

**TEXAS CONGRESS OF
PARENTS AND TEACHERS**

**Financial Statements
as of and for the Year Ended
July 31, 2018 and
Independent Auditors' Report**



MAXWELL LOCKE & RITTER LLP

Accountants and Consultants

An Affiliate of CPAmerica International

tel (512) 370 3200 fax (512) 370 3250
www.mlrpc.com

Austin: 401 Congress Avenue, Suite 1100
Austin, TX 78701

Round Rock: 411 West Main Street, Suite 300
Round Rock, TX 78664

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Texas Congress of Parents and Teachers:

We have audited the accompanying financial statements of Texas Congress of Parents and Teachers ("Texas PTA") (a nonprofit organization), which comprise the statement of financial position as of July 31, 2018, 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; 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.

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"


This firm is not a CPA firm

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 the Texas PTA as of July 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Austin, Texas
February 24, 2019

TEXAS CONGRESS OF PARENTS AND TEACHERS

STATEMENT OF FINANCIAL POSITION

JULY 31, 2018

ASSETS

Cash and cash equivalents	\$ 431,024
Cash - SEP program	309,412
Accounts receivable	169,365
Investments	1,665,459
Inventory	9,754
Prepaid expenses	86,512
Property and equipment, net	5,712,117
Investments designated for endowment funds	711,668
TOTAL ASSETS	<u>\$ 9,095,311</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$ 185,713
Accrued payroll and vacation	123,830
Dues payable to National PTA	1,064
Dues payable to local PTAs	8,699
Deferred revenue	5,335
SEP program liability	309,412
Other liabilities	65,650
TOTAL LIABILITIES	<u>699,703</u>

NET ASSETS:

Unrestricted:	
Unrestricted - designated for endowment funds	441,922
Unrestricted - undesignated	7,642,925
Total unrestricted	<u>8,084,847</u>
Temporarily restricted	274,531
Permanently restricted	36,230
TOTAL NET ASSETS	<u>8,395,608</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,095,311</u>

See notes to financial statements.

TEXAS CONGRESS OF PARENTS AND TEACHERS

STATEMENT OF ACTIVITIES YEAR ENDED JULY 31, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES:				
Membership dues	\$ 1,245,201	-	-	1,245,201
LAUNCH seminar	615,265	-	-	615,265
Investment income, net	208,733	23,611	-	232,344
Partnerships	204,783	-	-	204,783
Grants and gifts	8,042	54,441	-	62,483
Camp revenue	51,040	-	-	51,040
Sales and services	37,548	-	-	37,548
Cost of sales and services	(58,779)	-	-	(58,779)
Other income	280,255	-	-	280,255
Net assets released from restrictions	37,782	(37,782)	-	-
Total revenues	2,629,870	40,270	-	2,670,140
EXPENSES:				
Program services:				
Educational training	954,039	-	-	954,039
Support for local PTAs	529,981	-	-	529,981
Membership development	440,301	-	-	440,301
Legislative support	234,375	-	-	234,375
Total program services	2,158,696	-	-	2,158,696
Support services:				
Management and general	379,910	-	-	379,910
Fundraising	36,537	-	-	36,537
Total support services	416,447	-	-	416,447
Total expenses	2,575,143	-	-	2,575,143
CHANGE IN NET ASSETS	54,727	40,270	-	94,997
NET ASSETS, beginning of year	8,030,120	234,261	36,230	8,300,611
NET ASSETS, end of year	\$ 8,084,847	274,531	36,230	8,395,608

See notes to financial statements.

