

Financial Statements and Report of  
Independent Certified Public  
Accountants

**United Way Foundation of Metropolitan  
Dallas**

June 30, 2019 and 2018

**Contents**

	Page
Report of Independent Certified Public Accountants	3
Financial Statements	
Statements of Financial Position	5
Statement of Activities	6-7
Statement of Functional Expenses	8
Statements of Cash Flows	9
Notes to Financial Statements	10

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors  
United Way Foundation of Metropolitan Dallas

We have audited the accompanying financial statements of United Way Foundation of Metropolitan Dallas, which comprise the statements of financial position as of June 30, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way Foundation of Metropolitan Dallas as of June 30, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

Dallas, Texas  
November 8, 2019

United Way Foundation of Metropolitan Dallas

STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 528,076	\$ 150,489
Investments, at fair value	45,090,339	43,557,156
Pledges receivable, net	2,824,726	3,524,988
Due from UWMD	1,433,333	-
Other assets	<u>536,349</u>	<u>347,213</u>
Total assets	<u>\$50,412,823</u>	<u>\$47,579,846</u>
LIABILITIES AND NET ASSETS		
Due to UWMD	\$ 2,713,443	\$ 1,806,057
Net assets		
Without Donor Restriction	24,395,199	23,994,490
With Donor Restriction	<u>23,304,181</u>	<u>21,779,299</u>
Total net assets	<u>47,699,380</u>	<u>45,773,789</u>
Total liabilities and net assets	<u>\$50,412,823</u>	<u>\$47,579,846</u>

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

**United Way Foundation of Metropolitan Dallas**

STATEMENT OF ACTIVITIES

June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Contributions	\$ 190,927	\$ 1,798,414	\$ 1,989,341
Net realized and unrealized gain on investments	966,655	754,812	1,721,467
Interest and dividends	598,047	441,856	1,039,903
Net assets released for satisfaction of time restrictions	990,943	(990,943)	-
Net assets released for satisfaction of purpose restrictions	<u>479,257</u>	<u>(479,257)</u>	<u>-</u>
Total revenue	3,225,829	1,524,882	4,750,711
Expenses			
Program services	2,535,000	-	2,535,000
Support services			
Fundraising	290,120	-	290,120
Management and general	<u>-</u>	<u>-</u>	<u>-</u>
Total supporting services	<u>290,120</u>	<u>-</u>	<u>290,120</u>
Total expenses	<u>2,825,120</u>	<u>-</u>	<u>2,825,120</u>
Change in net assets	400,709	1,524,882	1,925,591
Net assets, beginning of year	<u>23,994,490</u>	<u>21,779,299</u>	<u>45,773,789</u>
Net assets, end of year	<u>\$ 24,395,199</u>	<u>\$ 23,304,181</u>	<u>\$ 47,699,380</u>

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

**United Way Foundation of Metropolitan Dallas**

STATEMENT OF ACTIVITIES

June 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Contributions	\$ 1,257,916	\$ 1,906,433	\$ 3,164,349
Net realized and unrealized gain on investments	1,311,762	928,880	2,240,642
Interest and dividends	527,254	371,122	898,376
Net assets released for satisfaction of time restrictions	1,547,551	(1,547,551)	-
Net assets released for satisfaction of purpose restrictions	<u>190,602</u>	<u>(190,602)</u>	<u>-</u>
Total revenue	4,835,085	1,468,282	6,303,367
Expenses			
Program services	3,038,734	-	3,038,734
Support services	-	-	-
Fundraising	<u>86,336</u>	<u>-</u>	<u>86,336</u>
Total expenses	<u>3,125,070</u>	<u>-</u>	<u>3,125,070</u>
Transfers	<u>200,462</u>	<u>(200,462)</u>	<u>-</u>
Change in net assets	1,910,477	1,267,820	3,178,297
Net assets, beginning of year	<u>22,084,013</u>	<u>20,511,479</u>	<u>42,595,492</u>
Net assets, end of year	<u>\$ 23,994,490</u>	<u>\$ 21,779,299</u>	<u>\$ 45,773,789</u>

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

**United Way Foundation of Metropolitan Dallas**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year ended June 30, 2019

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Community investment</u>	<u>Fundraising</u>	<u>2019 Total</u>
Gross distributions to UWMD	\$ 2,535,000	\$ -	\$ 2,535,000
Life insurance premiums	-	290,120	290,120
Total	<u>\$ 2,535,000</u>	<u>\$ 290,120</u>	<u>\$ 2,825,120</u>

