

NORTH TEXAS AREA UNITED WAY, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

NORTH TEXAS AREA UNITED WAY, INC.

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Independent Auditor's Report

The Board of Directors
North Texas Area United Way, Inc.
Wichita Falls, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of North Texas Area United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Texas Area United Way, Inc. as of March 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2019, on our consideration of North Texas Area United Way, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Texas Area United Way, Inc.'s internal control over financial reporting and compliance.

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
July 19, 2019

FINANCIAL STATEMENTS

NORTH TEXAS AREA UNITED WAY, INC.

STATEMENTS OF FINANCIAL POSITION MARCH 31, 2019 AND 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 213,824	\$ 294,240
Certificates of deposit	229,554	227,271
Pledges receivable, net	201,185	189,835
Grants receivable	415,628	408,317
Other receivables	1,921	-
Beneficial interest in assets held by others	73,331	73,385
Property and equipment, net	<u>370,985</u>	<u>381,548</u>
 Total assets	 <u>\$ 1,506,428</u>	 <u>\$ 1,574,596</u>
 <u>LIABILITIES</u>		
Accounts payable	\$ 163,505	\$ 181,170
Accrued expenses	16,183	24,397
Refundable grant advances	67,490	39,818
Agency allocations payable	271,848	396,628
Donor designations payable	<u>62,638</u>	<u>52,178</u>
 Total liabilities	 <u>581,664</u>	 <u>694,191</u>
 <u>NET ASSETS</u>		
Without donor restrictions:		
Unappropriated	850,361	822,341
Board appropriated	50,343	27,506
With donor restrictions	<u>24,060</u>	<u>30,558</u>
 Total net assets	 <u>924,764</u>	 <u>880,405</u>
 Total liabilities and net assets	 <u>\$ 1,506,428</u>	 <u>\$ 1,574,596</u>

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

NORTH TEXAS AREA UNITED WAY, INC.

STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Totals
Public support and revenue:			
Gross campaign results	\$ 527,788	\$ -	\$ 527,788
Less donor designations	(63,005)	-	(63,005)
Less provision for uncollectible pledges	(25,898)	-	(25,898)
Net campaign revenue	438,885	-	438,885
Other public support	263,993	-	263,993
Governmental grants	2,079,160	-	2,079,160
Service fees	(25)	-	(25)
Special events, net	25,552	-	25,552
Investment income	2,614	-	2,614
Change in value of beneficial interest in assets held by others	(54)	-	(54)
Oil and gas lease bonus	84,823	-	84,823
Miscellaneous income	1,363	-	1,363
Net assets released from restrictions	6,498	(6,498)	-
Total public support and revenue	2,902,809	(6,498)	2,896,311
Expenses:			
Program services:			
Community impact - education	2,096,275	-	2,096,275
Community impact - health	46,890	-	46,890
Community impact - income	325,073	-	325,073
Supporting services:			
Management and general	255,487	-	255,487
Fundraising	100,342	-	100,342
Unallocated payments to affiliates	27,885	-	27,885
Total expenses	2,851,952	-	2,851,952
Change in net assets	50,857	(6,498)	44,359
Net assets at beginning of year	849,847	30,558	880,405
Net assets at end of year	\$ 900,704	\$ 24,060	\$ 924,764

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

NORTH TEXAS AREA UNITED WAY, INC.

STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Public support and revenue:			
Gross campaign results	\$ 495,505	\$ -	\$ 495,505
Less donor designations	(49,544)	-	(49,544)
Less provision for uncollectible pledges	(3,116)	-	(3,116)
Net campaign revenue	<u>442,845</u>	<u>-</u>	<u>442,845</u>
Other public support	269,503	-	269,503
Governmental grants	2,114,731	-	2,114,731
Service fees	(52)	-	(52)
Special events, net	44,300	-	44,300
Investment income	3,314	-	3,314
Change in value of beneficial interest in assets held by others	5,234	-	5,234
Oil and gas lease bonus	28,184	-	28,184
Miscellaneous income	7,767	-	7,767
Net assets released from restrictions	<u>784</u>	<u>(784)</u>	<u>-</u>
Total public support and revenue	<u>2,916,610</u>	<u>(784)</u>	<u>2,915,826</u>
Expenses:			
Program services:			
Community impact - education	2,180,302	-	2,180,302
Community impact - health	79,347	-	79,347
Community impact - income	355,010	-	355,010
Supporting services:			
Management and general	300,352	-	300,352
Fundraising	101,169	-	101,169
Unallocated payments to affiliates	<u>21,392</u>	<u>-</u>	<u>21,392</u>
Total expenses	<u>3,037,572</u>	<u>-</u>	<u>3,037,572</u>
Change in net assets	(120,962)	(784)	(121,746)
Net assets at beginning of year	<u>970,809</u>	<u>31,342</u>	<u>1,002,151</u>
Net assets at end of year	<u>\$ 849,847</u>	<u>\$ 30,558</u>	<u>\$ 880,405</u>

