

**UNITED WAY OF  
CENTRAL INDIANA, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2023 and 2022

UNITED WAY OF CENTRAL INDIANA, INC.  
Indianapolis, Indiana

CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
United Way of Central Indiana, Inc.  
Indianapolis, Indiana

**Opinion**

We have audited the consolidated financial statements of United Way of Central Indiana, Inc. ("United Way"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of United Way as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way 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.

**Emphasis of Matter**

As discussed in Note 2 to the consolidated financial statements, United Way has adopted Accounting Standards Update (ASU) 2016-02 – *Leases (Topic 842)* for the year ended June 30, 2023. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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(Continued)

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 United Way'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way'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.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Indianapolis, Indiana  
October 5, 2023

UNITED WAY OF CENTRAL INDIANA, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
June 30, 2023 and 2022

	2023	2022
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 7,841,777	\$ 15,484,998
Investments (Note 3)	191,769,128	180,029,098
Beneficial interest in assets held by Putnam County Community Foundation	561,305	541,087
Pledges receivable		
Current fundraising, less allowance of \$902,886 and \$1,220,457 for uncollectible accounts for 2023 and 2022, respectively	8,166,055	7,346,806
Future years' fundraising, less allowance and discounts of \$9,309 and \$98,897 for 2023 and 2022, respectively	241,488	2,049,962
	8,407,543	9,396,768
Grants and other amounts receivable	6,425,057	10,431,098
Prepaid expenses and other assets	621,895	669,877
Right of use asset (Note 4)	5,111,815	-
Leasehold improvements and equipment:		
Leasehold improvements	1,191,914	1,191,914
Furniture and equipment	2,709,846	2,577,085
Less - accumulated depreciation	(3,180,651)	(2,879,334)
	721,109	889,665
Total assets	\$ 221,459,629	\$ 217,442,591
<b>LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 1,743,559	\$ 4,728,300
Lease liability (Note 4)	5,264,985	
Funds held for others	3,706,324	2,376,239
Fund distributions payable	5,789,531	6,963,165
Donor designations payable	5,242,303	3,196,688
Total liabilities	21,746,702	17,264,392
<b>NET ASSETS:</b>		
Without donor restrictions		
Undesignated	5,874,377	3,922,132
Board designated (Note 7)	50,885,278	54,764,406
Total without donor restrictions	56,759,655	58,686,538
With donor restrictions (Note 7)	142,953,272	141,491,661
Total net assets	199,712,927	200,178,199
Total liabilities and net assets	\$ 221,459,629	\$ 217,442,591

See accompanying notes to consolidated financial statements.

UNITED WAY OF CENTRAL INDIANA, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
Year ended June 30, 2023 with combined totals for 2022

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
<b>COMMUNITY ENGAGEMENT RESULTS SUMMARY</b>				
Community Engagement Results	\$ 26,662,442	\$ -	\$ 26,662,442	\$ 30,778,313
LESS: Pledges designated to other not-for-profit organizations	(7,136,879)	-	(7,136,879)	(6,501,231)
<b>CONTRIBUTIONS TO THE UNITED WAY</b>	<b>\$ 19,525,563</b>	<b>\$ -</b>	<b>\$ 19,525,563</b>	<b>\$ 24,277,082</b>
<b>CONTRIBUTIONS AND OTHER REVENUE</b>				
Community Engagement contributions applicable to current period				
Contributions pledged - current period	\$ 16,971,845	\$ -	\$ 16,971,845	\$ 18,680,256
Contributions pledged in prior periods and now released from restriction (Note 8)	2,553,718	(2,553,718)	-	-
Community Engagement fundraising, current	19,525,563	(2,553,718)	16,971,845	18,680,256
Less - provision for uncollectible pledges, discounts and designations	(483,207)	-	(483,207)	(820,823)
Net Community Engagement, current	19,042,356	(2,553,718)	16,488,638	17,859,433
Change in estimated prior years' Community Engagement revenue	509,107	-	509,107	228,194
Community Engagement contributions pledged for future allocation periods (Net of change in allowance for uncollectible pledges and discounts of \$8,076 and \$96,604 at June 30, 2023 and 2022)	-	477,759	477,759	2,917,421
Total Community Engagement	19,551,463	(2,075,959)	17,475,504	21,005,048
Grants and other contributions	1,042,148	14,741,498	15,783,646	21,834,824
Investment income (loss) - endowment funds	314,299	11,553,367	11,867,666	(14,306,928)
Investment income (loss) - other funds	1,437,159	452,066	1,889,225	(3,370,079)
Grants and other contributions released from restrictions (Note 8)	23,209,361	(23,209,361)	-	-
Program, service fee and other income	638,509	-	638,509	933,523
Total contributions and other revenue	46,192,939	1,461,611	47,654,550	26,096,388
<b>FUNDS ALLOCATED FOR SERVICES AND OTHER FUNCTIONAL EXPENSES</b>				
Accredited community-based organization (CBO) supports	3,933,547	-	3,933,547	3,595,394
United Way initiatives	30,901,763	-	30,901,763	35,587,873
Other community impact	4,730,173	-	4,730,173	5,074,511
Total program services	39,565,483	-	39,565,483	44,257,778
Fund raising	5,025,642	-	5,025,642	5,244,317
Management and general	3,528,697	-	3,528,697	4,051,806
Total funds allocated for services and other functional expenses	48,119,822	-	48,119,822	53,553,901
<b>CHANGE IN NET ASSETS</b>	(1,926,883)	1,461,611	(465,272)	(27,457,513)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>\$ 58,686,538</b>	<b>\$ 141,491,661</b>	<b>\$ 200,178,199</b>	<b>\$ 227,635,712</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 56,759,655</b>	<b>\$ 142,953,272</b>	<b>\$ 199,712,927</b>	<b>\$ 200,178,199</b>