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

**United Way Foundation of Metropolitan Dallas**

STATEMENTS OF CASH FLOWS

Years ended June 30,

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,925,591	\$ 3,178,297
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Proceeds from contributions restricted for long-term purposes	(1,608,758)	(1,026,827)
Net realized and unrealized gain on investments	(1,721,467)	(2,240,642)
Life insurance premiums expense	290,120	86,335
Changes in assets and liabilities:		
Pledges receivable	700,262	1,886,511
Due from UWMD	(1,433,333)	(1,278,815)
Due to UWMD	<u>907,386</u>	<u>-</u>
Net cash (used in) provided by operating activities	(940,199)	604,859
Cash flows from investing activities:		
Purchases of investments	(7,768,957)	(16,586,234)
Proceeds from sales or maturities of investments	7,957,241	15,280,712
Purchase of life insurance policy	<u>(479,256)</u>	<u>(190,602)</u>
Net cash used in investing activities	(290,972)	(1,496,124)
Cash flows from financing activities:		
Proceeds from contributions restricted for long-term purposes	<u>1,608,758</u>	<u>1,026,827</u>
Net cash provided by financing activities	<u>1,608,758</u>	<u>1,026,827</u>
Net increase in cash and cash equivalents	377,587	135,562
Cash, beginning of year	<u>150,489</u>	<u>14,927</u>
Cash, end of year	<u><u>\$ 528,076</u></u>	<u><u>\$ 150,489</u></u>

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

## United Way Foundation of Metropolitan Dallas

### NOTES TO FINANCIAL STATEMENTS

Years ended June 30, 2019 and 2018

#### **NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The United Way Foundation of Metropolitan Dallas (the "Foundation"), a Texas nonprofit corporation, was founded in 1999 exclusively for the purpose of receiving gifts, grants, and bequests in order to establish an endowment fund for the long-term benefit of the United Way of Metropolitan Dallas, Inc. (the "United Way" or "UWMD"). The Foundation is governed by a volunteer Board of Directors (the "Board"), which is appointed by the Board of Directors of the United Way. The Foundation receives both restricted gifts and unrestricted gifts. However, the Board's intent is to treat all contributions without donor restrictions to the Foundation as a permanent endowment whereby the corpus of these gifts is held in perpetuity and only the earnings are spent. For reporting purposes, the Foundation is consolidated in the United Way's financial statements.

#### Basis of Presentation

The accompanying financial statements of the Foundation are prepared on the accrual basis of accounting.

#### Cash

The Foundation places its cash with high quality financial institutions which cash balances, at times, may exceed federally insured limits. The Foundation has not experienced any losses on such accounts.

#### Investments

Investments are carried at fair value, which is determined based on quoted market prices. Realized and unrealized gains and losses are reflected in the statements of activities. Gains and losses on sales transactions are recorded when realized based on the original cost (amortized in the case of bonds) of the investments sold based on the specific identification method. Earnings from investments are recorded as interest and dividends and are reflected in the statements of activities.

#### Pledges Receivable and Contributions

Contributions are recorded at their estimated fair value when received.

Unconditional promises to give are recorded as pledges receivable and contribution revenue when the promise is made. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible pledges is estimated based on recent historical experience, as well as other factors anticipated to affect collections. Provisions for losses, if any, are charged to change in net assets and credited to the allowance. There was no allowance for contributions receivable as of June 30, 2019 and 2018.

#### Life Insurance Policy

As part of a planned giving program called United Way Life, sponsored by United Way Worldwide, the Foundation has purchased life insurance policies on behalf of nineteen donors. Nine and no new policies were purchased during fiscal years ended June 30, 2019 and 2018, respectively. The Foundation is the beneficiary of these policies. This program allows donors to utilize life insurance to accomplish their philanthropic objectives by enabling the donors to create a future legacy that will endow their annual gift into perpetuity. The donor contributes an amount sufficient to cover the annual premiums. Additionally, donors may provide funds for "matching" premiums which increases the value of the policy. The life insurance policy is issued as one single policy. The cash surrender value of the policy is included in other assets in the statements of financial position. The difference between the premium paid and the cash surrender value of the policy is expensed as fundraising expenses in the statements of activities.

## United Way Foundation of Metropolitan Dallas

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2019 and 2018

#### Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Thus, no provision for income taxes is included in the accompanying combined financial statements.

The Foundation follows the accounting guidance for accounting for uncertainty in income taxes. The Foundation recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Foundation applied the uncertain tax position guidance to all tax positions for which the statute of limitations remained open and determined there were no material unrecognized tax benefits as of that date. The Foundation does not believe there is any uncertainty with respect to the tax position that would result in a material change to the financial statements.

