

*United Way of Central
Louisiana, Inc.*

Alexandria, Louisiana

December 31, 2018

United Way of Central Louisiana, Inc.

December 31, 2018

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1946

Independent Auditor's Report

To the Board of Directors of
United Way of Central Louisiana, Inc.

We have audited the accompanying financial statements of United Way of Central Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.
Deborah R. Dunn, C.P.A.

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
Kayla G. Holloway, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
United Way of Central Louisiana, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Central Louisiana, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information in Schedules 1-4 on pages 19 through 22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Payne, Moore & Herrington, LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants
Alexandria, Louisiana

May 6, 2019

United Way of Central Louisiana, Inc.
Statement of Financial Position
December 31, 2018

Exhibit A

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash	\$ 287,394	\$ 417,366	\$ 704,760
Certificates of deposit	379,400		379,400
Pledges receivable (net of estimated allowance for uncollectibles of \$106,273)		218,769	218,769
Grants receivable		4,000	4,000
Other receivables	3,146		3,146
Total Current Assets	669,940	640,135	1,310,075
Investments - Central Louisiana Community Foundation	127,612		127,612
Furniture, Fixtures, and Equipment - Net of Depreciation	9,964		9,964
Total Assets	\$ 807,516	\$ 640,135	\$ 1,447,651
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 2,165	\$	\$ 2,165
Accrued compensated absences	12,829		12,829
Deposits held on behalf of others	3,700		3,700
Other current liabilities	415		415
Total Current Liabilities	19,109	-	19,109
Net Assets			
Without donor restrictions	788,407		788,407
With donor restrictions		640,135	640,135
Total Net Assets	788,407	640,135	1,428,542
Total Liabilities and Net Assets	\$ 807,516	\$ 640,135	\$ 1,447,651

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

United Way of Central Louisiana, Inc.
Statement of Activities
Year Ended December 31, 2018

Exhibit B

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Public support			
Campaign efforts, net of current year campaign write-offs of \$44,756	\$ 794,618	\$ 191,700	\$ 986,318
Total Public Support	794,618	191,700	986,318
Revenue			
Noncash contributions	155,306	6,408	161,714
Grants		240,985	240,985
Administrative fees	2,652		2,652
Investment return, net	4,802		4,802
Realized gain (loss) on investments	4,889		4,889
Unrealized gain (loss) on investments	(13,585)		(13,585)
Gain (loss) on disposition of assets	(795)		(795)
Miscellaneous	5,708	28	5,736
Total Revenue	158,977	247,421	406,398
Net assets released from restrictions			
Satisfaction of purpose and time restrictions	275,303	(275,303)	-
Total Public Support and Revenue	1,228,898	163,818	1,392,716
Allocations and Expenses			
Allocations and designations to United Way agencies	709,407		709,407
Other donor designations	41,134		41,134
Program services			
211/Information & Referral	56,096		56,096
Agency Excellence Initiative	7,000		7,000
Domestic Violence Initiative	6,158		6,158
Disaster Relief	16,137		16,137
Families Helping Families	18,500		18,500
Strong Neighborhoods Project	16,911		16,911
Venture Fund	9,000		9,000
Community services	239,568		239,568
Total Program Services	369,370	-	369,370
Support services			
Management and general	144,485		144,485
Fundraising	92,695		92,695
Total Support Services	237,180	-	237,180
Total Allocations and Expenses	1,357,091	-	1,357,091
Change in Net Assets	(128,193)	163,818	35,625
Net Assets, Beginning of Year	916,600	476,317	1,392,917
Net Assets, End of Year	\$ 788,407	\$ 640,135	\$ 1,428,542

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

United Way of Central Louisiana, Inc.
Statement of Functional Expenses
Year Ended December 31, 2018

Exhibit C
(Continued)