See accompanying notes to consolidated financial statements.

UNITED WAY OF CENTRAL INDIANA, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
Year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total 2022
<b>COMMUNITY ENGAGEMENT RESULTS SUMMARY</b>			
Community Engagement Results	\$ 30,778,313	\$ -	\$ 30,778,313
LESS: Pledges designated to other not-for-profit organizations	(6,501,231)	-	(6,501,231)
<b>CONTRIBUTIONS TO THE UNITED WAY</b>	<b><u>\$ 24,277,082</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 24,277,082</u></b>
<b>CONTRIBUTIONS AND OTHER REVENUE</b>			
Community Engagement contributions applicable to current period			
Contributions pledged - current period	\$ 18,680,256	\$ -	\$ 18,680,256
Contributions pledged in prior periods and now released from restriction (Note 8)	5,596,826	(5,596,826)	-
Community Engagement fundraising, current	24,277,082	(5,596,826)	18,680,256
Less - provision for uncollectible pledges, discounts and designations	(868,255)	47,432	(820,823)
Net Community Engagement, current	23,408,827	(5,549,394)	17,859,433
Change in estimated prior years' Community Engagement revenue	228,194	-	228,194
Community Engagement contributions pledged for future allocation periods (Net of change in allowance for uncollectible pledges and discounts of \$96,604 and \$17,620 at June 30, 2022 and 2021)	-	2,917,421	2,917,421
<b>Total Community Engagement</b>	<b><u>23,637,021</u></b>	<b><u>(2,631,973)</u></b>	<b><u>21,005,048</u></b>
Grants and other contributions	391,512	21,443,312	21,834,824
Investment income (loss) - endowment funds	(373,433)	(13,933,495)	(14,306,928)
Investment income (loss) - other funds	(3,035,131)	(334,948)	(3,370,079)
Grants and other contributions released from restrictions (Note 8)	23,825,924	(23,825,924)	-
Program, service fee and other income	933,523	-	933,523
<b>Total contributions and other revenue</b>	<b><u>45,379,416</u></b>	<b><u>(19,283,028)</u></b>	<b><u>26,096,388</u></b>
<b>FUNDS ALLOCATED FOR SERVICES AND OTHER FUNCTIONAL EXPENSES</b>			
Accredited community-based organization (CBO) supports	3,595,394	-	3,595,394
United Way initiatives	35,587,873	-	35,587,873
Other community impact	5,074,511	-	5,074,511
<b>Total program services</b>	<b><u>44,257,778</u></b>	<b><u>-</u></b>	<b><u>44,257,778</u></b>
Fund raising	5,244,317	-	5,244,317
Management and general	4,051,806	-	4,051,806
<b>Total funds allocated for services and other functional expenses</b>	<b><u>53,553,901</u></b>	<b><u>-</u></b>	<b><u>53,553,901</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>(8,174,485)</b>	<b>(19,283,028)</b>	<b>(27,457,513)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>\$ 66,861,023</u></b>	<b><u>\$ 160,774,689</u></b>	<b><u>\$ 227,635,712</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 58,686,538</u></b>	<b><u>\$ 141,491,661</u></b>	<b><u>\$ 200,178,199</u></b>

See accompanying notes to consolidated financial statements.