The Foundation is subject to federal and state income taxes to the extent it has unrelated business income. In accordance with the guidance for uncertainty in income taxes, management has evaluated their material tax positions and determined that there are no material income tax effects with respect to its financial statements. Management has determined that there is no material unrelated business income to report for the Foundation and has not historically filed any unrelated business income tax returns. Therefore, tax years remain open for years in which an income tax return has not been filed.

The Foundation recognizes any interest and penalties related to income taxes. There were no interest or penalties related to income taxes that have been accrued or recognized as of and for the year ended June 30, 2019 and 2018.

On December 22, 2017, tax reform legislation commonly known as the Tax Cuts and Jobs Act of 2017 (the Act) was passed; resulting in significant modifications to existing tax law. There were no material effects on the financial statements as a result of the Act. Management is evaluating the ongoing impact of the Act on United Way and the Foundation.

#### Distribution to UWMD

Annually, the Board approves an operating expense reimbursement to the United Way. The amount paid to United Way during the years ended June 30, 2019 and 2018 was \$0 and \$1,018,991, respectively.

The Spending Policy for the Foundation was updated during the year ended June 30, 2018 with all funds from the Foundation to UWMD to be considered as part of the Spending Policy or grant to UWMD. Therefore, no amount was accrued for operating expense reimbursement in Due to UWMD in the accompanying financial statements as of June 30, 2019.

#### Net Assets Without Donor Restrictions

Net assets without donor restrictions are currently available net assets for operating purposes under the direction of the board, designated by the board for specific use or donor advised funds.

#### Net Assets with Donor Restrictions

Contributions received from third parties with donor stipulations that limit the use of the donated assets, including specific or implied time restrictions inherent in pledges to give cash or other assets in the future, or are restricted such that the original gift (or principal) must be maintained in perpetuity, such as a permanent endowment fund are reported as net assets with donor restriction in the accompanying financial statements. When the applicable restriction expires, that is, when a stipulated time restriction ends or the

## United Way Foundation of Metropolitan Dallas

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2019 and 2018

purpose of the restriction is accomplished (including accrual of the related obligation), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. Contributions received with temporary restrictions which are satisfied in the same reporting period are accounted for as described above and are included in net assets released from restrictions in the accompanying statements of activities. For contributions maintained in perpetuity, only the investment return on the original principal is available for use according to donor restrictions.

#### Functional Allocation of Expenses

The statement of functional expenses reflect the costs of providing the various programs and other activities. There have been no expenses allocated among the programs and supporting services.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### Accounting Pronouncements Adopted in Current Year

Beginning in the fiscal year ended June 30, 2019 United Way implemented Financial Accounting Standards Board (the "FASB") Accounting Standards Update ("ASU") 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The new pronouncement amends certain financial reporting requirements for not-for-profit entities, including revisions to the classification of net asset and expanded disclosure requirements concerning expenses and liquidity. The ASU also required changes in the way certain information is aggregated and reported. New disclosures were added regarding liquidity and availability of resources (Note E) and a statement of functional expenses.

### **NOTE B - INVESTMENTS AND FAIR VALUE**

The Foundation records its financial instruments in accordance with the fair value guidance as established by the FASB. In accordance with this guidance, fair value is defined as the price the Foundation would receive from the sale of an asset, or pay to transfer a liability, in a timely transaction with an independent buyer in a principal market. This guidance establishes a three-tier hierarchy to distinguish between various types of inputs used in determining the value of the Foundation's investments and liabilities. The inputs are summarized in three levels as outlined below:

- Level 1 Inputs - Quoted prices (unadjusted) in active markets for identical assets and liabilities. Level 1 assets include fixed income mutual funds, equity mutual funds and money market funds. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.
- Level 2 Inputs - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

## United Way Foundation of Metropolitan Dallas

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2019 and 2018

- Level 3 Inputs - Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgment by management.

The Foundation does not have Level 2 or 3 assets or liabilities.

The fair value of investments at June 30 is summarized as follows:

	2019	2018
Certificates of deposit	\$ -	\$ 130,943
Equity mutual funds	31,334,472	30,322,178
Fixed income mutual funds	13,741,266	13,102,939
Money market funds	14,601	1,096
Total	<u>\$ 45,090,339</u>	<u>\$ 43,557,156</u>

A professional investment advisor manages the investments with periodic review by United Way management and the Foundation Investment Committee with approval by the Board. Investment fees of \$51,185 and \$50,324 were incurred for the years ending June 30, 2019 and 2018, respectively, and are included in net realized and unrealized gain on investments in the accompanying statements of activities. Management of the United Way does not believe these investments pose unusual market or credit risks.

