

**UNITED WAY OF
TARRANT COUNTY**

FINANCIAL STATEMENTS

**Year Ended June 30, 2021
(with Summarized Comparative Information
for the Year Ended June 30, 2020)
With Report of Independent Auditors**

**UNITED WAY OF
TARRANT COUNTY**

FINANCIAL STATEMENTS

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for the Year Ended June 30, 2020)**

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
United Way of Tarrant County

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Tarrant County, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"); 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 the 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 United Way of Tarrant County as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in conformity with GAAP.

Report on Summarized Comparative Information

We have previously audited the United Way of Tarrant County's June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2022, on our consideration of United Way of Tarrant County'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 United Way of Tarrant County's internal control over financial reporting and compliance.

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

Fort Worth, Texas
January 7, 2022

UNITED WAY OF TARRANT COUNTY
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2021	2020
<u>Assets:</u>		
Cash and cash equivalents	\$ 2,881,969	\$ 2,418,741
Restricted cash	259,178	5,000,000
Investments:		
Certificate of deposit	996,164	1,229,019
Mutual funds	1,504,234	2,136,106
Total investments, stated at fair value	2,500,398	3,365,125
Pledges receivable less allowance for uncollectible pledges of \$1,706,870 and \$1,342,706 at June 30, 2021 and 2020, respectively	1,897,303	2,885,785
Other receivables	1,530,905	1,207,046
Prepaid expenses	165,880	110,375
Beneficial interest in assets held by others	9,312,376	7,307,612
Property and equipment, net	204,792	244,908
Other assets	78,980	78,980
Total assets	\$ 18,831,781	\$ 22,618,572
 <u>Liabilities and net assets:</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,083,183	\$ 2,128,429
Due to designated organizations	1,502,725	2,369,477
Refundable advances	2,153,392	1,080,312
Funds held for City of Fort Worth	-	5,000,000
Funds held for Early Learning Alliance	259,179	-
Accrued post-retirement benefits	159,838	178,280
Deferred revenue	305,604	37,368
Total liabilities	6,463,921	10,793,866
Net assets (deficiency):		
Without donor restrictions:		
Undesignated	(3,606,426)	(1,856,240)
Board designated	7,734,779	5,806,619
With donor restrictions	8,239,507	7,874,327
Total net assets	12,367,860	11,824,706
Total liabilities and net assets	\$ 18,831,781	\$ 22,618,572

See accompanying notes to financial statements.

UNITED WAY OF TARRANT COUNTY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE TOTALS FOR 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Year Ended June 30, 2021</u>	<u>Comparative Total Year Ended June 30, 2020</u>
<u>Revenues, gains, and other support</u>				
Gross campaign results	\$ 183,034	\$ 10,246,777	\$ 10,429,811	\$ 11,918,964
Less donor designations	-	(3,115,435)	(3,115,435)	(4,727,565)
Less allowance for uncollectible pledges	-	(811,792)	(811,792)	(740,153)
Net campaign contributions	183,034	6,319,550	6,502,584	6,451,246
Designations contributed from other campaigns	-	-	-	129,152
Other contributions	-	1,044,976	1,044,976	1,703,962
Grants	11,380,700	-	11,380,700	9,451,514
Net investment return	428,091	-	428,091	192,771
Changes in market value of assets held by others	2,165,006	229,996	2,395,002	12,803
Rental income	489,959	-	489,959	492,105
Other	163,377	-	163,377	130,983
Net assets released for satisfaction of time restrictions	5,317,816	(5,317,816)	-	-
Net assets released for satisfaction of purpose restrictions	1,911,526	(1,911,526)	-	-
Total revenues, gains and other support	22,039,509	365,180	22,404,689	18,564,536
<u>Expenses</u>				
Program services:				
Allocations & Community Impact	4,498,720	-	4,498,720	6,230,355
Emergency Response	2,200,304	-	2,200,304	1,466,610
Veterans	414,041	-	414,041	772,922
Area Agency on Aging	10,028,797	-	10,028,797	8,941,470
Service Centers	491,004	-	491,004	492,106
Total program services	17,632,866	-	17,632,866	17,903,463
Support services:				
Fund Raising	2,634,018	-	2,634,018	2,397,704
Management & General	1,594,651	-	1,594,651	2,146,500
Total support services	4,228,669	-	4,228,669	4,544,204
Total expenses	21,861,535	-	21,861,535	22,447,667
Change in net assets	177,974	365,180	543,154	(3,883,131)
Net assets at beginning of year	3,950,379	7,874,327	11,824,706	15,707,837
Net assets at end of year	<u>\$ 4,128,353</u>	<u>\$ 8,239,507</u>	<u>\$ 12,367,860</u>	<u>\$ 11,824,706</u>

See accompanying notes to financial statements.