TEXAS CONGRESS OF PARENTS AND TEACHERS

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JULY 31, 2018

	Program Services				Support Services				Total
	Educational Training	Support for local PTAs	Membership Development	Legislative Support	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and benefits	\$ 365,527	294,780	176,868	147,390	984,565	170,973	23,582	194,555	1,179,120
State office administration	79,024	60,058	37,932	8,851	185,865	126,439	3,793	130,232	316,097
LAUNCH seminar	333,095	-	-	-	333,095	-	-	-	333,095
Depreciation	64,218	64,218	37,203	5,992	171,631	37,203	5,993	43,196	214,827
Membership services	-	-	112,400	-	112,400	-	-	-	112,400
Workshops and training	21,922	27,098	40,390	-	89,410	-	-	-	89,410
Rental expense	27,138	21,551	13,569	2,794	65,052	13,170	1,596	14,766	79,818
Lobbying	-	-	-	69,348	69,348	-	-	-	69,348
Lone Star weekend	48,984	-	-	-	48,984	-	-	-	48,984
Disaster relief	-	35,264	-	-	35,264	-	-	-	35,264
State board expenses	-	-	-	-	-	32,125	-	32,125	32,125
Officers and chairs	-	24,494	-	-	24,494	-	-	-	24,494
Grants and awards	-	-	21,939	-	21,939	-	1,573	1,573	23,512
National meetings	14,131	-	-	-	14,131	-	-	-	14,131
Emergency needs	-	2,518	-	-	2,518	-	-	-	2,518
Total expenses	954,039	529,981	440,301	234,375	2,158,696	379,910	36,537	416,447	2,575,143
Cost of sales and services	29,390	29,389	-	-	58,779	-	-	-	58,779
Total expenses and cost of sales and services	\$ 983,429	559,370	440,301	234,375	2,217,475	379,910	36,537	416,447	2,633,922

See notes to financial statements.

TEXAS CONGRESS OF PARENTS AND TEACHERS

STATEMENT OF CASH FLOWS YEAR ENDED JULY 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 94,997
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	214,827
Net unrealized gain and realized loss on investments	(213,929)
Changes in operating assets and liabilities:	
Accounts receivable	(12,217)
Inventory	(640)
Prepaid expenses	(30,330)
Accounts payable	30,016
Accrued payroll and vacation	62,483
Dues payable to National PTA	(511)
Dues payable to local PTAs	3,553
Deferred revenue	(22,676)
SEP program liability	18,230
Other liabilities	(112,612)
	<hr/>
Net cash provided by operating activities	31,191

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(126,714)
Sales of investments	285,960
Purchases of property and equipment	(241,073)
	<hr/>
Net cash used in investing activities	(81,827)

NET CHANGE IN CASH AND CASH EQUIVALENTS (50,636)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

791,072

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 740,436

See notes to financial statements.

TEXAS CONGRESS OF PARENTS AND TEACHERS

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JULY 31, 2018

1. ORGANIZATION

Texas Congress of Parents and Teachers (“Texas PTA”) is a nonprofit organization with the following purposes:

- To promote the welfare of children and youth in the home, school, places of worship, and throughout the community;
- To raise the standards of home life;
- To advocate for laws that further the education, physical and mental health, welfare, and safety of children and youth;
- To promote the collaboration and engagement of families and educators in the education of children and youth;
- To engage the public in united efforts to secure the physical, mental, emotional, spiritual and social well-being of all children and youth; and
- To advocate for fiscal responsibility regarding public tax dollars in public education funding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements 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”) as defined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”).

Net Asset Classification - Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Texas PTA and changes therein are classified and reported as follows:

Unrestricted - Net assets not subject to donor-imposed stipulations. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Temporarily Restricted - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Texas PTA and/or the passage of time.

Permanently Restricted - Net assets subject to donor-imposed stipulation that they be maintained permanently by Texas PTA. These net assets are not available for use in operations and limitations neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Texas PTA.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications - Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year. Total net assets and changes in net assets are unchanged due to these reclassifications.

Cash and Cash Equivalents - Texas PTA considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Texas PTA acts as an agent with the Texas Commission on Environmental Quality (the "TCEQ"), receiving funds to award to schools that meet certain criteria determined by the TCEQ. Funds that have been received by TCEQ and have not been awarded to schools are required to be maintained in a separate restricted cash account. The corresponding transaction is recorded as a liability in the statement of financial position.