Program Services

	211/ Information & Referral	Agency Excellence Initiative	Domestic Violence Initiative	Disaster Relief	Families Helping Families	Strong Neighborhoods Project	Venture Fund	Community Services	Total Program Services
Salaries	\$	\$	\$	\$	\$ 18,500	\$ 12,913	\$	\$ 105,111	\$ 136,524
Retirement and other employee benefits								35,917	35,917
Payroll taxes						1,466		7,179	8,645
Contract labor	52,563								52,563
Advertising								244	244
Postage						75		428	503
Printing and office supplies						371		1,467	1,838
Disaster relief assistance				16,137					16,137
Rent			1,460					9,431	10,891
Telephone and computer	3,533					1,848		3,181	8,562
Equipment repairs and maintenance								5,206	5,206
Conferences and meetings						238		731	969
U Dues and subscriptions								2,522	2,522
Insurance			4,698					2,261	6,959
Accounting and auditing fees		7,000						8,960	15,960
Utilities and janitorial								2,577	2,577
Miscellaneous								4,366	4,366
Grants to others							9,000		9,000
In-kind donations								2,675	2,675
Unallocated payments to related organizations									-
Depreciation									-
Community services									
Income impact area								11,505	11,505
Education impact area								33,234	33,234
Health impact area								1,286	1,286
Basic needs impact area								1,287	1,287
Campaign expense									
Printing and supplies									-
Auto expense									-
Awards									-
Total Functional Expenses	\$ 56,096	\$ 7,000	\$ 6,158	\$ 16,137	\$ 18,500	\$ 16,911	\$ 9,000	\$ 239,568	\$ 369,370

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

United Way of Central Louisiana, Inc.
Statement of Functional Expenses
Year Ended December 31, 2018

Exhibit C
(Concluded)

Support Services				
	Management and General	Fundraising	Total Support Services	Combined Total
Salaries	\$ 62,154	\$ 55,207	\$ 117,361	\$ 253,885
Retirement and other employee benefits	21,238	18,864	40,102	76,019
Payroll taxes	4,245	3,770	8,015	16,660
Contract labor			-	52,563
Advertising	205	50	255	499
Postage	357	87	444	947
Printing and office supplies	1,228	300	1,528	3,366
Disaster relief assistance			-	16,137
Rent	7,891	1,925	9,816	20,707
Telephone and computer	2,661	649	3,310	11,872
Equipment repairs and maintenance	4,356	1,063	5,419	10,625
Conferences and meetings	612	149	761	1,730
Ⓞ Dues and subscriptions	456	331	787	3,309
Insurance	1,892	461	2,353	9,312
Accounting and auditing fees	7,497	1,829	9,326	25,286
Utilities and janitorial	2,156	526	2,682	5,259
Miscellaneous	3,652	891	4,543	8,909
Grants to others			-	9,000
In-kind donations			-	2,675
Unallocated payments to related organizations	19,829		19,829	19,829
Depreciation	4,056		4,056	4,056
Community services				
Income impact area			-	11,505
Education impact area			-	33,234
Health impact area			-	1,286
Basic needs impact area			-	1,287
Campaign expense				
Printing and supplies		4,246	4,246	4,246
Auto expense		460	460	460
Awards		1,887	1,887	1,887
Total Functional Expenses	\$ 144,485	\$ 92,695	\$ 237,180	\$ 606,550

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

United Way of Central Louisiana, Inc.
Statement of Cash Flows
Year Ended December 31, 2018

Exhibit D

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Cash Flows from Operating Activities			
Change in net assets	\$ (128,193)	\$ 163,818	\$ 35,625
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation	4,056		4,056
(Gain) loss on disposition of assets	795		795
Unrealized (gain) loss on investments	13,585		13,585
Changes in operating assets and liabilities:			
Pledges receivable, net		106,076	106,076
Grants receivable		(4,000)	(4,000)
Other receivables	(1,389)		(1,389)
Accounts payable	(1,642)		(1,642)
Accrued compensated absences	(2,187)		(2,187)
Deposits held on behalf of others	3,444		3,444
Other current liabilities	414		414
Net Cash Provided by (Used in) Operating Activities	<u>(111,117)</u>	<u>265,894</u>	<u>154,777</u>
Cash Flows from Investing Activities			
Purchase of certificates of deposit	(379,400)		(379,400)
Proceeds from matured certificates of deposit	377,953		377,953
Reinvestment of earnings, net	(6,345)		(6,345)
Net Cash Provided by (Used in) Investing Activities	<u>(7,792)</u>	<u>-</u>	<u>(7,792)</u>
Cash Flows from Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash	(118,909)	265,894	146,985
Cash, Beginning of Year	<u>406,303</u>	<u>151,472</u>	<u>557,775</u>
Cash, End of Year	<u>\$ 287,394</u>	<u>\$ 417,366</u>	<u>\$ 704,760</u>

Additional Required Disclosures:

1. The Organization considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.
2. No interest was paid during 2018.
3. No income taxes were paid during 2018.
4. There were no material noncash financing transactions during 2018 that affected recognized assets or liabilities. Noncash investing transactions during 2018 consisted of donated investments valued at \$146,711.