UNITED WAY OF CENTRAL INDIANA, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ (465,272)	\$ (27,457,513)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Contribution payments restricted for endowments	(12,560)	(31,415)
Realized and unrealized (gain) loss on investments	(9,587,861)	26,514,250
Depreciation	349,597	390,133
Bad debt expense (recovery)	(407,158)	(110,141)
Beneficial interest in assets held by Putnam County Community Foundation	(20,218)	68,867
Change in other assets and liabilities:		
Pledge and other receivables	5,402,424	(1,588,727)
Prepaid expenses and other assets	47,982	240,459
Right of use asset	613,418	-
Lease liability	(460,248)	-
Accounts payable and accrued expenses	(2,984,741)	1,043,290
Funds held for others	1,330,085	670,721
Fund distributions payable	(1,173,634)	(405,394)
Donor designations payable	2,045,615	361,402
Net cash from operating activities	(5,322,571)	(304,068)
Cash flows from investing activities		
Proceeds from sale of investments	42,026,971	75,814,990
Purchases of investments	(44,179,140)	(72,777,290)
Purchases of furniture and equipment	(181,041)	(25,000)
Net cash used in investing activities	(2,333,210)	3,012,700
Cash flows from financing activities		
Proceeds from contributions restricted for endowments	12,560	31,415
Net cash from financing activities	12,560	31,415
Net change in cash and cash equivalents	(7,643,221)	2,740,047
Cash and cash equivalents at beginning of the year	15,484,998	12,744,951
Cash and cash equivalents at the end of the year	\$ 7,841,777	\$ 15,484,998
Non-cash activities:		
Right of use asset	\$ 5,725,233	\$ -
Lease liability	5,725,233	-

See accompanying notes to consolidated financial statements.



UNITED WAY OF CENTRAL INDIANA, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
Years ended June 30, 2023 with combined totals for 2022

	Affiliated Agency Supports	United Way Initiatives	Other Community Impact	Total Program Services	Fund Raising	Management & General	Internal Services	Total 2023	Total 2022
Grants and assistance									
Other grants and assistance	\$ 3,517,986	\$ 25,441,916	\$ 353,648	\$ 29,313,550	\$ -	\$ -	\$ -	\$ 29,313,550	\$ 33,511,600
Total grants and assistance	3,517,986	25,441,916	353,648	29,313,550	-	-	-	29,313,550	33,511,600
Personnel	250,553	1,746,299	2,538,690	4,535,542	3,393,065	2,313,556	428,875	10,671,038	11,237,391
Professional fees and contract services	77,518	2,812,512	680,923	3,570,953	92,535	471,766	425,895	4,561,149	4,856,635
Office costs (printing, telephone, internet, computer hardware, other)	1,537	100,324	14,235	116,096	67,829	64,467	120,468	368,860	457,464
Program supplies	-	41,887	71,172	113,059	-	-	-	113,059	139,795
Technology licensing and hosting	-	46,536	168,397	214,933	169,743	98,902	286,257	769,835	709,661
Occupancy	-	-	-	-	1,980	111,671	562,328	675,979	784,537
Advertising	-	65,162	2,337	67,499	-	162,188	-	229,687	245,726
Transportation, meetings and conferences	6,383	213,216	84,633	304,232	76,332	65,351	291	446,206	337,451
Membership dues	-	-	242,787	242,787	214,827	128,763	299	586,676	843,448
Miscellaneous	-	3,237	919	4,156	1,905	27,770	355	34,186	40,060
Expenses before internal allocations	335,991	5,029,173	3,804,093	9,169,257	4,018,216	3,444,434	1,824,768	18,456,675	19,652,168
Internal allocations									
Depreciation of building and equipment	-	-	-	-	-	-	349,597	349,597	390,133
Allocation of internal services	79,570	430,674	572,432	1,082,676	1,007,426	84,263	(2,174,365)	-	-
Expenses after internal allocations	415,561	5,459,847	4,376,525	10,251,933	5,025,642	3,528,697	-	18,806,272	20,042,301
Total	<u>\$ 3,933,547</u>	<u>\$ 30,901,763</u>	<u>\$ 4,730,173</u>	<u>\$ 39,565,483</u>	<u>\$ 5,025,642</u>	<u>\$ 3,528,697</u>	<u>\$ -</u>	<u>\$ 48,119,822</u>	<u>\$ 53,553,901</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF CENTRAL INDIANA, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2022

	Affiliated Agency Supports	United Way Initiatives	Other Community Impact	Total Program Services	Fund Raising	Management & General	Internal Services	Total 2022
Grants and assistance								
Other grants and assistance	\$ 3,217,576	\$ 30,099,372	\$ 193,381	\$ 33,510,329	\$ 1,271	\$ -	\$ -	\$ 33,511,600
Total grants and assistance	3,217,576	30,099,372	193,381	33,510,329	1,271	-	-	33,511,600
Personnel	203,678	1,848,697	2,719,342	4,771,717	3,545,233	2,463,505	456,936	11,237,391
Professional fees and contract services	96,153	2,778,748	1,040,438	3,915,339	123,694	577,078	240,524	4,856,635
Office costs (printing, telephone, internet, computer hardware, other)	2,839	65,184	29,210	97,233	91,426	75,795	193,010	457,464
Program supplies	500	115,420	23,875	139,795	-	-	-	139,795
Technology licensing and hosting	-	4,294	133,263	137,557	151,569	95,325	325,210	709,661
Occupancy	-	-	-	-	-	77	784,460	784,537
Advertising	-	83,194	3,466	86,660	11,290	147,427	349	245,726
Transportation, meetings and conferences	3,751	165,071	25,973	194,795	58,792	81,487	2,377	337,451
Membership dues	-	-	344,033	344,033	326,389	173,026	-	843,448
Miscellaneous	-	7,501	2,063	9,564	2,518	27,659	319	40,060
Expenses before internal allocations	306,921	5,068,109	4,321,663	9,696,693	4,310,911	3,641,379	2,003,185	19,652,168
Internal allocations								
Depreciation of building and equipment	-	-	-	-	-	-	390,133	390,133
Allocation of internal services	70,897	420,392	559,467	1,050,756	932,135	410,427	(2,393,318)	-
Expenses after internal allocations	377,818	5,488,501	4,881,130	10,747,449	5,243,046	4,051,806	-	20,042,301
Total	\$ 3,595,394	\$ 35,587,873	\$ 5,074,511	\$ 44,257,778	\$ 5,244,317	\$ 4,051,806	\$ -	\$ 53,553,901

