

Schedule of Expenditures of Federal Awards and Reports of Independent
Certified Public Accountants

United Way of Metropolitan Dallas, Inc.

June 30, 2016

United Way of Metropolitan Dallas, Inc.

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Year ended June 30, 2016

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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To the Board of Directors of
United Way of Metropolitan Dallas, Inc.

We have audited, 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, the consolidated financial statements of United Way of Metropolitan Dallas, Inc. and United Way Foundation of Metropolitan Dallas (the "United Way"), which comprise the consolidated statement of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities, functional expenses and cash flows for the years, then ended, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2016.

Internal control over financial reporting

In planning and performing our audit of the consolidated financial statements, we considered the United Way's internal control over financial reporting ("internal control") to design 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the United Way'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 United Way'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 the United Way's 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 the United Way's consolidated 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*.

Intended purpose

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 United Way's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the United Way's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Dallas, Texas
November 9, 2016



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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To the Board of Directors of
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Report on compliance for each major federal program

We have audited the compliance of United Way of Metropolitan Dallas, Inc. (the “United Way”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2016. The United Way’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 the United Way’s federal programs.

Auditor’s responsibility

Our responsibility is to express an opinion on compliance for the United Way’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 the United Way’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 each major federal program. However, our audit does not provide a legal determination of the United Way’s compliance.

Opinion on each major federal program

In our opinion, the United Way 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 June 30, 2016.

Report on internal control over compliance

Management of the United Way 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 the United Way's internal control over compliance with the types of compliance requirements that could have a direct and material effect on the major federal program to design audit 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 the United Way'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 a 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. Given these limitations, during our audit we did not identify any deficiencies in the United Way's 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.



Dallas, Texas
November 9, 2016



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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To the Board of Directors of
United Way of Metropolitan Dallas, Inc.

We have audited, 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, the consolidated financial statements of United Way of Metropolitan Dallas, Inc. and United Way Foundation of Metropolitan Dallas (the "United Way") as of and for the years ended June 30, 2016 and 2015, and our report thereon dated November 9, 2016 expressed an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on these consolidated financial statements as a whole.

The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis 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, and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

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

Dallas, Texas
November 9, 2016

United Way of Metropolitan Dallas, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year ended June 30, 2016

<u>Grantor Agency / Pass-through Agency / Program Title</u>	<u>Federal CFDA/State Award Number</u>	<u>Pass-Through Federal Award Number</u>	<u>Expenditures</u>	<u>Pass-Through to Subrecipients</u>
Expenditures of Federal Financial Assistance:				
U.S. Department of Health and Human Services				
Pass-through from: Texas Health and Human Services Commission				
The Texas Home Visiting Program (THV)	93.505	529-12-0029-00004	\$1,167,809	\$1,070,963
The Texas Home Visiting Program (THV)	93.505	529-15-0053-00004	<u>498,419</u>	<u>458,124</u>
Total 93.505			1,666,228	1,529,087
Internal Revenue Service				
Volunteer Income Tax Assistance (VITA)	21.009		<u>67,000</u>	<u>67,000</u>
Total Federal Financial Assistance			<u>\$1,733,228</u>	<u>\$1,596,087</u>
Expenditures of State Financial Assistance:				
Texas Health and Human Services Commission				
The Texas Home Visiting Program (THV)	529-15-0053- 0000x		73,521	63,436
Texas Department of Family and Protective Services				
Healthy Outcomes through Prevention and Early Support (HOPES)	24304373		523,135	271,365
Total State Financial Assistance			<u>596,656</u>	<u>334,801</u>
Total Federal and State Financial Assistance			<u>\$2,329,884</u>	<u>\$1,930,888</u>

The accompanying notes are an integral part of this schedule.

United Way of Metropolitan Dallas, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year ended June 30, 2016

NOTE A - GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards of United Way of Metropolitan Dallas, Inc. (the "United Way"). Direct federal awards and those federal awards passed through other government agencies are included.

NOTE B - BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the accrual basis of accounting. The information in the Schedule of Expenditures of Federal and State Awards is presented in accordance with the requirements of the State of Texas *Single Audit Circular* included in the *Uniform Grant Management Standards* issued by the Governor's Office of Budget and Planning of the State of Texas. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

NOTE C - NON-CASH ASSISTANCE

United Way has not received any non-cash assistance, such as commodities, food stamps, or surplus property; insurance provided by a federal or state agency, or federal or state loans and/or loan guarantees.

NOTE D - INDIRECT COSTS

United Way has elected to use the 10% de minimis indirect cost rate.

United Way of Metropolitan Dallas, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2016

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal and State Awards

Internal control over major program:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

United Way of Metropolitan Dallas, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2016

SECTION I - SUMMARY OF AUDITORS' RESULTS - Continued

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.505	The Texas Home Visiting Program
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were noted that are required to be reported.

SECTION III - FEDERAL AND STATE FINDINGS AND QUESTIONED COSTS

No matters were noted that are required to be reported.

United Way of Metropolitan Dallas, Inc.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended June 30, 2016

Findings:

No prior year findings were reported