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

United Way of Central Louisiana, Inc.
December 31, 2018
Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

United Way of Central Louisiana, Inc. (the Organization) is a nonprofit corporation located in Alexandria, Louisiana, and provides services, including support, for member agencies. Member agencies consist of various human service organizations operating in the Central Louisiana area that offer programs and services focused on one or more of the Organization's impact areas: education, income stability, basic needs, and health. Member agencies are approved by the Organization's Board of Directors after completing prescribed application procedures. In addition to providing support to its member agencies, the Organization provides community services in the form of programs that focus on making an impact in one of its goal areas. Community service programs provided by the Organization vary depending on the type and amount of funding that is received from donors.

Accounting Pronouncement Adopted

In August 2016, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Update No. 2016-14— *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources, as well as the functional allocation of expenses. The Organization adopted the provisions of this ASU during the year ended December 31, 2018. Changes under this ASU did not have a material effect on the financial statements.

Net Assets Without Donor Restrictions

Net assets without donor restrictions generally result from revenues generated by receiving contributions that have no donor-imposed restrictions, and from receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions. Net assets without donor restrictions are available for use at the discretion of the Board of the Organization and management for general operating purposes. The Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

See Note 7 for more information on the composition of net assets without donor restrictions.

Net Assets with Donor Restrictions

Net assets with donor restrictions result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

United Way of Central Louisiana, Inc.
December 31, 2018
Notes to Financial Statements

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The Organization does not have any net assets with donor restrictions that are perpetual in nature.

See Note 8 for more information on the composition of net assets with donor restrictions.

The changes resulting from the implementation of this new standard have the following effect on net assets at January 1, 2018.

	<u>Amounts under</u> <u>FASB ASC 958</u>	<u>Reclassifications</u>	<u>"as adjusted"</u> <u>Amounts under</u> <u>ASU No. 2016-14</u>
Net assets:			
Unrestricted - undesignated	\$ 50,417	\$ (50,417)	\$
Unrestricted - designated	866,183	(866,183)	
Temporarily restricted	476,317	(476,317)	
Without donor restrictions		916,600	916,600
With donor restrictions		476,317	476,317
Total net assets	<u>\$ 1,392,917</u>	<u>\$ -</u>	<u>\$ 1,392,917</u>

Basis of Accounting

The financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Use of 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.

Pledges Receivable

Pledges receivable are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. If the pledges receivable are conditional promises to give, such amounts are recognized when the conditions on which they depend are substantially met. An allowance for uncollectible pledges is set up for amounts considered uncollectible.

United Way of Central Louisiana, Inc.
December 31, 2018
Notes to Financial Statements

Campaign Supplies Inventory

Inventory representing t-shirts, water bottles, pens, and other miscellaneous campaign supplies is maintained by the Organization. Campaign inventory supplies are expensed at the time of purchase and are primarily used as giveaway items provided to companies to use during their workplace campaigns. Since the inventory on hand at year-end was not material to the financial statements taken as a whole, no amount has been reflected in the accompanying statement of financial position for the value of inventory at December 31, 2018.

Investments

United Way of Central Louisiana, Inc. reports all investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Gains and losses on investments are reported as increases or decreases in the respective net asset classes.

Furniture, Fixtures, and Equipment

United Way of Central Louisiana, Inc. follows the practice of capitalizing expenditures for furniture, fixtures, and equipment at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$1,000. Depreciation is provided for on the straight-line method over the estimated useful lives of the respective assets. The cost of maintenance and repairs is charged to expense as incurred; however, significant renewals and improvements are capitalized. Donated items, including property and equipment, are recorded at fair market value, if material and reasonably determinable, at the time of donation.

Revenue Recognition

The Organization reports public support contributions as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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 restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Funds with donor restrictions are used to differentiate the resources whose use is restricted by donors or grantors from the resources on which donors or grantors have placed no restriction or the resources that arise as a result of the operations of the Organization for its stated purpose.