**UNITED WAY OF TARRANT COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE TOTALS FOR 2020**

	Allocations & Community Impact	Emergency Response	Veterans	Area Agency on Aging	Service Centers	Total Program Services	Fund Raising	Management & General	Total Supporting Services	June 30, 2021 TOTAL FUNCTIONAL EXPENSES	June 30, 2020 TOTAL FUNCTIONAL EXPENSES
Operating Expenses											
Salaries and wages	\$ 572,092	\$ 2,091	\$ 292,248	\$ 1,872,854	\$ 53,154	\$ 2,792,439	\$ 1,013,553	\$ 777,459	\$ 1,791,012	\$ 4,583,451	\$ 4,805,452
Employee benefits	91,155	450	20,672	407,182	11,698	531,157	125,790	60,252	186,042	717,199	853,852
Payroll taxes	41,367	-	25,694	162,210	4,781	234,052	74,656	51,561	126,217	360,269	387,413
	<u>704,614</u>	<u>2,541</u>	<u>338,614</u>	<u>2,442,246</u>	<u>69,633</u>	<u>3,557,648</u>	<u>1,213,999</u>	<u>889,272</u>	<u>2,103,271</u>	<u>5,660,919</u>	<u>6,046,717</u>
Professional fees	109,845	16,227	11,025	332,950	7,183	477,230	935,622	284,753	1,220,375	1,697,605	1,106,519
Supplies	2,444	-	9,819	31,648	131	44,042	1,516	9,874	11,390	55,432	42,200
Telephone	6,777	70	1,431	22,313	24,477	55,068	8,143	64,173	72,316	127,384	91,036
Postage and shipping	293	2,800	-	1,526	-	4,619	1,923	7,693	9,616	14,235	7,986
Occupancy	82,004	-	32,749	251,793	134,113	500,659	143,794	31,443	175,237	675,896	683,312
Outside printing	7,941	-	-	10,698	-	18,639	19,960	1,896	21,856	40,495	23,957
Local transportation	471	-	725	11,086	938	13,220	1,133	-	1,133	14,353	57,418
Conferences and training	7,700	-	272	236	-	8,208	14,592	22,186	36,778	44,986	55,575
Meetings-community/agency	1,466	-	3,578	19,907	-	24,951	12,706	27,057	39,763	64,714	223,045
Community promotion	6,470	-	-	34,586	-	41,056	31,462	-	31,462	72,518	67,152
Subscriptions	702	-	-	382	1,792	2,876	33,406	7,077	40,483	43,359	39,724
Membership dues	1,935	-	-	8,053	-	9,988	920	31,059	31,979	41,967	27,460
Equipment/buildings-maintenance/rental	50,826	-	8,300	-	232,427	291,553	68,061	74,845	142,906	434,459	425,342
Insurance and miscellaneous	6,932	-	28	3,989	16,971	27,920	65,703	49,718	115,421	143,341	168,960
Payments to affiliated organizations	225,315	-	-	8,380	-	233,695	53,106	63,727	116,833	350,528	314,182
Depreciation	26,356	-	-	1,951	3,339	31,646	27,972	26,753	54,725	86,371	72,367
	<u>537,477</u>	<u>19,097</u>	<u>67,927</u>	<u>739,498</u>	<u>421,371</u>	<u>1,785,370</u>	<u>1,420,019</u>	<u>702,254</u>	<u>2,122,273</u>	<u>3,907,643</u>	<u>3,406,235</u>
Total operating expenses	<u>1,242,091</u>	<u>21,638</u>	<u>406,541</u>	<u>3,181,744</u>	<u>491,004</u>	<u>5,343,018</u>	<u>2,634,018</u>	<u>1,591,526</u>	<u>4,225,544</u>	<u>9,568,562</u>	<u>9,452,952</u>
Allocations/grants net of designations	<u>3,256,629</u>	<u>2,178,666</u>	<u>7,500</u>	<u>6,847,053</u>	<u>-</u>	<u>12,289,848</u>	<u>-</u>	<u>3,125</u>	<u>3,125</u>	<u>12,292,973</u>	<u>12,994,715</u>
Total functional expenses	<u>\$ 4,498,720</u>	<u>\$ 2,200,304</u>	<u>\$ 414,041</u>	<u>\$ 10,028,797</u>	<u>\$ 491,004</u>	<u>\$ 17,632,866</u>	<u>\$ 2,634,018</u>	<u>\$ 1,594,651</u>	<u>\$ 4,228,669</u>	<u>\$ 21,861,535</u>	<u>\$ 22,447,667</u>

See accompanying notes to financial statements.