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

NORTH TEXAS AREA UNITED WAY, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MARCH 31, 2019

	Program Services			Total
	Community Impact			
	Education	Health	Income	
Gross allocations to agencies	\$ 183,401	\$ 58,861	\$ 52,779	\$ 295,041
Less donor designations	(40,953)	(11,971)	(10,081)	(63,005)
Net allocations to agencies	142,448	46,890	42,698	232,036
Grants to other entities	950,169	-	-	950,169
Salaries and wages	566,730	-	165,287	732,017
Payroll related taxes	74,922	-	22,296	97,218
Employee benefits	58,253	-	22,595	80,848
Total payroll and related expenses	699,905	-	210,178	910,083
Advertising	9,647	-	5,580	15,227
Professional fees	19,566	-	6,037	25,603
Supplies	68,725	-	12,959	81,684
Telephone	20,097	-	2,334	22,431
Postage and shipping	780	-	260	1,040
Occupancy	59,800	-	15,706	75,506
Maintenance of equipment	19,666	-	5,246	24,912
Printing and publications	1,075	-	838	1,913
Local meals and travel	45,670	-	4,439	50,109
Conferences and conventions	21,958	-	3,535	25,493
Insurance	5,767	-	2,370	8,137
Subscriptions and dues	5,387	-	700	6,087
Financial and material assistance	5,070	-	5,785	10,855
Miscellaneous	1,656	-	489	2,145
Awards/Recognition/Incentives	5,155	-	1,913	7,068
Depreciation expense	13,734	-	4,006	17,740
Total expenses before United Way				
Worldwide dues	2,096,275	46,890	325,073	2,468,238
United Way Worldwide dues	-	-	-	-
Total expenses	\$ 2,096,275	\$ 46,890	\$ 325,073	\$ 2,468,238

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

Supporting Services

Management & General	Fundraising	Unallocated Payments to Affiliates	Total	Total Expenses
\$ -	\$ -	\$ -	\$ -	\$ 295,041
-	-	-	-	(63,005)
-	-	-	-	232,036
-	-	-	-	950,169
158,642	34,901	-	193,543	925,560
18,496	4,526	-	23,022	120,240
22,185	4,517	-	26,702	107,550
199,323	43,944	-	243,267	1,153,350
156	4,841	-	4,997	20,224
43,548	6,737	-	50,285	75,888
1,735	12,492	-	14,227	95,911
761	936	-	1,697	24,128
597	254	-	851	1,891
1,132	1,402	-	2,534	78,040
2,348	4,968	-	7,316	32,228
77	3,126	-	3,203	5,116
59	994	-	1,053	51,162
114	17,058	-	17,172	42,665
758	938	-	1,696	9,833
48	55	-	103	6,190
-	-	-	-	10,855
1,854	834	-	2,688	4,833
-	50	-	50	7,118
2,977	1,713	-	4,690	22,430
255,487	100,342	-	355,829	2,824,067
-	-	27,885	27,885	27,885
\$ 255,487	\$ 100,342	\$ 27,885	\$ 383,714	\$ 2,851,952

NORTH TEXAS AREA UNITED WAY, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MARCH 31, 2018