United Way of Central Louisiana, Inc.
December 31, 2018
Notes to Financial Statements

Donated Services

The Organization receives contributed services from its Board members and from numerous community volunteers who assist in fundraising and the member agency allocation process. No amounts have been reflected in the financial statements for donated services, since the services are not professional in nature and, as such, do not meet the criteria for recognition as donated services. The Organization pays for most services requiring specific expertise.

Use of Facilities and Other Noncash Support

Rent payments made by United Way of Central Louisiana, Inc. to The Rapides Foundation in accordance with the lease agreement between the parties are below the fair market value of comparable office facilities. Additional rent expense of \$12,329 has been included in the statement of activities. Other noncash support may be received by the Organization from various individuals and businesses. During the year ended December 31, 2018, United Way of Central Louisiana, Inc. received and distributed \$2,675 of donated office furniture and equipment to various nonprofit organizations in the local community. The value of the donated furniture and equipment is recorded as noncash support and functional expenses in the statement of activities.

Functional Allocation of Expenses

Costs incurred by the Organization from providing various community and support services have been presented on a functional basis in the statement of functional expenses. Accordingly, costs have been allocated on a reasonable and consistent basis among the functional areas benefited. Most expenses are charged directly to program or support services based on specific identification. Certain categories of expenses attributable to administrative support include depreciation, salaries and benefits, payroll taxes, and occupancy. These expenses are allocated based on estimates of time and effort. Expenses related to more than one function are charged to program or support services using management's estimate of the activities benefited.

Fundraising and Management and General Rates

United Way Worldwide issues guidance to local United Ways under Standard M which defines the maximum allowable fundraising and management and general rates that a United Way agency should deduct from designated donor pledges. Standard M provides a calculation method which results in maximum allowable rates using a three year average.

The result of the fundraising expense formula based on United Way Worldwide's guidance for United Way of Central Louisiana, Inc. was 8.6% based on the three year period ending December 31, 2017. The rate for the year ended December 31, 2018, based on the audited financial statements and the statement of functional expenses was 6.7%. During 2018, United Way of Central Louisiana, Inc. assessed fundraising fees of 8.0% on donor designated gifts, up to a maximum cap of \$100 per gift.

The result of the management and general expense formula based on United Way Worldwide's guidance for United Way of Central Louisiana, Inc. was 9.6% based on the three year period ending December 31, 2017. The rate for the year ended December 31, 2018, based on the audited financial statements and the statement of functional expenses was 10.4%. During 2018, United Way of Central Louisiana, Inc. assessed management and general fees of 8.0% on donor designated gifts, up to a maximum cap of \$100 per gift.

United Way of Central Louisiana, Inc.
December 31, 2018
Notes to Financial Statements

Income Taxes

United Way of Central Louisiana, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable Louisiana law. The Organization is not classified as a private foundation. Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income tax expense.

For the year ended December 31, 2018, management of United Way of Central Louisiana, Inc. believes it has adequate support for all material tax positions, and that it is more likely than not, based on the technical merits, that the positions will be sustained upon examination.

All tax exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income or the qualification of the tax exempt entity under the Internal Revenue Code and applicable state statutes. With few exceptions, United Way of Central Louisiana, Inc. is no longer subject to U.S. federal tax examinations for the years before 2015.

Advertising Costs

Advertising costs are expensed when incurred. Advertising costs charged to expense for the year ended December 31, 2018, totaled \$499.

Subsequent Events

Management has evaluated subsequent events through May 6, 2019, the date which the financial statements were available for use. Management's evaluation revealed no subsequent events that require disclosure.

2. Certificates of Deposit

Certificates of deposit consist of several certificates located at various local financial institutions. All of the certificates are scheduled to mature within the next twelve months and earn interest at various rates.

3. Pledges Receivable and Campaign Summaries

Pledges receivable shown on the financial statements consist of the unpaid balance of pledges made for the 2017 and 2018 campaigns. Gross pledges receivable totaling \$325,042 is shown net of the allowance for uncollectibles of \$106,273. In the opinion of management, the allowance for uncollectibles at December 31, 2018, is considered adequate.