UNITED WAY OF TARRANT COUNTY

STATEMENTS OF CASH FLOWS

	Years ended June 30,	
	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 543,154	\$ (3,883,131)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Adjustment for accrued post-retirement benefits	(8,626)	(2,712)
Loss on disposal of property and equipment	-	2,868
Changes in market value of assets held by others	(2,395,002)	(12,803)
Depreciation	86,371	72,367
Realized and unrealized loss on investments	(416,275)	(149,214)
Allowance for uncollectible pledges expense	811,792	740,153
Changes in operating assets and liabilities:		
Pledges receivable	176,690	891,206
Other receivables	(323,859)	781,351
Prepaid expenses	(55,505)	(30,702)
Other assets	-	25,999
Accounts payable and accrued expenses	(45,246)	199,014
Due to designated organizations	(866,752)	(1,389,725)
Accrued post-retirement benefits	(9,816)	9,816
Deferred revenue	268,236	(319,011)
Refundable advance	1,073,080	1,080,312
Funds held for Early Learning Alliance	259,179	-
Funds held for City of Fort Worth	(5,000,000)	5,000,000
Net cash provided by (used in) operating activities	(5,902,579)	3,015,788
Investing activities:		
Purchase of property and equipment	(46,255)	(60,235)
Distributions from beneficial interest in assets held by others	390,238	2,151,553
Sale of investments	1,302,605	1,246,203
Purchase of investments	(21,603)	(37,086)
Net cash provided by investing activities	1,624,985	3,300,435
Net change in cash, cash equivalents, and restricted cash	(4,277,594)	6,316,223
Cash, cash equivalents, and restricted cash at beginning of year	7,418,741	1,102,518
Cash, cash equivalents, and restricted cash at end of year	\$ 3,141,147	\$ 7,418,741
Cash reconciliation:		
Cash and cash equivalents	\$ 2,881,969	\$ 2,418,741
Restricted cash	259,178	5,000,000
Cash, cash equivalents, and restricted cash at end of year	\$ 3,141,147	\$ 7,418,741

See accompanying notes to financial statements.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2021 and 2020

NOTE A. NATURE OF BUSINESS

The United Way of Tarrant County (the “Organization” or “United Way”) is a not-for-profit organization whose mission is to improve lives across our diverse communities by prioritizing needs in education, income, and health, forming innovative and effective partnerships with other organizations, and strategically raising and investing resources to make lasting change. The Organization started in 1922, when a group of Fort Worth’s community leaders gathered to consolidate the fundraising efforts of several local charities.

Through an annual fundraising campaign conducted primarily by volunteers, the Organization raises money from individuals and organizations to make possible services provided both by the Organization and by other area partners and not-for-profit health and human service organizations. A significant portion of the Organization’s funds are derived from contributions of residents and businesses in the Tarrant County area. United Way community development volunteers allocate dollars without restrictions. Allocations are committed to community partner agencies and impact partners at the beginning of each fiscal year in July.

United Way of Tarrant County administers the following programs:

Community Fund

Contributions without donor restrictions are accumulated and divided into two main areas. The first benefits the Organization’s community partner agency core services. Since its inception, the Organization helped fundraise for partner agencies throughout the community. The Organization has dozens of partner agencies to which United Way volunteers allocate a portion of Community Fund dollars without donor restrictions for specific programs at each agency. The second area supports the Organization’s impact initiatives, which focus on education, financial stability, and healthy aging and independent living.

Donor-Designated Funds

Donors have the option to designate contributions to the agency of their choice, including 42 community partner agencies, to a specific impact initiative, or to other United Ways and their partner agencies. The Organization remits collected contributions quarterly to the designated organizations.

Other Programs

The Organization also administers various programs consisting of local, state, and federal grants for veteran services, COVID-19 response, Volunteer Income Tax Assistance, and aging and disability services.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and, accordingly, reflect all significant receivables, payables, and other liabilities. Revenues are recognized when earned and expenditures are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all certificates of deposit, commercial paper, money market funds, and U.S. government securities with original maturities of three months or less when purchased to be cash and cash equivalents.

The Organization maintains its operating bank accounts primarily at one financial institution. The Federal Deposit Insurance Corporation (“FDIC”) insures accounts at this financial institution. The Organization maintains its cash in bank deposit accounts which, at times, may exceed FDIC limits. The Organization has not experienced any losses in such accounts.

Restricted Cash

During 2020, the Organization had restricted cash related to an agreement with the City of Fort Worth (the “City”), whereby the City had contracted with the Organization to distribute funds to Fort Worth area businesses as part of the Small Business Stabilization Grant Program. The Organization is responsible for disbursing the funds to applicants once a final funding recommendation is received from the City. As of June 30, 2020, the Organization had received \$5,000,000 from the City which is recorded as restricted cash, and no disbursements had been made. The offsetting liability is presented on the statement of financial position as Funds Held for the City of Fort Worth. As of June 30, 2021, the Organization has no funds from the City.

During 2021, the Organization has restricted cash related to a fiscal agent agreement with Early Learning Alliance (“ELA”). As of June 30, 2021, the Organization held \$259,179 for ELA which is recorded as restricted cash. The offsetting liability is presented on the statement of financial position as funds held for Early Learning Alliance.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments

Investments are comprised of certificates of deposit and mutual funds and are reported at fair value with realized and unrealized gains and losses included in the accompanying statement of activities. See Note E for fair value of the Organization's investments.

