-	(10,590)
Total lease liabilities	<u><u>\$ -</u></u>	<u><u>\$ 80,160</u></u>

**17. Subsequent Events**

Management of United Way has evaluated subsequent events through December 18, 2023, the date which the financial statements were available to be issued and has determined that there were no reportable events or transactions.

**SUPPLEMENTARY INFORMATION**

**UNITED WAY OF NORTHEAST LOUISIANA, INC**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**Agency Head Name:** Janet Durden, President

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Purpose	Amount
Salary	\$14,375
Benefits - FICA	-
Benefits - Insurance	6,947
Benefits - Retirement	4,025
Total	\$25,347

**Note:** The United Way of Northeast Louisiana, Inc. is a nonprofit entity that receives public funds. Only the portion of the President's compensation paid with public funds is reflected above.