	Program Services			
	Community Impact			
	Education	Health	Income	Total
Gross allocations to agencies	\$ 252,203	\$ 88,760	\$ 61,190	\$ 402,153
Less donor designations	(32,204)	(9,413)	(7,927)	(49,544)
Net allocations to agencies	219,999	79,347	53,263	352,609
Grants to other entities	956,480	-	-	956,480
Salaries and wages	521,986	-	176,021	698,007
Payroll related taxes	67,625	-	25,405	93,030
Employee benefits	46,151	-	26,648	72,799
Total payroll and related expenses	635,762	-	228,074	863,836
Contract labor	-	-	-	-
Advertising	27,291	-	5,682	32,973
Professional fees	20,510	-	6,498	27,008
Supplies	125,505	-	9,440	134,945
Telephone	18,450	-	1,834	20,284
Postage and shipping	952	-	392	1,344
Occupancy	53,143	-	5,764	58,907
Maintenance of equipment	17,167	-	4,214	21,381
Printing and publications	3,337	-	4,454	7,791
Local meals and travel	40,167	-	4,254	44,421
Conferences and conventions	21,529	-	873	22,402
Insurance	1,981	-	781	2,762
Subscriptions and dues	5,897	-	754	6,651
Financial and material assistance	5,540	-	16,120	21,660
Miscellaneous	251	-	806	1,057
Awards/Recognitions/Incentives	12,712	-	7,211	19,923
Depreciation expense	13,629	-	4,596	18,225
Total expenses before United Way Worldwide dues	2,180,302	79,347	355,010	2,614,659
United Way Worldwide dues	-	-	-	-
Total expenses	\$ 2,180,302	\$ 79,347	\$ 355,010	\$ 2,614,659

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

Supporting Services

Management & General	Fundraising	Unallocated Payments to Affiliates	Total	Total Expenses
\$ -	\$ -	\$ -	\$ -	\$ 402,153
-	-	-	-	(49,544)
-	-	-	-	352,609
-	-	-	-	956,480
195,833	42,607	-	238,440	936,447
22,466	5,640	-	28,106	121,136
27,520	8,190	-	35,710	108,509
245,819	56,437	-	302,256	1,166,092
-	414	-	414	414
4	10,138	-	10,142	43,115
15,988	1,767	-	17,755	44,763
6,361	3,575	-	9,936	144,881
2,826	472	-	3,298	23,582
414	1,163	-	1,577	2,921
6,035	1,024	-	7,059	65,966
7,498	5,006	-	12,504	33,885
796	2,172	-	2,968	10,759
1,896	1,427	-	3,323	47,744
632	14,622	-	15,254	37,656
5,279	909	-	6,188	8,950
488	307	-	795	7,446
-	-	-	-	21,660
1,203	624	-	1,827	2,884
-	-	-	-	19,923
5,113	1,112	-	6,225	24,450
300,352	101,169	-	401,521	3,016,180
-	-	21,392	21,392	21,392
\$ 300,352	\$ 101,169	\$ 21,392	\$ 422,913	\$ 3,037,572

NORTH TEXAS AREA UNITED WAY, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 44,359	\$ (121,746)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	22,430	24,450
Change in value of beneficial interest in assets held by others	54	(5,234)
(Increase) decrease in operating assets:		
Pledges receivable, net	(11,350)	206,782
Grants receivable	(7,311)	(23,817)
Other receivables	(1,921)	1,142
Increase (decrease) in operating liabilities:		
Accounts payable	(17,665)	21,970
Accrued expenses	(8,214)	(10,087)
Refundable grant advances	27,672	16,857
Agency allocations payable	(124,780)	(3,962)
Donor designations payable	10,460	(211,885)
Net cash used by operating activities	(66,266)	(105,530)
Cash flows from investing activities:		
Payments for property and equipment	(11,867)	(2,421)
Purchases of certificates of deposit	(2,283)	(2,684)
Redemption of certificates of deposit	-	50,000
Net cash provided (used) by investing activities	(14,150)	44,895
Net decrease in cash and cash equivalents	(80,416)	(60,635)
Cash and cash equivalents at beginning of year	294,240	354,875
Cash and cash equivalents at end of year	\$ 213,824	\$ 294,240

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

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019 AND 2018

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The North Texas Area United Way, Inc. (United Way), a Texas nonprofit corporation founded in 1924, is a voluntary health and welfare organization governed by a volunteer Board of Directors. Its mission is to improve lives by mobilizing the caring power of community.