Beneficial Interest in Assets Held by Others

Beneficial interests in assets held by others represent investments held by the North Texas Community Foundation ("NTXCF") which are comprised of mutual funds and pooled accounts. The fair value of the mutual funds is determined primarily by reference to quoted market prices. Pooled accounts are comprised of broad asset category types, such as common stock, mutual funds, and cash equivalents. The underlying holdings are all based on unadjusted quoted market prices. Realized and unrealized gains and losses are included in the accompanying statement of activities as changes in market value of assets held by others.

Property and Equipment

The Organization capitalizes expenditures for property and equipment in excess of \$500 with useful lives of one year or more at cost. During 2021, the threshold for capitalizing expenditures for property and equipment increased to \$1,000. Depreciation is computed on the straight-line method with a pro-rated expense taken in the year of acquisition. Estimated useful lives for purposes of calculating depreciation vary from three to ten years.

Contributions and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions received are recorded as with or without donor restriction depending on the existence and/or nature of any donor restrictions. Some donor restrictions are temporary in nature; those will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities as net assets released from restrictions.

The most recent fund-raising campaign is restricted at June 30, 2021 and will be reclassified from net assets with donor restrictions to net assets without donor restrictions at July 1, 2021, to support operations throughout the fiscal year ending June 30, 2022.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributions and Revenue Recognition – continued

In establishing the annual allowance for uncollectible pledges, management evaluates the adequacy of the allowance for uncollectible pledges based on a several factors including collection history of previous fundraising campaigns, the aging of the accounts, and other specific information known to management that may affect collectability. Pledges not collected approximately twelve months after the Organization concludes its annual fundraising campaign become delinquent and are written off during the subsequent six to nine months.

A portion of the Organization’s revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. See Note O – *Paycheck Protection Program* and *Economic Injury Disaster Loan Advance* for discussion of refundable advances recorded in the accompanying statements of financial position as of June 30, 2021 and 2020.

Endowment Funds and Spend Policies

The Alexis De Tocqueville Leadership Endowment Fund

The Organization established an endowment fund with the NTXCF, the Alexis De Tocqueville Leadership Endowment Fund (“ADT Leadership Fund”), using the proceeds of a donor-restricted gift. The purpose of the gift was to establish a perpetual endowment to fund programs and services specified in the original gift instrument. The gift received is reported in net assets with donor restrictions and accumulated in investment funds managed by NTXCF. Annual fund distributions made to the Organization from NTXCF are expended on programs or services that fulfill the fund’s mission and satisfy donor restrictions. The annual distribution shall not exceed 5% of the previous twelve quarters average of the ending net assets of the fund calculated at December 31 of each year.

The Legacy Fund

The Organization established a quasi-endowment fund with the NTXCF, the Legacy Fund, using net assets without donor restrictions previously held by the Organization. Gifts received for the fund are reported in net assets without donor restrictions and accumulated in investment funds managed by NTXCF. Annual distributions made to the Organization from NTXCF are expended on programs or services that fulfill the Organization’s initiatives. Annual distribution made to the Organization from NTXCF shall not exceed 5% of the previous twelve quarters average of the ending net assets of the fund calculated at December 31 of each year. During the year ended June 30, 2020, the Board approved a supplemental distribution to provide additional operating funds from the Legacy Fund. No such distribution was made during the year ended June 30, 2021.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Donated Assets and Services

The Organization recognizes donated property as a contribution at its estimated fair value at the date of the gift. A substantial number of volunteers have donated significant amounts of their time and services to the activities of the Organization without compensation. For the year ended June 30, 2021, approximately 19,000 hours were donated. With the exception of Volunteer Income Tax Assistance ("VITA"), the value of donated services is not recognized as a contribution since no objective basis is available to measure the value of such services and generally, they do not require specialized skills. For VITA, 3,612 volunteer hours were donated and were recognized at \$23.82 per hour, according to Internal Revenue Service guidelines.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Salaries and related payroll expenses are recorded based on actual segregation of personnel by program or supporting services benefited. Distribution of all other expenses is based on actual usage or management's estimates of usage applicable to the various programs and supporting services benefited. All salary, overhead, and miscellaneous costs attributable to fund-raising efforts are recorded as operating expenses in the period incurred.

Portions of management and general and technology expenses have been allocated to program expenses, within the statement of functional expenses, based upon the full-time equivalent employee method. The full-time equivalent employee method uses a premise that every employee has an associated overhead cost.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2021 and 2020, was \$71,553 and \$67,152, respectively.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recent Accounting Pronouncements

During 2020, the Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of this ASU is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the considerations to which an entity expects to be entitled for those goods or services. The new revenue guidance defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The Organization adopted this guidance on July 1, 2019, and the guidance was applied to contracts at the application date. There was no adjustment necessary to beginning net assets as a result of the adoption.