See accompanying notes to consolidated financial statements.

## **1. SUMMARY OF SIGNIFICANT OPERATING POLICIES**

- a. **Annual Contributions and Designated Pledges:** United Way of Central Indiana, Inc. (United Way) conducts annual community engagement fundraising to support local health and human service programs in the priority areas of education, financial stability, health and basic needs. Pledges are generally recorded as without restrictions unless a pledge is specifically restricted due to timing (a future year pledge) or purpose. Grants to community-based organizations (CBO's) approved by the United Way Board of Directors are appropriated from net assets without donor restrictions. In addition, other approved expenditures for the next fiscal year are appropriated from net assets without donor restrictions by the United Way Board of Directors.

United Way allows donors to designate all or part of their contributions. Designations to specific not-for-profit organizations other than United Way are excluded from revenue and expense. Designations are included on the Statement of Financial Position within pledges receivable with related donor designations payable. The costs to generate and distribute designated pledges are recorded as fundraising and management and general expense. Related processing fees deducted from payments to the designated not-for-profit organizations are recorded as service fee income.

Contributions and grants to United Way for specific priorities and/or programs are defined as purpose restrictions and are initially recorded as contributions with donor restrictions. Restricted contributions and grants received and released from restriction within the same fiscal period are recorded as with donor restrictions and released from restriction.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- a. **Basis of Accounting:** The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).
- b. **Basis of Consolidation:** The consolidated financial statements include the accounts of United Way and UWCI, LLC, a limited liability company of which United Way is the sole member. There are no material intercompany transactions that are required to be eliminated in the consolidation and UWCI, LLC did not have any transactions during the years ended June 30, 2023 or 2022.
- c. **Cash and Cash Equivalents:** United Way maintains its primary checking accounts and various savings accounts at local banks. During 2023 and 2022, United Way maintained cash balances at financial institutions in excess of the insurance limits provided by the Federal Deposit Insurance Corporation.
- d. **Investments:** Investments are recorded at fair value based on estimates made by the investment trust administrators using current quoted market prices or the market prices of similar securities.

The various investments in equity securities, mutual funds, bonds, exchange traded funds, U.S. government agency obligations, U.S. Treasury bills, and other investments are exposed to a variety of uncertainties, including interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the consolidated financial statements.

Investment income includes realized and unrealized gains and losses on investment transactions and interest and dividend income, net of fees.

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(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

- e. Pledges Receivable, Discounts, and Allowance: Pledges receivable are recorded net of any allowance for uncollectible pledges. At June 30, 2023 and 2022, there are \$25,000 and \$50,000 of pledges receivable extending beyond one year which are recorded at their net present value. A discount rate of 1% was used to estimate the present value of future year receivables for 2023 and 2022. The remaining pledges receivable balance is expected to be collected within the next fiscal year.
- f. Leasehold Improvements, Furniture and Equipment and Depreciation: United Way capitalizes all expenditures for leasehold improvements, and furniture and equipment in excess of \$5,000. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. No restrictions exist on any leasehold improvements, furniture, or equipment assets.
- g. Right Of Use ("ROU") Assets and Lease Liability: ROU asset represents United Way's right to use the underlying assets for the lease term and lease liabilities represent the net present value of United Ways obligation to make payments arising from these leases. The lease liabilities are based on the present value of fixed lease payments over the lease term using its incremental borrowing rate on the lease commencement date. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain United Way will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. As permitted by ASC 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying consolidated statement of financial position.
- h. Impairment of Long-Lived Assets: In accordance with GAAP, United Way reviews its leasehold improvements, and furniture and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss was recognized during the years ended June 30, 2023 and 2022.
- i. Net Assets Without Donor Restrictions: Net assets without donor restriction include undesignated and Board-appropriated assets and liabilities of United Way. The Board of Directors appropriates a portion of the net assets without donor restrictions for specific purposes. These funds may only be used based on Board directives. Unappropriated net assets without donor restrictions are subject to a Board-approved net asset reserve policy that United Way maintain a reserve balance equivalent to at least three months of operating and program costs.
- j. Net Assets With Donor Restrictions: Net assets with donor restrictions are those whose use has been limited by donors to a specific time period or purpose or have been restricted by donors to be maintained by United Way in perpetuity.
- k. Donated Services: United Way did not receive any donated services that are reflected in the consolidated financial statements in fiscal years 2023 and 2022. A substantial number of volunteers have donated significant amounts of their time in the organization's governance, fund raising, fund distribution, and direct assistance program activities, however, no amounts have been included in the consolidated financial statements for these donated services based on GAAP criteria.