#### NOTE C - ENDOWMENT FUNDS

The Foundation's endowment consists of individual endowment funds established for the exclusive purpose of operating for the benefit of United Way. The endowment includes funds that are both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Unrestricted endowment funds represent those funds designated by the Board at the inception of the endowment plus general public contributions, estate settlements, and contributions not supported by an endowment agreement.

##### Interpretation of Relevant Law

The Foundation interprets the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") enacted by the State of Texas as allowing the Foundation, absent donor stipulations to the contrary as stated in the gift instrument, to appropriate as much of a donor-restricted endowment fund as the Board determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established.

The following factors are considered 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 donor restricted endowment fund; 3) general economic conditions; 4) the possible effect of inflation and deflation; 5) the expected total return from income and the appreciation of investments; and 6) other resources of the Foundation.

**United Way Foundation of Metropolitan Dallas**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2019 and 2018

Endowment net asset composition by type of fund consists of the following as of June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions		Total with Donor Restrictions	Total
		Original Gift Amount	Accumulated Gains (Losses) and Other		
Donor-restricted endowment funds	\$ -	\$ 16,861,622	\$ 6,510,183	\$ 23,371,805	\$ 23,371,805
Board-designated endowment funds	23,775,681	-	-	-	23,775,681
<b>Total endowment net assets</b>	<b>\$ 23,775,681</b>	<b>\$ 16,861,622</b>	<b>\$ 6,510,183</b>	<b>\$ 23,371,805</b>	<b>\$ 47,147,486</b>

Changes in endowment net assets for the year ended June 30, 2019, are as follows:

	Without Donor Restrictions	With Donor Restrictions		Total with Donor Restrictions	Total
		Original Gift Amounts	Accumulated Gains (Losses) and Other		
Endowment net assets, beginning of year	\$ 23,614,821	\$ 15,487,528	\$ 6,071,603	\$ 21,559,131	\$ 45,173,952
Investment return:					
Investment income	598,047	-	441,856	441,856	1,039,903
Net appreciation (unrealized and realized)	966,655	-	754,812	754,812	1,721,467
Total investment return	1,564,702	-	1,196,668	1,196,668	2,761,370
Contributions	190,927	1,608,758	-	1,608,758	1,799,685
In-Transit	-	(234,664)	234,664	-	-
Appropriation of assets for expenditure	(1,594,769)	-	(992,752)	(992,752)	(2,587,521)
<b>Endowment net assets, end of year</b>	<b>\$ 23,775,681</b>	<b>\$ 16,861,622</b>	<b>\$ 6,510,183</b>	<b>\$ 23,371,805</b>	<b>\$ 47,147,486</b>

**United Way Foundation of Metropolitan Dallas**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2019 and 2018

Endowment net asset composition by type of fund consists of the following as of June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions			Total
		Original Gift Amount	Accumulated Gains (Losses) and Other	Total with Donor Restrictions	
Donor-restricted endowment funds	\$ -	\$ 15,487,528	\$ 6,071,603	\$ 21,559,131	\$ 21,559,131
Board-designated endowment funds	23,614,821	-	-	-	23,614,821
<b>Total endowment net assets</b>	<b>\$ 23,614,821</b>	<b>\$ 15,487,528</b>	<b>\$ 6,071,603</b>	<b>\$ 21,559,131</b>	<b>\$ 45,173,952</b>

Changes in endowment net assets for the year ended June 30, 2018, are as follows:

	Without Donor Restrictions	With Donor Restrictions			Total
		Original Gift Amounts	Accumulated Gains (Losses) and Other	Total with Donor Restrictions	
Endowment net assets, beginning of year	\$ 21,858,935	\$ 13,693,213	\$ 6,315,208	\$ 20,008,421	\$ 41,867,356
Investment return:					
Investment income	527,254	-	369,532	369,532	896,786
Net appreciation (unrealized and realized)	1,311,762	-	928,612	928,612	2,240,374
Total investment return	1,839,016	-	1,298,144	1,298,144	3,137,160
Contributions	1,257,915	1,794,315	-	1,794,315	3,052,230
In-Transit	200,462	-	5,802	5,802	206,264
Appropriation of assets for expenditure	(1,541,507)	-	(1,547,551)	(1,547,551)	(3,089,058)
<b>Endowment net assets, end of year</b>	<b>\$ 23,614,821</b>	<b>\$ 15,487,528</b>	<b>\$ 6,071,603</b>	<b>\$ 21,559,131</b>	<b>\$ 45,173,952</b>

Return Objective and Risk Parameters

The Foundation 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. Endowments include those assets with donor restrictions that the Foundation must hold in perpetuity or for a donor-specified period as well as board-designated funds.