During 2020, the Organization adopted FASB ASU No. 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This ASU aims to clarify and improve the scope and accounting guidance for contributions received and contributions made. Specifically, this ASU assists entities in: (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Not-for-Profit Entities* (Topic 958), or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. The Organization adopted this guidance on July 1, 2019. There was no adjustment necessary to beginning net assets as a result of the adoption.

During 2020, the Organization adopted FASB ASU No. 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*. This ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The Organization adopted this guidance on July 1, 2019.

Subsequent Events

Management has evaluated all subsequent events and transactions for potential recognition or disclosure through January 7, 2022, the date the financial statements were available for issuance.

NOTE C. PLEDGES AND OTHER RECEIVABLES

All pledges receivable as of June 30 are expected to be received as follows:

	<u>2021</u>	<u>2020</u>
Within one year	\$ 3,604,173	\$ 4,228,491
Allowance for uncollectible pledges	<u>(1,706,870)</u>	<u>(1,342,706)</u>
Total pledges receivable	<u>\$ 1,897,303</u>	<u>\$ 2,885,785</u>

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE C. PLEDGES AND OTHER RECEIVABLES – CONTINUED

At June 30, 2021 and 2020, the Organization had other receivables of \$1,530,905 and \$1,207,046, respectively, which are primarily due from various agencies related to grant revenue earned during the fiscal year.

NOTE D. INVESTMENTS

The fair values and related costs of investments as of June 30 are summarized as follows:

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Certificates of deposit	\$ 996,164	\$ 996,164	\$ 1,229,019	\$ 1,229,019
Mutual funds	1,504,234	984,944	2,136,106	1,839,625
	\$ 2,500,398	\$ 1,981,108	\$ 3,365,125	\$ 3,068,644

NOTE E. FAIR VALUE MEASUREMENTS

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Organization had no level 3 assets or liabilities at June 30, 2021 or 2020.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE E. FAIR VALUE MEASUREMENTS – CONTINUED

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Mutual funds – balanced funds: The fair value of the mutual funds is determined primarily by reference to quoted market prices. Pooled accounts are comprised of broad asset category types, such as common stock, mutual funds, and cash equivalents. The underlying holdings are all based on unadjusted quoted market prices.

Certificates of deposit: Valued at the principal plus accrued interest, which approximates fair value.

Mutual funds: Valued at unadjusted quoted market prices in an active market.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of June 30, 2021:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance as of June 30, 2021
Beneficial interest in assets held by others:			
Mutual funds – balanced funds	\$ -	\$ 9,312,376	\$ 9,312,376
Investments:			
Certificates of deposit	-	996,164	996,164
Mutual funds	1,504,234	-	1,504,234
Total	\$ 1,504,234	\$10,308,540	\$11,812,774

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE E. FAIR VALUE MEASUREMENTS – CONTINUED

The following tables set forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of June 30, 2020:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance as of June 30, 2020
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>2020</u>
Beneficial interest in assets held by others:			
Mutual funds – balanced funds	\$ -	\$ 7,307,612	\$ 7,307,612
Investments:			
Certificates of deposit	-	1,229,019	1,229,019
Mutual funds	<u>2,136,106</u>	<u>-</u>	<u>2,136,106</u>
 Total	 <u>\$ 2,136,106</u>	 <u>\$ 8,536,631</u>	 <u>\$10,672,737</u>

NOTE F. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30,:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 282,174	\$ 264,797
Equipment	<u>457,775</u>	<u>428,897</u>
Total property and equipment	739,949	693,694
Less accumulated depreciation	<u>(535,157)</u>	<u>(448,786)</u>
 Property and equipment, net	 <u>\$ 204,792</u>	 <u>\$ 244,908</u>

The Organization had depreciation expense of approximately \$86,000 and \$72,000 for the years ended June 30, 2021 and 2020, respectively.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE G. BENEFIT PLANS

Effective November 1, 2003, the Organization established a 403(b) plan available to all employees who worked at least 1,000 hours. The Organization has elected to make a base contribution of 4% of each employee’s annual salary. In addition, the Organization elected to match employee contributions, dollar for dollar, up to a maximum of 4% of annual salary. The Organization made employer contributions of approximately \$238,000 and \$307,000 for the years ended June 30, 2021 and 2020, respectively.

NOTE H. POST-RETIREMENT BENEFITS OTHER THAN PENSION

The Organization sponsors an unfunded defined benefit post-retirement plan (the “Plan”) that provides life insurance benefits to retirees who meet specific eligibility requirements upon termination of active service. Effective January 1, 2005, the Organization suspended the post-retirement life insurance benefit for employees hired after December 31, 2004.