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(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

- i. Support and Revenue: All contributions are considered available for use without donor restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction support.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a discount rate commensurate with the risks involved. Conditional promises to give are not included as support until the conditions are substantially met.

- m. Private and Government Grants: United Way receives private and government grants for various projects and programs. Private grants are recorded as contributions and are administered through United Way as part of the normal course of business. Government grants that are cost reimbursement in nature are recognized as revenue when the eligible expenses are incurred.
- n. Program and Service Fees: United way receives various sales, program, workshop and other administrative service fees throughout the year. Program and service fees revenue is recognized during the period in which the service takes place.
- o. Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported period.

Areas where significant estimates are used in the accompanying consolidated financial statements include the allowance for pledges receivable and donor designations payable, present value of future cash flows, fair value of investments, net assets classification, and indirect cost allocation. Actual results could differ from those estimates.

- p. Functional Allocation of Expenses: Expenses have been allocated among program, management and general, and fundraising categories based upon estimates of the benefits received by the various programs and supporting services. Direct expenses related to these respective categories are allocated accordingly. Indirect expenses are allocated based on the headcount within each respective category.
- q. Recently Adopted Accounting Guidance: In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, "Leases" (Topic 842). Under the standard, an entity is required to recognize lease assets and lease liabilities on the consolidated statement of financial position. United Way implemented this ASU for the year ended June 30, 2023 using the modified retrospective method. The ASU also requires additional disclosure, both quantitative and qualitative, including pertinent information about the leasing arrangement, and the amount, timing, and uncertainty of cash flows arising from leases. United Way elected the exemption of short-term leases that are 12 months or less in addition to certain practical expedients permitted under the transition guidance. At implementation, a right-to-use lease asset and lease liability of \$5,725,233 were reported. There was no impact on net assets or change in net assets.
- r. Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2023, to determine the need for any adjustments or disclosures within the consolidated financial statements for the year ended June 30, 2023. Management has performed their analysis through October 5, 2023, the date the report was available to be issued.

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(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**3. INVESTMENTS**

Investments at fair value are composed of the following:

	<u>2023</u>	<u>2022</u>
Money market funds	\$ 17,197,351	\$ 13,105,584
Certificates of deposit	156,006	2,135,027
U.S. government agency obligations	11,952,164	9,713,019
U.S. treasury bills	14,292,518	15,088,769
Municipal bonds	1,021,648	1,223,459
Corporate bonds	23,474,742	22,240,859
Mutual funds	63,689,967	65,536,524
Domestic equity	8,460,617	9,413,888
International equity	10,911,829	6,417,262
Private equity funds	1,133,892	1,047,047
Exchange traded funds	<u>39,478,394</u>	<u>34,107,660</u>
	<u>\$ 191,769,128</u>	<u>\$ 180,029,098</u>

Investment income (loss) is comprised of the following for the years ending June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividends (net of fees of \$389,129 and \$370,102 for 2023 and 2022, respectively)	\$ 4,141,427	\$ 8,794,227
Realized gain on sale of investments	9,312,184	1,009,850
Unrealized gain (loss) on investments	275,677	(27,524,100)
Change in split value of assets	<u>27,603</u>	<u>43,016</u>
Total investment income (loss)	<u>\$ 13,756,891</u>	<u>\$ (17,677,007)</u>

**4. LEASES**

During 2016, United Way entered into an operating lease for an office facility expiring in 2032. United Way utilized the bank borrowing rate at lease inception for a 10 year fully collateralized loan to determine the net present value of the lease liability which was approximately 4.75%. United Way has recognized a right of use lease asset of \$5,111,815, and a lease liability of \$5,264,985 on the statement of financial position as of June 30, 2023.

Future minimum payments due under the lease agreements are as follows:

2024	\$ 732,374
2025	742,441
2026	752,508
2027	762,575
2028	772,642
2029-2032	<u>2,645,943</u>
	6,408,483
Present value discount	<u>(1,143,498)</u>
Lease liability	<u>\$ 5,264,985</u>

Rent expense was \$474,137 and \$679,909 for the years ended June 30, 2023 and 2022.

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(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**5. TAX STATUS**

United Way is a nonprofit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC). UWCI, LLC is a single member LLC whose single member is exempt from federal income taxes under Section 501(c)(3) of the IRC. GAAP requires United Way and UWCI, LLC to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur.

The amount recognized is the largest amount of uncertain tax position that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. United Way and UWCI, LLC have examined this issue and have determined there are no material uncertain tax positions.