**United Way Foundation of Metropolitan Dallas**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2019 and 2018

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation. The Foundation's investment objectives are to generate sufficient long-term growth of capital without undue exposure to risk, to provide for spending distributions when needed, and to enhance the real purchasing power of the investments.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The primary long-term management objective of the Foundation's board-designated and donor-restricted endowment funds (the "Endowment Fund") is to ensure safety and preservation of principal, to achieve a satisfactory risk – adjusted total rate of return on assets under management, to maintain sufficient liquidity to meet operating and distribution needs, and to seek at all times to maintain public trust by adhering to the above stated objectives.

During the year ended June 30, 2018, the Foundation Board made a change to the spending policy whereby the Foundation distributes the higher of \$2,500,000 or 4.5% of the twelve-quarter rolling average of the portfolio's market value, or the most recent quarter's closing market value, whichever is lower. As a result, the Foundation distribution to United Way for the year ended June 30, 2019 and 2018 is \$2,500,000 and is included in program services in the accompanying statements of activities. This was approved by the Foundation Board during the fiscal year ended June 30, 2019 and 2018, respectively, and is reported in the Due to UWMD.

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 UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no funds with aggregate amounts that had fallen below their original gift value as of June 30, 2019 and 2018.

**United Way Foundation of Metropolitan Dallas**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2019 and 2018

**NOTE D - PLEDGES RECEIVABLE**

Pledges receivable as of June 30, 2019 are summarized as follows:

	<u>Pledges due in less than one year</u>	<u>Pledges due within 1 to 5 years</u>	<u>Pledges due more than five years</u>	<u>Pledges receivable balance, net</u>
With donor restriction	<u>\$ 1,148,681</u>	<u>\$ 1,776,667</u>	<u>\$ 400,000</u>	<u>\$ 3,325,348</u>
Less unamortized present value discount	<u>(121,234)</u>	<u>(273,920)</u>	<u>(105,468)</u>	<u>(500,622)</u>
 Total pledges receivable, net	 <u><u>\$ 1,027,447</u></u>	 <u><u>\$ 1,502,747</u></u>	 <u><u>\$ 294,532</u></u>	 <u><u>\$ 2,824,726</u></u>

The rates used for calculation of the discount was 3.25% to 5.5% as receivable as of June 30, 2019.

Pledges receivable as of June 30, 2018 are summarized as follows:

	<u>Pledges due in less than one year</u>	<u>Pledges due within 1 to 5 years</u>	<u>Pledges due more than five years</u>	<u>Pledges receivable balance, net</u>
Without donor restriction	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>
With donor restriction	<u>1,140,056</u>	<u>2,263,333</u>	<u>650,000</u>	<u>4,053,389</u>
 Total	 <u>1,150,056</u>	 <u>2,263,333</u>	 <u>650,000</u>	 <u>4,063,389</u>
Less unamortized present value discount	<u>(96,691)</u>	<u>(292,164)</u>	<u>(149,546)</u>	<u>(538,401)</u>
 Total pledges receivable, net	 <u><u>\$ 1,053,365</u></u>	 <u><u>\$ 1,971,169</u></u>	 <u><u>\$ 500,454</u></u>	 <u><u>\$ 3,524,988</u></u>

The rates used for calculation of the discount was 3.25% to 4.25% as receivable as of June 30, 2018.

**United Way Foundation of Metropolitan Dallas**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2019 and 2018

**NOTE E - LIQUIDITY AND AVAILABILITY**

The following table reflects the Foundation's financial assets as of June 30, 2019 and 2018 reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, assets held for others, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment as board designated endowments. These board designations could be drawn upon if the board approves that action.

	June 30,	
	2019	2018
Financial Assets:		
Cash and cash equivalents	\$ 528,076	\$ 150,489
Investments, at fair value	45,090,339	43,557,156
Pledges receivable, net	2,824,726	3,524,988
Financial assets	48,443,141	47,232,633
Less assets unavailable for general expenditure within one year, due to:		
Board Designated Endowment	(23,775,681)	(23,614,821)
Donor Restricted Endowment	(21,574,526)	(19,087,508)
Donor Restricted Pledges	(1,797,279)	(2,471,623)
Donor Purpose Restriction	-	(220,168)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,295,655	\$ 1,838,513

**NOTE F - SUBSEQUENT EVENTS**

The Foundation has evaluated its financial statements for subsequent events through November 8, 2019, the date the financial statements were available to be issued. The Foundation is not aware of any such events which would require recognition or disclosure in the financial statements.