The Plan’s funded status and other pertinent information related to the plan as of June 30 is set forth in the following table:

	<u>2021</u>	<u>2020</u>
Benefit obligation	\$ (159,838)	\$ (178,280)
Fair value of Plan assets	-	-
Funded status	<u>\$ (159,838)</u>	<u>\$ (178,280)</u>
Accrued benefit obligation	<u>\$ (159,838)</u>	<u>\$ (178,280)</u>
Accumulated benefit cost recognized in the statements of financial position	<u>\$ 159,838</u>	<u>\$ 178,280</u>
Net periodic benefit costs	\$ (10,982)	\$ (9,982)
Employer contributions	9,816	9,816
Fair value of Plan assets	-	-
Weighted-average assumptions:		
Discount rate	2.17%	3.15%
Rate of compensation increase	3.00%	3.00%
Expected return on Plan assets	-	-
Actuarial (gain)/loss on benefit obligation	-	-
Benefit payments	9,816	9,816

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE H. POST-RETIREMENT BENEFITS OTHER THAN PENSION – CONTINUED

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid according to the Plan year-end June 30,:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 10,416
2023	10,055
2024	9,682
2025	9,301
2026	8,911
2027-2030	38,430

The Organization expects to make contributions to the Plan approximating \$10,000 for the next fiscal year.

NOTE I. FEDERAL INCOME TAXES

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as an organization other than a private foundation. Therefore, no provision for income taxes is made in the accompanying financial statements. The Organization follows U.S. GAAP, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. Management believes that it has not taken a tax position that, if challenged, would have a material effect on the Organization’s financial statements.

The Organization files a Form 990 in the United States federal jurisdiction and no tax returns are currently under examination by any tax authorities. The Organization has not incurred any penalties or interest during the years ended June 30, 2021 and 2020.

NOTE J. RELATED-PARTY TRANSACTIONS

From time to time, the Organization purchases goods or services from entities affiliated with various committee members or volunteers. Management believes these transactions have been conducted on an arms-length basis and no preferential treatment has been afforded the Organization or the vendors.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J. RELATED-PARTY TRANSACTIONS – CONTINUED

During 2021 and 2020, the Organization contributed \$2,500 and \$37,000, respectively, to a school district or college district whose legal representative also serves on the Organization’s Board of Directors. During 2021, the Organization contributed \$50,000 to a partner agency whose board member also serves on the Organization’s Board of Directors. No such amounts were paid during 2020. During 2021 and 2020, the Organization contributed \$67,320 and \$2,034, respectively, to a city whose board member also serves on the Organization’s Board of Directors. The Organization purchased services, primarily related to COVID-19 relief efforts, for \$640,757 and \$300,731 during 2021 and 2020, respectively, from companies owned by a member of the Organization’s Board of Directors. During 2021 and 2020, the Organization purchased services of \$136,750 and \$140,203, respectively, from a council whose employee serves on the Organization’s Board of Directors. During 2021, the Organization purchased services of \$45,200 from an entity for which an executive officer of the Organization serves as a board member. No such amounts were paid during 2020. During 2021, the Organization contributed \$256,908 in continuing start-up costs to a not-for-profit, supporting organization for which three of the Organization’s executive officers serve as board members.

At June 30, 2020, the Organization had a payable of \$115,398, which is recorded within accounts payable on the accompanying statement of financial position, from a not-for-profit organization for which three of the Organization’s executive officers serve as board members. There was no such payable at June 30, 2021. Additionally, at June 30, 2020, the Organization also had a receivable of \$11,819 due from another not-for-profit organization for which three of the Organization’s executive officers serve as board members, which is also included within other receivables on the accompanying statement of financial position. There was no such receivable at June 30, 2021. The Organization’s Executive Vice President and Chief Financial Officer also serves as the Treasurer for this not-for-profit organization.

NOTE K. LEASES

The Organization enters into various lease agreements for the use of office space and equipment. Rent expense under these lease agreements was approximately \$491,000 and \$477,000 for the years ended June 30, 2021 and 2020, respectively. Approximate future annual minimum lease payments due under these lease agreements at June 30, 2021, are as follows:

2022	\$ 466,000
2023	478,000
2024	488,000
2025	235,000
2026	<u>26,000</u>
Total	<u>\$ 1,693,000</u>

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE L. RENTAL INCOME

The Organization operates and maintains three outlying service centers, which are leased. The Board of Directors has designated the associated net assets for the purpose of operating and maintaining these facilities. The centers are leased from the City of Arlington under operating leases involving nominal consideration, none of which expire before the year 2024. The facilities are subleased to various benefit and service providers.