United Way and UWCI, LLC do not expect the total amount of uncertain tax positions to significantly change in the next 12 months. United Way and UWCI, LLC recognize interest and/or penalties related to income tax matters in income tax expense. United Way and UWCI, LLC did not have any amounts accrued for interest and penalties at June 30, 2023 or 2022.

**6. RETIREMENT PLANS**

United Way has a contributory defined contribution plan (DC plan) covering all eligible employees. DC plan benefits are determined by a formula that considers length of service, salary, and the individual's Social Security benefit.

*Defined Contribution Plan:* Effective January 1, 2019, United Way implemented a 401(k) retirement plan in which employees of the United Way are immediately eligible to participate. The 401(k) plan includes a 100% employer match of employee contributions up to 6%. Employees become fully vested in employer contributions after two years of service with 0% vesting prior. Current employees with two or more years of service were fully vested upon commencement of the plan. Total contributions to the 401(k) plan were \$419,240 and \$421,516 for the years ended June 30, 2023 and 2022, respectively.

**7. RESTRICTED AND BOARD-DESIGNATED FUNDS**

A portion of net assets without donor restrictions has been appropriated by the Board of Directors for the following purposes:

	<u>2023</u>	<u>2022</u>
Accredited CBO supports	\$ 646,396	\$ 683,838
Current year operations and grantmaking	21,166,346	28,090,217
Transformational gift pending strategic plan	19,750,000	20,000,000
United Way initiatives	5,914,915	2,897,029
Quasi endowed funds	<u>3,407,621</u>	<u>3,093,322</u>
	<u>\$ 50,885,278</u>	<u>\$ 54,764,406</u>

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(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 June 30, 2023 and 2022

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**7. RESTRICTED AND BOARD-DESIGNATED FUNDS** (Continued)

Net assets with donor restrictions are comprised of the following:

	<u>2023</u>	<u>2022</u>
Purpose restrictions:		
CBO and childcare ministries capital projects	\$ 20,218,698	\$ 23,475,590
COVID-19 Related	20,830	40,830
JumpIN initiatives	656,883	64,259
Basic Needs initiatives	260,587	659,553
Family Opportunity initiatives	1,337,138	3,723,317
Undistributed endowment earnings	11,911,070	16,500,582
Other purpose restrictions	567,484	881,653
Endowed funds with retention restrictions:		
Forever Operating Fund	96,711,632	84,868,265
Ellen K. Annala Fund	500,460	500,460
Memorial Fund	5,211,590	5,190,346
Other named funds	659,534	659,534
Time restrictions:		
Future years operating grants	4,366,000	4,420,000
Future years pledges	<u>531,366</u>	<u>507,272</u>
	<u>\$ 142,953,272</u>	<u>\$ 141,491,661</u>

**8. ASSETS RELEASED FROM RESTRICTION**

	<u>2023</u>	<u>2022</u>
Assets with donor restrictions released to assets without donor restrictions for:		
Purpose restrictions satisfied:		
Grants and other contributions	\$ 23,209,361	\$ 23,825,924
Timing restrictions satisfied:		
Community Engagement contributions, net	\$ 2,553,718	\$ 5,596,826

**9. RELATED-PARTY TRANSACTIONS**

Due to the size and composition of United Way's Board of Directors, United Way inevitably uses services or purchases products from companies from which there is a board member relationship. These transactions occur in the ordinary course of business as arms-length transactions generally at the same terms available to the public with appropriate internal checks and balances; and involve banking, investments, insurance, legal and other similar activities.

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## **10. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in United Way's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Accounting standards establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of money market funds, U.S. treasury bills, mutual funds, exchange traded funds, and equities is based on quoted prices in active investment markets. (Level 1)

The fair value of certificates of deposit is based on similar investments over the same period at specific rates. Fair values of bonds and U.S. government obligations have inputs that are observable, but not active and are determined by obtaining quoted market prices of similar securities with similar due dates. This valuation method is the market method. The valuation process is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities. (Level 2)

For private equity, for which there is no active market, United Way uses the net asset value ("NAV") using the market approach, with additional analysis performed by management, as such investments have significant unobservable valuation inputs and are excluded from the valuation hierarchy, pursuant to the adoption of ASU 2015-07, *Fair Value Measurement*. Due to current market conditions as well as the limited trading activity of these securities, the market value of the securities is highly sensitive to assumption changes and market value volatility. However, United Way has the ability to redeem these investments at the fund's NAV on a short term basis.