The United Way accomplishes this mission by focusing on the building blocks of a good life – education that leads to a stable job, adequate income through retirement and good health. The organization addresses complex human service challenges in partnership with other funders, public and private organizations, and service providers resulting in quantifiable, sustainable responses that strengthen and improve communities in the Wichita Falls area. These activities may include, but are not limited to:

- Researching human service issues, conducting community planning, stakeholder meetings, surveys and assessments;
- Leveraging and distributing resources to community service providers;
- Measuring, tracking and articulating systemic, program, and client outcomes and results;
- Developing, formulating and influencing effective responses to human service issues through advocacy efforts, in accordance with all applicable federal and state statutes restricting activities of tax-exempt non-profits;
- Encouraging and facilitating partnerships, collaborations, and initiatives that reduce service duplication and fragmentation, share information, build linkages and otherwise unite citizens, and the public/private, and not-for-profit sectors to change systems to address root causes that will prevent the long term dependency on social service programs.

United Way holds itself and its partners accountable for achieving positive results in improving life outcomes for children, families and older adults and being transparent in reporting results to donors and the community at large.

In addition to the above activities, the United Way is the Local Campaign Manager (LCM) for the State Employee Charitable Campaign. Furthermore, the United Way was the Principal Combined Fundraising Organization (PCFO) for the Combined Federal Campaign of North Texas until December 31, 2017. As such, the United Way complies with the rules and regulations, audit and reporting requirements set forth by the governing entities for those campaigns. United Way has informed the State Employee Charitable Campaign that it will no longer be the LCM. At the date of the report, a new LCM has not been named; however, United Way anticipates a new LCM will be named before the next campaign.

North Texas Area United Way, Inc. is a member in good standing with United Way Worldwide and, as such, meets rigorous branding, accounting, ethical, auditing and operating standards.

Basis of Presentation

The accompanying financial statements of the United Way are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) MARCH 31, 2019 AND 2018

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Basis of Presentation (Cont'd.)

Contributions received are recorded as an increase in donor restricted net assets unless they are expended in the same year as the contribution. Accordingly, net assets of United Way and changes therein are classified and reported as follows:

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-restricted time and/or purpose restrictions.

Net Assets without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations and the Board of Directors has discretionary control.

New Accounting Standards

United Way adopted Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements for Not-for-Profit Entities in 2018. ASU No. 2016-14 required changes in terminology used to describe categories of net assets and new disclosures regarding liquidity and availability of resources.

Cash and Cash Equivalents

The United Way considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Pledges Receivable

Unconditional promises to give are recorded as pledges receivable and contribution revenue when the promise is made. Pledges receivable and related contributions are initially recorded at their net realizable value based on amounts expected to be collected from donors. This valuation reflects net pledge revenue balances at a level which, in the judgment of management, is adequate to meet the present and potential risks of uncollectibility of the pledges receivable. Management calculates the provision for uncollectible pledges based on a 5 year historical average of uncollected pledges as a percentage of gross pledges, including donor designations. Specific accounts are written-off only upon notification from the donors that the pledges are no longer collectible. For the annual campaign, any remaining uncollectible pledge balances are written-off after two years.

Contributions

Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions that are restricted by a donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) MARCH 31, 2019 AND 2018

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Contributions (Cont'd.)

The United Way solicits pledges from donors during its annual campaign held each fall. These pledges are solicited to provide support for the allocations to United Way agencies in the following year. Since the allocations for the following year are recognized as a current expense when made in the year the campaign is conducted, the United Way considers the support from these pledges to be released from restrictions during the reporting period.

Donor Designations

Included in the United Way's gross annual campaign pledges are pledges designated by donors for direct distribution to another beneficiary. Since those designated pledges constitute agency transactions, they are deducted from gross campaign results to arrive at net campaign revenue on the statement of activities. In addition, those same designated pledges are also deducted from gross allocations to agencies to arrive at net allocations to agencies shown on the statement of functional expenses and included in the statement of activities.

Donor designated pledges are assessed both a fundraising and a processing fee based on actual historical costs in accordance with United Way Worldwide membership standards as outlined in their publication titled *United Way Worldwide Implementation Requirements for Membership Standard M (Cost Deduction for Designated Funds)*.

United Way pledges received from donors who have elected to pay designated agencies directly or use a third-party administrator to make such payments are not included in pledges receivable, gross annual campaign pledges, or gross allocations to agencies because those donations are paid directly by the donor to the agency or third-party administrator for distribution to the designated agency.

Investments

Investments consist of certificates of deposit with original maturities of more than three months, carried at cost.