United Way of Central Louisiana, Inc.
December 31, 2018
Notes to Financial Statements

Campaign totals for the Fall 2018 campaign and each of the six preceding years are shown below together with the amounts uncollected/uncollectible and applicable percentages.

Year	Total Campaign Pledges	Amount Uncollected/ Uncollectible	Percent
Fall 2012 campaign	\$ 1,232,442	\$ 60,671	4.92%
Fall 2013 campaign	1,309,129	72,707	5.55
Fall 2014 campaign	1,306,191	72,500	5.55
Fall 2015 campaign	1,238,540	71,745	5.79
Fall 2016 campaign	1,290,554	72,216	5.60
Fall 2017 campaign (in progress)	1,300,263	77,398	5.95
Fall 2018 campaign (in progress)	599,925	28,875	4.81

4. Investments - Central Louisiana Community Foundation

On November 15, 2005, United Way of Central Louisiana, Inc. established a non-endowed agency fund at the Central Louisiana Community Foundation (the Foundation), by transferring \$100,000 into this fund. The fund is held by the Foundation for the purpose of administering funds as endowments for various charitable and educational purposes and organizations primarily in the Central Louisiana community. These funds are not subjected to restrictions whether by donor or otherwise, nor are they required to be held permanently or for any designated purposes other than charitable purposes within the corporate powers of United Way of Central Louisiana, Inc. The principal may be expended in whole or in part as stated in the agreement.

United Way of Central Louisiana, Inc. may request distribution of all or part of the principal it contributes to the fund. The Board of the Foundation will grant such a request if it concludes that such a distribution is consistent with the charitable purposes of the Foundation, which may be deferred for up to 90 days in order to permit orderly and timely liquidation of assets to meet the request. If the Foundation ceases to be a qualified charitable organization or if the Foundation proposes to dissolve, the assets of the fund shall be distributed to United Way of Central Louisiana, Inc. At that time if United Way of Central Louisiana, Inc. is not then a qualified charitable organization, the Foundation shall distribute the assets of the fund in a manner and to any organization serving the Central Louisiana community that satisfy the requirements of a qualified charitable organization and serve purposes similar to those of the United Way of Central Louisiana, Inc. The investments are presented in the financial statements at fair value of \$127,612 at December 31, 2018, as reported by the Central Louisiana Community Foundation.

United Way of Central Louisiana, Inc. is required to disclose estimated fair value for all financial instruments and non-financial instruments measured at fair value on a recurring basis. Fair value is defined as 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. In determining the fair value, the Organization uses Level 2 as their valuation approach. Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

United Way of Central Louisiana, Inc.
December 31, 2018
Notes to Financial Statements

➤ Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

United Way of Central Louisiana, Inc. uses the appropriate valuation technique based on the available inputs to measure the fair value of its investments.

Description	Cost	Fair Value Measurement at Reporting Date Using			
		Total 12/31/18	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments - Central Louisiana Community Foundation	\$ 134,919	\$ 127,612	\$ -	\$ 127,612	\$ -

5. Furniture, Fixtures, and Equipment

	Recorded Value	Accumulated Depreciation	Net
Furniture, fixtures, and equipment	\$ 74,701	\$ 64,737	\$ 9,964

The depreciation provision amounted to \$4,056 for the current year.

6. Deposits Held on Behalf of Others

Deposits held on behalf of others represent funds held in the name of United Way of Central Louisiana, Inc. in an agency capacity. These funds are also included in cash on the statement of financial position.

7. Net Assets Without Donor Restrictions

The Organization's net assets without donor restrictions at the end of the year totaled \$788,407. Of this amount, \$565,000 was Board designated to be used for community investment in 2019. The remaining balance of \$223,407 represents undesignated net assets.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

Purpose Restrictions	
Agency Excellence Initiative	\$ 15,458
Reading Rocks	6,703
Financial Success Center	19,000
Financial Stability Roundtable	975
Disaster Relief	5,258
211/Information and Referral	155,583
Domestic Violence Initiative-Family Justice Center	7,689

United Way of Central Louisiana, Inc.
December 31, 2018
Notes to Financial Statements

Baby Safe Sleep	3,413
Strong Neighborhoods Project	185,089
VITA Site	22,198
Time Restrictions	
Campaign contributions pledged for future years	218,769
	\$ 640,135

9. Lease Commitments

Office Facilities

In May 2003, United Way of Central Louisiana, Inc. entered into a lease agreement with The Rapides Foundation for lease of office facilities. The original lease was for a period of three years and monthly lease payments were comprised of rent and janitorial expenses. After the initial three-year lease period, the lease automatically renews for additional two year terms unless cancelled in advance of automatic renewal by either party to the lease.