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(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**10. FAIR VALUE OF FINANCIAL INSTRUMENTS** (Continued)

Assets Measured on a Recurring Basis:

Assets measured at fair value on a recurring basis as of June 30, 2023, are summarized below:

	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total 2023
Money market funds	\$ 17,197,351	\$ -	\$ -	\$ 17,197,351
Certificates of deposit	-	156,006	-	156,006
U.S. government agency obligations	-	11,952,164	-	11,952,164
U.S. treasury bills	14,292,518	-	-	14,292,518
Municipal bonds	-	1,021,648	-	1,021,648
Corporate bonds	-	23,474,742	-	23,474,742
Mutual funds:				
Fixed income	12,038,082	-	-	12,038,082
Equity	46,721,060	-	-	46,721,060
International bond	-	-	-	-
International equity	4,930,825	-	-	4,930,825
Bank loans	-	-	-	-
Domestic equity:				
Industrial	1,328,913	-	-	1,328,913
Consumer goods	373,774	-	-	373,774
Financial	1,783,988	-	-	1,783,988
Technology	2,439,514	-	-	2,439,514
Energy & utilities	297,096	-	-	297,096
Health care	1,895,287	-	-	1,895,287
Insurance	342,044	-	-	342,045
International equity	10,911,829	-	-	10,911,829
Exchange traded funds	<u>39,478,394</u>	<u>-</u>	<u>-</u>	<u>39,478,394</u>
 Total	 <u>\$ 155,725,873</u>	 <u>\$ 36,604,560</u>	 <u>\$ -</u>	 <u>\$ 190,635,236</u>

Assets measured using at NAV as of June 30, 2023:

Private equity	<u>1,133,892</u>
Total as of June 30, 2023	<u>\$ 191,769,128</u>

The private equity investment valued at NAV is comprised of a single investment in AMG Pantheon Fund, LLC, which is a diversified private equity portfolio, including investments in technology, health care, industrials, and financials, among others. Withdrawals are allowed on a quarterly basis. United Way does not have any capital commitments associated with this fund.

(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.  
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**10. FAIR VALUE OF FINANCIAL INSTRUMENTS** (Continued)

Assets measured at fair value on a recurring basis as of June 30, 2022, are summarized below:

	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total 2022
Money market funds	\$ 13,105,584	\$ -	\$ -	\$ 13,105,584
Certificates of deposit	-	2,135,027	-	2,135,027
U.S. government agency obligations	-	9,713,019	-	9,713,019
U.S. treasury bills	15,088,769	-	-	15,088,769
Municipal bonds	-	1,223,459	-	1,223,459
Corporate bonds	-	22,240,859	-	22,240,859
Mutual funds:				
Fixed income	14,029,135	-	-	14,029,135
Equity	35,904,540	-	-	35,904,540
International bond	59,873	-	-	59,873
International equity	15,502,632	-	-	15,502,632
Bank loans	40,344	-	-	40,344
Domestic equity:				
Industrial	788,378	-	-	788,378
Consumer goods	821,461	-	-	821,461
Financial	2,183,205	-	-	2,183,205
Technology	2,060,077	-	-	2,060,077
Energy & utilities	734,727	-	-	734,727
Health care	2,349,333	-	-	2,349,333
Insurance	476,707	-	-	476,707
International equity	6,417,262	-	-	6,417,262
Exchange traded funds	<u>34,107,660</u>	<u>-</u>	<u>-</u>	<u>34,107,660</u>
<b>Total</b>	<b><u>\$ 143,669,687</u></b>	<b><u>\$ 35,312,364</u></b>	<b><u>\$ -</u></b>	<b>178,982,051</b>

Assets measured using at NAV as of June 30, 2022:

Private equity	<u>1,047,047</u>
<b>Total as of June 30, 2022</b>	<b><u>\$ 180,029,098</u></b>

The private equity investment valued at NAV is comprised of a single investment in AMG Pantheon Fund, LLC, which is a diversified private equity portfolio, including investments in technology, health care, industrials, and financials, among others. Withdrawals are allowed on a quarterly basis.

**11. ENDOWMENT COMPOSITION**

United Way's endowment consists of seven individual donor-restricted funds established for a variety of purposes, one donor-restricted fund that United Way treats as an endowment, and one Board designated quasi-endowment. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 June 30, 2023 and 2022

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**11. ENDOWMENT COMPOSITION** (Continued)

Interpretation of Relevant Law: The Board of Directors of United Way has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, United Way classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from the investments
- 6) Other resources of the organization
- 7) The investment policies of the organization

Endowment net asset composition by type of fund as of June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted	\$ -	\$ 115,166,306	\$ 115,166,306
Board designated	<u>3,407,621</u>	<u>-</u>	<u>3,407,621</u>
Total funds	<u>\$ 3,407,621</u>	<u>\$ 115,166,306</u>	<u>\$ 118,573,927</u>

Endowment net asset composition by type of fund as of June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted	\$ -	\$ 107,863,565	\$ 107,863,565
Board designated	<u>3,093,322</u>	<u>-</u>	<u>3,093,322</u>
Total funds	<u>\$ 3,093,322</u>	<u>\$ 107,863,565</u>	<u>\$ 110,956,887</u>

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(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**11. ENDOWMENT COMPOSITION** (Continued)