Property and Equipment

The United Way follows the policy of capitalizing, at cost, expenditures for property and equipment equal to or greater than \$500. Lesser expenditures and maintenance and repairs are expensed when incurred. If property and equipment is acquired by gift, it is recorded at fair market value at the date of the gift. Contributions of property and equipment are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, United Way reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) MARCH 31, 2019 AND 2018

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Property and Equipment (Cont'd.)

Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of assets, which are as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Computer equipment	3 – 5 years
Furniture and fixtures	5 – 10 years
Buildings and improvements	5 – 40 years

Refundable Grant Advances

United Way oftentimes receives advances of funds from grantors upon being awarded grants. Such advances are accounted for as a liability instead of contribution revenue when 1) the grant instrument includes a right of return provision whereby unspent funds remaining at the end of the grant period are to be returned to the grantor, 2) the grant instrument gives the grantor the right to audit United Way's records and request repayment for unbudgeted purchases, or 3) the grant instrument includes other stipulations that make the grant award conditional instead of unconditional. The liability is reduced and revenues recognized over the grant period as eligible expenditures are incurred or other performance benchmarks met.

Agency Allocations Payable

Agency allocations payable represent amounts that are due to United Way's network of agencies. United Way records agency allocations payable upon approval by the Board of Directors.

Contributed Goods and Services

Donated materials are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt. The United Way recognized donated materials valued at \$3,684 and \$4,665 during the years ended March 31, 2019 and 2018, respectively. Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. The United Way recognized donated services valued at \$56,213 and \$46,265 during the years ended March 31, 2019 and 2018, respectively.

In addition to the above, a number of volunteers donated a total of 5,043 and 5,259 hours of time to the United Way's many activities during the years ended March 31, 2019 and 2018, respectively, with 4,313 and 3,455 hours received for the VITA program in those years, respectively. No amounts have been reflected in the financial statements for these contributed services because the nature of the services does not meet the specified criteria for recognition. However, management estimates the fair value of the services received to be \$126,579 and \$126,960 for the years ended March 31, 2019 and 2018, respectively, based on the hours received and standard volunteer rates published by independent outside organizations.

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) MARCH 31, 2019 AND 2018

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Functional Expenses

Expenses are summarized and categorized based on their functional classification as either program services or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. However, many expenses relate to more than one function and must be allocated using a reasonable methodology. Those expenses are allocated to the various functions and programs based on the timesheet study method recommended by the United Way Worldwide. Under that method, each employee's salary and related costs are allocated to the various functions based on the hours worked in each functional classification by that employee. All other indirect expenses are allocated to the functional categories based on the percentage of time spent in the aggregate by all employees in each functional classification.

Advertising Costs

Advertising costs are expensed as incurred by or donated to the United Way.

Income Taxes

United Way is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. United Way qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Concentrations of Credit Risk

United Way has deposits with financial institutions in the form of cash and certificates of deposit. Those deposits did not exceed insured limits at March 31, 2019 and 2018.

Contractual Restrictions on Cash and Cash Equivalents

Certain grants and the governmental campaigns described in Note 8 require that the United Way maintain separate bank accounts for each of those activities. The amounts in those separate bank accounts had a total bank balance of \$25,003 and book balance of \$25,003 as of March 31, 2019. As of March 31, 2018, those accounts had a total bank balance of \$23,681 and book balance of \$23,681.

Subsequent Events

The date to which events occurring after March 31, 2019, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is July 19, 2019, which is the date on which the financial statements were available to be issued.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) MARCH 31, 2019 AND 2018

NOTE 2 - PLEDGES RECEIVABLE

Pledges receivable (all due within one year) consist of the following at March 31, 2019:

	<u>Pledges Due</u>	<u>Less Allowance for Uncollectible Accounts</u>	<u>Pledges Receivable Balance</u>
Campaign pledges receivable:			
2018 United Way campaign	\$200,339	(\$32,741)	\$167,598
2018 governmental campaigns	<u>37,465</u>	<u>(3,878)</u>	<u>33,587</u>
Totals	<u>\$237,804</u>	<u>(\$36,619)</u>	<u>\$201,185</u>

Pledges receivable (all due within one year) consist of the following at March 31, 2018:

	<u>Pledges Due</u>	<u>Less Allowance for Uncollectible Accounts</u>	<u>Pledges Receivable Balance</u>
Campaign pledges receivable:			
2017 United Way campaign	\$178,215	(\$30,176)	\$148,039
2017 governmental campaigns	<u>41,796</u>	<u>-</u>	<u>41,796</u>
Totals	<u>\$220,011</u>	<u>(\$30,176)</u>	<u>\$189,835</u>