The lease agreement provides for annual adjustments of the lease payments by the lessor if direct costs exceed the estimates used by the lessor in calculating the lease cost to each lessee within the building. The monthly lease payments in effect for the year ended December 31, 2018, were \$996. Total rent and janitorial paid in 2018 was \$11,952.

Future minimum lease payments required as of December 31, 2018, under this lease are as follows:

Year	Amount
2019	\$ 11,952
2020	4,978

10. Retirement Plan

United Way of Central Louisiana, Inc. has a non-contributory defined contribution retirement plan covering substantially all employees. Contributions for the year ended December 31, 2018, totaled \$28,636.

11. Significant Concentrations

Credit Risk

Cash and certificates of deposit are deposited with financial institutions in the Central Louisiana area. Accounts at these institutions were insured by the Federal Deposit Insurance Corporation (FDIC). As provided under the FDIC, non-interest bearing deposit accounts are insured up to \$250,000. Uninsured cash at December 31, 2018 totaled \$322,877.

Investments maintained with the Central Louisiana Community Foundation are also uninsured. The total uninsured balance at December 31, 2018 was \$127,612.

United Way of Central Louisiana, Inc.
December 31, 2018
Notes to Financial Statements

Support Risk

United Way of Central Louisiana, Inc. relies primarily on voluntarily contributed support from companies and individuals in the Central Louisiana area. Declines in the economic condition of the area could significantly affect the Organization's ability to reach campaign goals and to provide continued support to its member agencies.

12. Liquidity and Availability of Financial Assets

The following reflects United Way of Central Louisiana, Inc.'s financial assets as of December 31, 2018, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

	2018
Financial assets:	
Cash	\$ 704,760
Certificates of deposit	379,400
Pledges receivable, net, collected in less than one year	218,769
Grant receivable, net, collected in less than one year	4,000
Other receivables	3,146
Investments – Central Louisiana Community Foundation	127,612
Financial assets at year-end	1,437,687
Less those unavailable for general expenditure within one year, due to:	
Restricted by donors with purpose restrictions	(421,366)
Restricted by donors with time restrictions	(218,769)
Financial assets held for others	(3,700)
Total amount unavailable for general expenditure within one year	(643,835)
Amounts unavailable to management without Board's approval:	
Board designated for community investment	(565,000)
Total amount unavailable to management without Board's approval	(565,000)
Total financial assets available to meet cash needs for general expenditures within one year	\$ 228,852

The Organization must maintain sufficient resources to meet responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Organization also has a policy to invest cash in excess of daily requirements in short term investments such as certificates of deposit and money market accounts. In addition, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient revenues, and by utilizing donor-restricted resources from current and prior years' campaign contributions and grant funds.

United Way of Central Louisiana, Inc.
December 31, 2018
Notes to Financial Statements

13. Related Party Transactions

One of the Board members of United Way of Central Louisiana, Inc. is the senior vice president of a financial institution that held a \$78,345 certificate of deposit for the Organization at December 31, 2018. Two other Board members work for financial institutions at which the Organization holds checking and money market accounts and certificates of deposit, which collectively totaled \$774,333 at December 31, 2018. United Way of Central Louisiana, Inc. was also awarded a \$3,000 grant from one of the institutions during 2018; however, the Board member does not participate in grant funding decisions.

The chair of the Board is a partner of a law firm that provided legal consultation to United Way of Central Louisiana, Inc. during 2018. The Organization made total payments of \$1,840 to the law firm during the year, and no amount was owed at December 31, 2018. Two of the Board members of United Way of Central Louisiana, Inc. are also member agency executive directors. Their job is to represent the entire funded agency community, and they do not participate in voting on agency funding recommendations.