Changes in endowment net assets for year ended June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year	\$ 3,093,322	\$ 107,863,565	\$ 110,956,887
Investment income:			
Interest income, net of fees	64,492	2,377,182	2,441,674
Realized gains	212,786	9,064,624	9,277,410
Unrealized gains	37,021	84,923	121,944
Change in CSV	-	26,638	26,638
New gifts	-	12,560	12,560
Appropriation for expenditure	<u>-</u>	<u>(4,263,186)</u>	<u>(4,263,186)</u>
End of year	<u>\$ 3,407,621</u>	<u>\$ 115,166,306</u>	<u>\$ 118,573,927</u>

Changes in endowment net assets for year ended June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year	\$ 3,466,756	\$ 127,743,925	\$ 131,210,681
Investment income (loss):			
Interest income, net of fees	167,279	7,124,092	7,291,371
Realized gains	41,448	832,973	874,421
Unrealized losses	(582,161)	(21,933,575)	(22,515,736)
Change in CSV	-	43,016	43,016
New gifts	-	31,415	31,415
Appropriation for expenditure	<u>-</u>	<u>(5,978,281)</u>	<u>(5,978,281)</u>
End of year	<u>\$ 3,093,322</u>	<u>\$ 107,863,565</u>	<u>\$ 110,956,887</u>

**Funds with Deficiencies:** From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires United Way to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in net assets with donor restrictions were \$31,438 and \$66,656 as of June 30, 2023 and 2022, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred during the previous years. The gross endowment corpus value of these funds was \$400,107 and \$400,107 and the investment value of the funds were \$368,669 and \$333,451 as of June 30, 2023 and 2022, respectively.

**Return Objectives and Risk Parameters:** United Way has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity, as well as board-designated quasi-endowed funds.

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**11. ENDOWMENT COMPOSITION** (Continued)

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to grow the real purchasing power of the principal while providing a growing stream of revenue available for spending. Additionally, there is a donor restriction on the Forever Operating Fund which requires the purchasing power of the fund's principal balance be maintained by annually adjusting the principal balance for inflation or deflation.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, United Way relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). United Way targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: United Way has a policy of appropriating for distribution each year up to 5% of its Forever Operating Fund's calendar year end fair market value to fund operations in the fiscal year beginning the following July 1. Distributions cannot cause the average fair market value of the fund over the prior 20 quarters to fall below inflation adjusted (compounded annually) original principal. In establishing this policy, United Way considered the long-term expected return on its endowment. Accordingly, over the long term, United Way expects the current spending policy to allow its endowment to grow over the annual inflation rate to provide additional real growth through investment return in addition to new gifts.

The spending policy is used as a guideline and actual allocation amounts are annual decisions that consider current principal balances, undistributed earnings, and current market and economic conditions. Allocations from the Forever Operating Fund must meet donor-imposed restrictions. Those restrictions require the purchasing power of the fund be maintained by adjusting the principal balance (compounded annually) for inflation or deflation. Should the average fair market value of the fund over the prior 12 quarters be less than inflation adjusted principal, the annual allocation amount cannot exceed 2% of the calendar year end fair market value. If the average fair market value over the prior 12 quarters is less than 80% of the inflation adjusted principal, annual allocations must be reduced to \$0 (within three years) until inflation adjusted principal is restored.

For all other endowment funds, United Way has a general policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned.

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(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**12. LIQUIDITY AND AVAILABILITY**

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

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 7,841,777	\$ 15,484,998
Investments	191,769,128	180,029,098
Pledges receivable, net	8,407,543	9,396,768
Grants and other amounts receivable	<u>6,425,057</u>	<u>10,431,098</u>
Total financial assets	214,443,505	215,341,962
Less amounts not available to be used within one year:		
Financial assets designated for board-designated endowments	3,407,621	3,093,322
Financial assets restricted for donor-restricted endowments	115,166,306	107,863,565
Funds held to pay agency capital projects	3,214,531	1,670,166
Funds held to pay donor designations	4,988,607	3,049,931
Financial assets subject to donor restrictions	22,717,580	28,700,824
Financial assets, future years' fundraising	531,366	507,272
Financial assets for future years' operating grants	4,366,000	4,420,000
Grants and other amounts receivable, non-current	<u>-</u>	<u>100,000</u>
Financial assets not available to be used within one year	<u>154,392,010</u>	<u>149,405,080</u>
Add back funds to be allocated for operations per endowment spending policy within one year	<u>4,028,185</u>	<u>3,705,418</u>
Financial assets available to meet general expenditures within one year	<u>\$ 63,079,680</u>	<u>\$ 69,642,300</u>

As part of the United Way's liquidity management, the United Way invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. United Way has a board designated endowment of \$3,407,621 and \$3,093,322 as of June 30, 2023 and 2022, respectively. Although United Way does not intend to spend from its board designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board designated endowment could be made available if necessary. United Way has donor restricted endowment funds of \$115,166,306 and \$107,863,565 as of June 30, 2023 and 2022, respectively, which are subject to the annual spending policy as described in Note 11.