NOTE 3 - GRANTS RECEIVABLE

Grants receivable consist of the following at March 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Receivable for:		
2-1-1 Program	\$ 37,312	\$ 49,955
VITA Program	39,636	26,999
HOPEs	69,294	68,129
Texas Home Visiting	232,467	215,472
Texas School Readiness	21,595	33,267
University of North Texas	<u>15,324</u>	<u>14,495</u>
Totals	<u>\$415,628</u>	<u>\$408,317</u>

All amounts are scheduled to be collected within one year. Management does not consider there to be any significant risk associated with collection of these balances.

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) MARCH 31, 2019 AND 2018

NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In September 2004, the United Way transferred \$25,000 to the Wichita Falls Area Community Foundation (Foundation) to establish a fund to provide current income and long-term protection for the United Way. Under the terms of the agreement, the United Way may withdraw and use the investment return generated by the transferred assets for its charitable purposes in accordance with the spending rate established by the Foundation. The United Way may withdraw from the fund amounts in excess of the established spending rate in any year as determined by the Board of Directors of the Foundation provided one of the following conditions is met: (1) the distribution is for the purpose of enabling the United Way to acquire or renovate a capital asset; (2) the United Way is faced with unexpected financial needs that are not likely to recur, and the distribution will enable the United Way to meet those needs. However, such distributions may not exceed 75% of corpus in any one year.

At the time of the transfer, the United Way granted variance power to the Foundation. That power gives the Foundation the right to distribute the investment return to another not-for-profit organization of its choice if the United Way ceases to exist or if the governing board of the Foundation determines that support of the United Way is no longer possible or practical of accomplishment. Under the terms of the agreement, however, such power does not become effective earlier than at least thirty days after the Foundation notifies the United Way in writing of (1) its intent to exercise such power and (2) the manner in which the Foundation proposes to vary the purposes, uses or methods of administration of the fund.

At March 31, 2019 and 2018, the fund had a value of \$73,331 and \$73,385, respectively, which is reported in the statements of financial position as beneficial interest in assets held by others.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 98,758	\$ 98,758
Property and equipment being depreciated:		
Building and improvements	491,787	491,787
Furniture and fixtures	33,426	33,426
Computer equipment	<u>91,995</u>	<u>89,183</u>
Total property and equipment	715,966	713,154
Less accumulated depreciation	<u>(344,981)</u>	<u>(331,606)</u>
Property and equipment, net	<u>\$370,985</u>	<u>\$381,548</u>

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) MARCH 31, 2019 AND 2018

NOTE 6 - NET ASSETS WITHOUT DONOR RESTRICTION

Net assets without donor restriction consist of the following at March 31, 2019 and 2018:

	2019	2018
Unappropriated – available for general use	<u>\$850,361</u>	<u>\$822,341</u>
Board appropriated for specific purposes:		
VITA Program	33,943	27,506
2-1-1 Program	7,626	-
Texas School Readiness	8,424	-
University of North Texas	350	-
Total board appropriations	<u>50,343</u>	<u>27,506</u>
Total net assets without donor restriction	<u>\$900,704</u>	<u>\$849,847</u>

NOTE 7 - NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction consist of the following as of March 31, 2019 and 2018:

	2019	2018
TRIAD Program	\$24,060	\$24,060
Prosperity Hub	-	500
Race for the Stars	<u>-</u>	<u>5,998</u>
Total	<u>\$24,060</u>	<u>\$30,558</u>

Net assets were released from restriction in 2019 and 2018 through the United Way incurring the following expenditures:

	2019	2018
Race for the Stars	\$5,998	\$ -
Prosperity Hub	<u>500</u>	<u>784</u>
Total	<u>\$6,498</u>	<u>\$ 784</u>

NOTE 8 - GOVERNMENTAL CAMPAIGNS

Under contractual agreements, the United Way conducts local fundraising campaigns in the Wichita Falls area on behalf of the Combined Federal Campaign of North Texas (through December 31, 2017) and State Employee Charitable Campaign. Through these governmental campaigns, donors designate their gifts to a wide variety of charitable organizations and the United Way distributes the campaign proceeds accordingly. Because the United Way acts as an agent for these campaigns, it cannot recognize contribution revenue or allocation expense on

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) MARCH 31, 2019 AND 2018

NOTE 8 - GOVERNMENTAL CAMPAIGNS (CONT'D.)

the statement of activities related to these transactions. For presentation purposes, specific donor designations to the United Way's agencies are included in gross annual campaign pledges and gross allocations to agencies, and then deducted from each to reflect amounts actually available for use by the United Way.