Supplementary Information

United Way of Central Louisiana, Inc.
Allocations and Designations to Partner Agencies
Year Ended December 31, 2018

Schedule 1

	Basic Allocations	Donor Designations	Total
American Red Cross	\$ 25,000	\$ 889	\$ 25,889
Avoyelles Society for the Developmentally Disabled	12,000	1,315	13,315
Boy Scouts - Louisiana Purchase Council	17,500	22,451	39,951
Central LA AIDS Support Services (CLASS)	7,300	21	7,321
Central Louisiana Homeless Coalition	38,000	1,264	39,264
Faith House	42,500	1,597	44,097
Girl Scouts - Pines to the Gulf Council	10,000	15,021	25,021
Hope House	78,000	22,005	100,005
Manna House	15,000	3,118	18,118
Children's Advocacy Network	58,000	25,592	83,592
Salvation Army	95,000	32,045	127,045
The Wellspring Alliance	5,000	20	5,020
Volunteers of America	66,700	10,281	76,981
Y.W.C.A.	85,000	18,788	103,788
Total Allocations and Designations to Partner Agencies	\$ 555,000	\$ 154,407	\$ 709,407

See independent auditor's report.

United Way of Central Louisiana, Inc.
Schedule of Grant Revenue
Year Ended December 31, 2018

Schedule 2

Grantor	Program/Purpose	Amount
Capital One Bank	VITA Site	\$ 12,000
Capital One Bank	Financial Success Center	6,000
Capital One Bank	Hope House Financial Literacy	10,000
Central Louisiana Community Foundation	Domestic Violence Initiative	4,000
Central LA Human Services District	Families Helping Families	18,500
Blue Cross and Blue Shield of LA Foundation	Strong Neighborhoods Project	169,000
Louisiana Children's Trust Fund	Parents as Teachers	6,485
Red River Bank	Strong Neighborhoods Project	3,000
Rotary Club of Alexandria, LA	Leader in Me	5,000
Central Louisiana Community Foundation	Leader in Me	4,000
Louisiana Association of United Ways	211/Information and Referral	3,000
Total Grant Revenue		<u>\$ 240,985</u>

See independent auditor's report.

United Way of Central Louisiana, Inc.
Projected Allocations for Community Investment
Year Ended December 31, 2018

Schedule 3

Pending a successful campaign and procurement of other funding, the year ending December 31, 2019, allocations for community investment will be as follows:

<u>Agency/Program</u>	<u>Education</u>	<u>Income Stability</u>	<u>Health</u>	<u>Basic Needs</u>	<u>Total</u>
American Red Cross	\$	\$	\$	\$ 25,000	\$ 25,000
Boy Scouts - Louisiana Purchase Council	17,500				17,500
Avoyelles Society for the Developmentally Disabled			7,000		7,000
Manna House				15,000	15,000
Girl Scouts - Pines to the Gulf Council	10,000				10,000
Hope House				80,000	80,000
Children's Advocacy Network				60,000	60,000
Salvation Army				100,000	100,000
Volunteers of America	44,700			15,000	59,700
Faith House				9,250	9,250
Y.W.C.A.	71,000		15,000		86,000
Central Louisiana Homeless Coalition		40,000			40,000
Central LA AIDS Support Services (CLASS)			7,300		7,300
The Wellspring Alliance				5,000	5,000
Domestic Violence Initiative				47,250	47,250
Agency Excellence Initiative	6,750	6,750	6,750	6,750	27,000
Reading Rocks	8,000				8,000
VITA		43,000			43,000
Financial Success Center		39,000			39,000
211/Information and Referral	62,500	62,500	62,500	62,500	250,000
Strong Neighborhoods Project	105,000	105,000	105,000	105,000	420,000
Leader In Me	20,000				20,000
Venture Fund	2,500	2,500	2,500	2,500	10,000
Donor designations to other agencies	29,625	3,625	3,625	3,625	40,500
Community services	50,000	50,000	50,000	50,000	200,000
Total Projected Allocations for Community Investment	<u>\$ 427,575</u>	<u>\$ 352,375</u>	<u>\$ 259,675</u>	<u>\$ 586,875</u>	<u>\$ 1,626,500</u>

See independent auditor's report.

**United Way of Central Louisiana, Inc.
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
Year Ended December 31, 2018**

Schedule 4

Agency Head Name: David T. Britt

No public funds were used to make payments to agency head during the year ended December 31, 2018.

See independent auditor's report.