The Organization’s rental revenues are received from not-for-profit organizations, herein referred to as tenants, under non-cancelable operating leases. During the years ended June 30, 2021 and 2020, approximately \$490,000 and \$492,000, respectively, of rental revenue was generated from tenants. The tenant leases typically provide for minimum rent, charges for all operating costs of the buildings, and are adjusted as building expenses increase from year to year. Future annual minimum rentals on non-cancelable tenant operating leases at June 30, 2021, are approximately as follows:

2022		\$ 502,000
2023		482,000
2024		463,000
2025		347,000
2026		168,000
Thereafter		<u>418,000</u>
 Total		 <u><u>\$ 2,380,000</u></u>

NOTE M. NET ASSETS

The Organization’s Board of Directors has designated net assets, from net assets without donor restrictions, for the following purposes as of June 30,:

	<u>2021</u>	<u>2020</u>
Board designated endowment fund:		
Legacy Fund	\$ 5,417,374	\$4,277,809
Other board designated amounts:		
Barnett Shale Fund	1,457,443	983,783
Women’s Fund	<u>859,962</u>	<u>545,027</u>
 Total board designated net assets	 <u><u>\$ 7,734,779</u></u>	 <u><u>\$5,806,619</u></u>

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M. NET ASSETS – CONTINUED

Net assets with donor restrictions are restricted for the following purposes or periods at June 30,:

	2021	2020
Subject to the passage of time: For periods after July 1, 2021 and 2020, respectively	\$ 4,803,631	\$ 5,317,816
Subject to purpose restrictions	1,668,443	1,055,518
Subject to spending policy and appropriation:		
Barnett Shale Fund	431,708	506,598
Women’s Fund	452,638	306,531
ADT Leadership Fund	382,962	187,739
Endowment – held in perpetuity		
ADT Leadership Fund	500,125	500,125
Total net assets with donor restrictions	\$ 8,239,507	\$ 7,874,327

Net assets were released from time restrictions by the passage of time or released from donor restrictions by incurring expenses that satisfy the restricted purposes specified by the donors as follows for the years ended June 30,:

	2021	2020
Time restricted contributions	\$ 5,317,816	\$ 5,852,896
Barnet Shale Fund	74,890	70,896
Women’s Fund	43,728	42,230
ADT Leadership Fund	34,773	33,098
Purpose restricted contributions	1,758,135	1,175,152
	\$ 7,229,342	\$ 7,174,272

The Organization established two funds with NTXCF, the Barnett Shale Fund and the Women’s Fund. Gifts received for both funds are reported in net assets with donor restrictions and accumulated in investment funds managed by NTXCF. Annual fund distributions made to the Organization from NTXCF are expended on programs or services that fulfill the funds’ mission and satisfy donor restrictions. The annual distribution shall not exceed 5% of the previous twelve quarters average of the ending net assets of the funds calculated at December 31 of each year.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M. NET ASSETS – CONTINUED

At June 30, 2021 and 2020, the beneficial interest in assets held by others is comprised of the following funds which are disclosed by board designation and donor restriction below:

	2021	2020
Board designated endowment fund:		
Legacy Fund	\$ 5,417,374	\$ 4,277,809
Other board designated amounts:		
Barnett Shale Fund	1,457,443	983,783
Women’s Fund	859,962	545,027
With donor restrictions:		
Barnett Shale Fund	431,708	506,598
Women’s Fund	262,802	306,531
ADT Leadership Fund	883,087	687,864
Total beneficial interest in assets held by others	\$ 9,312,376	\$ 7,307,612

NOTE N. ENDOWMENT FUNDS

The Organization’s endowments consist of a quasi-endowment fund, the Legacy Fund, and a donor-restricted endowment fund, the ADT Leadership Fund. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization operates under the Texas Uniform Prudent Management of Institution Funds Act (“TUPMIFA”). The Board of Directors has interpreted TUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor restricted the original value of the gift received to establish the ADT Leadership Fund, which is required to be held in perpetuity. The remaining portion of the donor-restricted endowment fund that is not to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by TUPMIFA. The Organization classifies the Legacy Fund as net assets without donor restrictions, as it has been designated as a quasi-endowment by the Board of Directors.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N. ENDOWMENT FUNDS – CONTINUED

Investment Return Objectives

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowments and board designated funds which function as endowments that attempt to provide a predictable stream of funding for the Organization’s operations while maintaining the purchasing power of those endowment assets over the long term. The investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which meets the annual distribution requirements within acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed securities within mutual funds, that is intended to result in a consistent, inflation-protected rate of return that has sufficient liquidity to make annual distributions for operations. The following table presents the endowment net assets composition by type and fund at June 30, 2021:

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Donor-restricted endowment ADT Leadership Fund	\$ -	\$ 883,087	\$ 883,087
Board-designated endowment Legacy Fund	5,417,374	-	5,417,374
Endowment Net Assets, June 30, 2021	\$ 5,417,374	\$ 883,087	\$ 6,300,461

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N. ENDOWMENT FUNDS – CONTINUED

Investment Return Objectives – continued

The following table represents the changes in endowment net assets at June 30:

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total</u>
Endowment Net Assets, June 30, 2019	\$ 6,253,034	\$ 722,786	\$ 6,975,820
Contributions	-	-	-
Changes in market value of assets held by others	30,098	(1,823)	28,275
Release from Board designation	(1,603,107)	-	(1,603,107)
Amounts appropriated for expenditure	<u>(402,216)</u>	<u>(33,099)</u>	<u>(435,315)</u>
Endowment Net Assets, June 30, 2020	\$ 4,277,809	\$ 687,864	\$ 4,965,673
Contributions	-	-	-
Changes in market value of assets held by others	1,376,411	229,996	1,606,407
Amounts appropriated for expenditure	<u>(236,846)</u>	<u>(34,773)</u>	<u>(271,619)</u>
Endowment Net Assets, June 30, 2021	<u>\$ 5,417,374</u>	<u>\$ 883,087</u>	<u>\$ 6,300,461</u>

During the year ended June 30, 2020, the Board of Directors approved resolutions to release approximately \$1,603,000 from the board designated endowment fund to underwrite a portion of the Organization’s operating costs for the year. There were no such amounts released for the year ended June 30, 2021.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time, the Organization may be involved in various suits and claims arising in the normal course of business. In management's opinion, the ultimate outcome of these items will not have a material adverse effect on the Organization's financial position or changes in net assets.

Paycheck Protection Program

During 2020, the Organization entered into a loan agreement issued by the Small Business Administration ("SBA") under the Paycheck Protection Program that consists of a forgivable loan that matures on April 5, 2022 and incurs interest at 0.98%. The Organization would not be liable for repayment of the loan provided that all SBA loan proceeds are used only for qualified expenditures as specified in the loan application. At June 30, 2020 and 2021, the balance on the loan was \$1,070,312 and is recorded as a refundable advance in the accompanying statements of financial position. On July 2, 2021, during the subsequent fiscal period, the Organization received notification from JPMorgan Chase that the SBA had authorized full forgiveness of the loan in the amount of \$1,070,312. For the fiscal year ending on June 30, 2022, the loan proceeds were recorded as government grant revenue on the statement of activities and changes in net assets, and refundable advances were reduced by the same amount on the statement of financial position.

During 2021, the Organization entered into a loan agreement issued by the SBA under the Paycheck Protection Program that consists of a forgivable loan. The Organization would not be liable for repayment of the loan provided that all SBA loan proceeds are used only for qualified expenditures as specified in the loan application. At June 30, 2021, the balance on the loan was \$1,073,080 and is recorded as a refundable advance in the accompanying statement of financial position.

Economic Injury Disaster Loan Advance

During 2020, the Organization received an Economic Injury Disaster Loan ("EIDL") advance, which was a grant program offered together with the EIDL loan program by the SBA. The amount of the EIDL advance was determined by the number of employees indicated on the EIDL application: \$1,000/employee, up to a maximum of \$10,000. During the year ended June 30, 2020, the EIDL advance received by the Organization was \$10,000 and the balance is recorded as a refundable advance in the accompanying statements of financial position at June 30, 2021 and 2020.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O. COMMITMENTS AND CONTINGENCIES – CONTINUED

Risks and Uncertainties

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States of America. Efforts implemented by local and national governments, as well as businesses, including temporary closures, are expected to have adverse impacts on local, national, and global economies. Although the disruption is currently expected to be temporary, there is uncertainty around the duration and the related economic impact. Therefore, while management expects this matter to have an impact on the Organization’s activities, the continuing impact to the results of operations and financial position cannot be reasonably estimated at this time.

NOTE P. AVAILABILITY AND LIQUIDITY

The following reflects the Organization’s financial assets which are available to meet general expenditures over the next twelve months at June 30,:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents and restricted cash	\$ 3,141,147	\$ 7,418,741
Investments	2,500,398	3,365,125
Pledges receivable, net	1,897,303	2,885,785
Other receivables	1,530,905	1,207,046
Beneficial interest in assets held by others	9,312,376	7,307,612
Total financial assets	18,382,129	22,184,309
Less amounts subject to contractual or donor-restriction:		
Restricted cash	259,178	5,000,000
Purpose restricted	1,668,443	1,055,518
Beneficial interest in assets held by others with donor restrictions:		
Barnett Shale Fund	431,708	506,598
Women’s Fund	262,802	306,531
ADT Leadership Fund	883,087	687,864
Financial assets available to meet general expenditures over the next twelve months	\$14,876,911	\$14,627,798

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P. AVAILABILITY AND LIQUIDITY - CONTINUED

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in certificates of deposits and mutual funds. The board designated endowment, which is recorded within beneficial interest in assets held by others in the accompanying statements of financial position, of \$5,417,374 and \$4,277,809 at June 30, 2021 and 2020, respectively, is subject to an annual distribution not to exceed 5% as described in Note B or subject to board approval for extraordinary distributions. Although the Organization does not intend to spend from the board designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary and are therefore, included in the financial assets available above. Donor-restricted endowment funds and certain other net assets with time and purpose restrictions are generally not available for general expenditure and are therefore not included in the amount above.