As of March 31, 2019 and 2018, cash balances held on behalf of the governmental campaigns and maintained in separate bank accounts totaled \$25,003 and \$23,681, respectively. Pledges receivable and donor designations payable related to governmental campaigns are \$33,587 and \$57,249, respectively as of March 31, 2019, and \$41,796 and \$52,718, respectively as of March 31, 2018.

For its administration of the Combined Federal Campaign of North Texas (through December 31, 2017) and State Employee Charitable Campaign, the United Way charges administrative fees to each governmental campaign in accordance with the contractual agreement governing that campaign. These fees totaled (\$5,756) (after a refund of \$7,547 of prior year fees) and \$12,000 for the years ended March 31, 2019 and 2018, respectively.

NOTE 9 - EMPLOYEE BENEFIT PLANS

Tax-Sheltered Annuity Program

All employees of United Way are eligible to participate in a tax-sheltered annuity program. Participating employees agree to a reduced salary and the United Way then pays the difference into the annuity plan on behalf of the employees. Income tax on these amounts is deferred until participants receive proceeds from the annuity. Currently, no employees are participating in this program.

Simplified Employee Pension Plan

The United Way also has a noncontributory simplified employee pension plan in which all employees are eligible to participate. The United Way contributes five percent of the eligible employee's salary to the plan. In addition to the plan, the United Way also contributes one percent of the president's salary to a secondary plan. The contributions for the years ended March 31, 2019 and 2018 totaled \$37,831 and \$39,999, respectively.

NOTE 10 - CONCENTRATIONS

The United Way is dependent upon its annual campaign held in the Wichita Falls, Texas area for a significant portion of its support and revenue. That campaign accounted for 15% and 15% of United Way's total public support and revenue for the years ended March 31, 2019 and 2018, respectively. Also, United Way received one governmental grant from a single grantor that comprised 47% and 47% of the total public support and revenue for the years ended March 31, 2019 and 2018, respectively. A significant decrease in these sources of public support and revenue could have a material adverse effect on the United Way.

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS (CONT'D.) MARCH 31, 2019 AND 2018

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

United Way's working capital and cash flows have limited seasonal variations during the year; however, it does vary depending on occupancy levels and services sold. Monthly cash outflows vary each year based on staffing levels and specific maintenance projects. United Way has been managing liquidity with its own resources – current year operations and available net assets.

The following reflects United Way's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Cash and cash equivalents	\$ 213,824
Certificates of deposit	229,554
Pledges receivable, net (to be collected in less than one year)	201,185
Grants receivable (to be collected in less than one year)	415,628
Other receivables (to be collected in less than one year)	<u>1,921</u>
Total financial assets	1,062,112
Less those unavailable for general expenditures within one year due to:	
Donor restricted – TRIAD Program	<u>(24,060)</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$1,038,052</u>

NOTE 12 - SUBSEQUENT EVENT

Effective April 1, 2019, United Way sold its mineral interest in Reeves County, Texas that were received from a charitable gift several years ago for \$976,247.

INTERNAL CONTROL AND COMPLIANCE SECTION



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

The Board of Directors
North Texas Area United Way, Inc.
Wichita Falls, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Texas Area United Way, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 19, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Texas Area United Way, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Texas Area United Way, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of North Texas Area United Way, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Texas Area United Way, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Texas Area United Way, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
July 19, 2019



EDGIN, PARKMAN, FLEMING & FLEMING, PC

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DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

The Board of Directors
North Texas Area United Way, Inc.
Wichita Falls, Texas

Report on Compliance for the Major Federal Program

We have audited North Texas Area United Way, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on North Texas Area United Way, Inc.'s major federal program for the year ended March 31, 2019. North Texas Area United Way, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for North Texas Area United Way, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about North Texas Area United Way, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of North Texas Area United Way, Inc.'s compliance.

Opinion on the Major Federal Program

In our opinion, North Texas Area United Way, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2019.

