

FORNEY AREA UNITED WAY  
REVIEWED FINANCIAL STATEMENTS  
JULY 31, 2020

MURREY PASCHALL & CAPERTON, P.C.  
Certified Public Accountants

FORNEY AREA UNITED WAY  
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**M** **Murrey Paschall & Caperton PC**  
**Certified Public Accountants**

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Forney Area United Way  
Forney, Texas

We have reviewed the accompanying financial statements of Forney Area United Way (a nonprofit organization), which comprise the statement of assets, liabilities and net assets-cash basis as of July 31, 2020, and the related statement of revenue, expenses, and changes in net assets-cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

ACCOUNTANT'S CONCLUSION

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

BASIS OF ACCOUNTING

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

## SUPPLEMENTARY INFORMATION

The supplementary information included on page 9 and is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Murrey Paschall & Caperton, P.C.  
Forney, Texas  
September 30, 2020

FORNEY AREA UNITED WAY  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS-CASH BASIS  
JULY 31, 2020

ASSETS

Current Assets:		
Cash and cash equivalents	\$	71,026
Certificates of deposit		<u>107,344</u>
Total Current Assets		<u>178,370</u>
Total Assets	\$	<u><u>178,370</u></u>

LIABILITIES AND NET ASSETS

Net Assets:		
Without donor restriction (Note A)	\$	178,370
With donor restriction (Note A)		<u>-</u>
Total Liabilities and Net Assets	\$	<u><u>178,370</u></u>

See accompanying notes and independent accountant's review report.

FORNEY AREA UNITED WAY  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS-CASH BASIS  
FOR THE YEAR ENDED JULY 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:			
Contributions	\$ 104,752	\$ 2,600	\$ 107,352
Interest income	1,996	-	1,996
Total Revenue	106,748	2,600	109,348
EXPENSES:			
Distributions	50,400	2,600	53,000
Dues	2,250	-	2,250
Legal and professional	2,400	-	2,400
P.O. box rental	118	-	118
Office Supplies	26	-	26
Total Expenses	55,194	2,600	57,794
CHANGES IN NET ASSETS	51,554	-	51,554
Net assets, beginning of year	126,816	-	126,816
NET ASSETS, END OF YEAR	\$ 178,370	\$ -	\$ 178,370

See accompanying notes and independent accountant's review report.

FORNEY AREA UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Forney Area United Way is a non-profit organization established to solicit and distribute funds to benefit various non-profit organizations in Forney, Texas and surrounding areas.

Basis of Accounting - The Organization's policy is to prepare its financial statements on the cash basis of accounting; therefore, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Cash and Cash Equivalents - Cash and cash equivalents consist of the Organization's operating checking account and deposits in certificate of deposits.

Revenue – The majority of funding received by the Organization is through individual and corporate donations. As stated above in the basis of accounting paragraph, these donations are recognized when received.

Income Taxes - Forney Area United Way is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, Forney Area United Way has made no provision for federal income taxes in the accompanying financial statements.

Forney Area United Way's Forms 990, *Return of Organization Exempt from Income Tax*, for the fiscal years ending 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

Net Assets – Net assets are classified on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions
  - Net assets available for use in general operations and not subject to donor restrictions. The governing board has the option to internally designate funds.
- Net Assets With Donor Restrictions
  - Net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both

FORNEY AREA UNITED WAY  
 NOTES TO FINANCIAL STATEMENTS  
 JULY 31, 2020

Historically, Forney Area United Way classified its net assets into one of three categories 1) Unrestricted, 2) Temporarily Restricted, 3) Permanently Restricted. Going forward, there will be little change to the Unrestricted Net Assets. These will be funds without donor restrictions including any unrestricted funds that the board designated to a particular purpose. With Donor Restricted funds will include the entire amount of purpose/temporarily restricted funds. As noted earlier, there are no permanently restricted assets.

The Organization had no amount of interest and/or penalties recognized in the statement of income for the year ended July 31, 2020, nor any amount of interest and/or penalties payable that were recognized in the balance sheet as of July 31, 2020.

Functional Expense Allocation – The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these categories require allocation on a reasonable basis that is consistently applied. The Organization allocates all costs between programs, administration/management and general, and fundraising based on the determination of the specific expense by management. The Organization has very little transactions on a yearly basis. The grants awarded to other organizations are direct program related expenses. All other expenses are administrative in nature. No fundraising expenses existed for the year. See below for the year ended July 31, 2020 breakdown.

	<u>Cost</u>	<u>Percentage</u>
Program	\$ 53,000	92%
Admin	<u>4,794</u>	8%
	<u>\$ 57,794</u>	

Advertising - The Organization expenses all advertising costs as incurred. There was \$0 of advertising expensed for the year ended July 31, 2020.

NOTE B – ALLOCATIONS

The board of directors annually approves the allocation of funds to the various entities and organizations. The 2019-2020 allocations included 7 entities or organizations totaling \$53,000.

NOTE C – CONCENTRATIONS

A single contributor donated \$51,215 of the total donations of \$107,352.



FORNEY AREA UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2020

NOTE D – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 30, 2020, the date on which the financial statements were available to be issued.

## Supplemental Information

FORNEY AREA UNITED WAY  
STATEMENT OF DISTRIBUTIONS  
FOR THE YEAR ENDED JULY 31, 2020

Distributions:

Forney Food Pantry	\$ 20,000
Prairie View Cemetery	6,500
Hillcrest Cemetery	6,500
Forney Relief Fund	5,000
Children's Advocacy Center for Kaufman County	5,000
St Vincent DePaul Society	5,000
The Genesis Center	5,000
Total Distributions	<u>\$ 53,000</u>

See independent accountant's review report.