Report on Internal Control over Compliance

The management of North Texas Area United Way, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered North Texas Area United Way, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of North Texas Area United Way, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
July 19, 2019

NORTH TEXAS AREA UNITED WAY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED MARCH 31, 2019

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to the financial statements noted? _____ Yes X No

2. Federal Awards

Internal control over major program:

One or more material weaknesses identified? _____ Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported under 2 CFR Section 200.516(a)? _____ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.870	Maternal, Infant and Early Childhood Home Visiting Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

NORTH TEXAS AREA UNITED WAY, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D.)
FOR THE YEAR ENDED MARCH 31, 2019**

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

NORTH TEXAS AREA UNITED WAY, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED MARCH 31, 2019

In the prior year, Finding 2018-001 was reported as a material weakness due to material adjustments made during the audit process. During the current year audit, no material audit adjustments were required.

NORTH TEXAS AREA UNITED WAY, INC.

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED MARCH 31, 2019**

No corrective action plan is required since there were no current year findings or questioned costs.

NORTH TEXAS AREA UNITED WAY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED MARCH 31, 2019

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures	Amounts Provided to Subrecipients
<u>U. S. Department of Agriculture:</u>				
Passed Through Texas Health and Human Services Commission:				
Food Stamps	10.561	529-16-0006-00009E	\$ 9,098	\$ -
Food Stamps	10.561	529-16-0006-00009G	9,856	-
Total CFDA Number 10.561			<u>18,954</u>	<u>-</u>
Total U. S. Department of Agriculture			<u>18,954</u>	<u>-</u>
<u>U. S. Department of Treasury:</u>				
Direct Program:				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	17VITA0252	29,101	-
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	19VITA0168	41,636	-
Total U. S. Department of Treasury			<u>70,737</u>	<u>-</u>
<u>U. S. Department of Health and Human Services:</u>				
Passed Through Texas Health and Human Services Commission:				
Maternal, Infant and Early Childhood Home Visiting Program	93.870	X10MC30550-01-00	535,331	349,843
Maternal, Infant and Early Childhood Home Visiting Program	93.870	X10MC31172-01-00	837,312	500,065
Total CFDA Number 93.505			<u>1,372,643</u>	<u>849,908</u>
Temporary Assistance for Needy Families	93.558	529-16-0006-00009E	9,098	-
Temporary Assistance for Needy Families	93.558	529-16-0006-00009G	9,856	-
Total CFDA Number 93.558			<u>18,954</u>	<u>-</u>
Refugee and Entrant Assistance	93.566	529-16-0006-00009E	9,098	-
Refugee and Entrant Assistance	93.566	529-16-0006-00009G	9,856	-
Total CFDA Number 93.566			<u>18,954</u>	<u>-</u>
Child Care and Development Block Grant	93.575	529-16-0006-00009F	2,851	-
Child Care and Development Block Grant	93.575	529-16-0006-00009G	3,617	-
Total CFDA Number 93.575			<u>6,468</u>	<u>-</u>
Children's Health Insurance Program	93.767	529-16-0006-00009E	9,098	-
Children's Health Insurance Program	93.767	529-16-0006-00009G	9,856	-
Total CFDA Number 93.767			<u>18,954</u>	<u>-</u>
Medical Assistance Program	93.778	529-16-0006-00009E	9,098	-
Medical Assistance Program	93.778	529-16-0006-00009G	9,856	-
Total CFDA Number 93.778			<u>18,954</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>1,454,927</u>	<u>849,908</u>
<u>U. S. Corporation for National and Community Service:</u>				
Passed Through University of North Texas:				
AmeriCorps	94.006	GF40025-11	8,184	-
Total U. S. Corporation for National and Community Service			<u>8,184</u>	<u>-</u>
Totals			<u>\$ 1,552,802</u>	<u>\$ 849,908</u>

NORTH TEXAS AREA UNITED WAY, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED MARCH 31, 2019

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the North Texas Area United Way, Inc. (United Way) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the United Way, it is not intended to and does not present the financial position, changes in net assets or cash flows of the United Way.

Note 2 - FEDERAL ASSISTANCE RECONCILIATION

Statement of Activities:

Governmental grants	\$2,079,160
Less non-federal governmental grants	(<u>526,358</u>)
Total per Schedule of Expenditures of Federal Awards	<u>\$1,552,802</u>

Note 3 - DE MINIMIS INDIRECT COST RATE

United Way elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.