Accounts Receivable - Accounts receivable are recorded at the value of the revenue earned, and are considered past due based on how recently payments have been received. Delinquent invoices do not accrue interest. Texas PTA continually monitors each customer's credit worthiness individually. No allowance for doubtful accounts has been recorded as management believes all significant accounts receivable to be collectible. Management records bad debts using the direct charge-off method.

Fair Value Measurements - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 - Inputs based on quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 - Unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value: 1) market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities, 2) cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost), and 3) income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Investments - Investments are recorded in the statement of financial position at fair value. Investment transactions are recorded on the trade date and investment income is recorded when earned. Unrealized gains and losses are recorded in the statement of activities for the change in fair value of investments between reporting periods. Realized gains and losses are recorded in the statement of activities as the difference between historical cost and the proceeds received from the sale of an investment. Net investment income consists of unrealized and realized gains and losses, interest and dividends, and investments fees, and is recorded in the statement of activities. All investments were valued using the market approach and Level 1 inputs under the fair value hierarchy.

Inventory - Inventory consists primarily of merchandise and literature that are stated at the lower of cost or net realizable value, as determined using the average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Management reviews inventory for slow-moving items and records a specific reserve as necessary. No reserve was considered necessary at July 31, 2018.

Property and Equipment - Property and equipment are capitalized at cost if purchased and at fair market value on the date of receipt if donated. Texas PTA capitalizes all acquisitions of property and equipment with a cost or donated value in excess of \$1,000. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the statement of activities. Maintenance and repairs that do not improve or extend the useful life of the respective asset are expensed as incurred. Depreciation expense is calculated using the straight-line method over the following estimated useful lives:

Building and improvements	9-40 years
Furniture and equipment	2-7 years
Transportation equipment	5 years

Impairment of Long-Lived Assets - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the amount recorded may not be recoverable. An impairment loss is recognized by the amount in which the carrying amount of the asset exceeds fair value, if the carrying amount of the asset is not recoverable.

Deferred Revenue - Deferred revenue consists of cash that has been received in advance for membership dues and will be recognized as revenue over the membership period.

Board-Designated Net Assets - Texas PTA has a board-designated quasi-endowment of \$441,922 set aside as of July 31, 2018 for educational purposes, that are included in investments (Note 8). These amounts cannot be spent without prior board approval.

Membership Dues Revenue - Income from membership dues is recognized as revenue over the membership period, which coincides with Texas PTA's fiscal year.

LAUNCH Seminar and Camp Revenue - LAUNCH Seminar and camp revenue are earned and recognized when the event has been held.

Partnerships Revenue - Partnership revenue includes sponsorships for events as well as a royalty agreement with a third-party to utilize Texas PTA's name, logo, and lists of PTAs annually. Sponsorships are recognized when the related event occurs. The royalty agreement is recognized as the services are provided.

Grants and Gifts Revenue - All contributions are recorded at their fair value and are considered to be available for operations of Texas PTA unless specifically restricted by the donor. Unconditional promises to give cash and other assets are reported as temporarily restricted net assets, if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related temporarily restricted net assets are reclassified to unrestricted net assets. This is reported in the statement of activities as net assets released from restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

In-kind Donations - Services, materials, and facilities are donated to Texas PTA by various individuals and organizations. Donated services are recognized by Texas PTA if the services received (a) create or enhance non-financial assets and (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services, materials, and facilities are recorded at fair value at the date of donation, and are included in revenue, expenses, and property and equipment.

Sales and Services Revenue - Sales revenue is recognized when products are shipped, that is, when title to the products and risk of loss transfers to the customer. Shipping and handling costs billed to the customer are recognized net in cost of revenues. Services revenue is earned and recognized when the services Texas PTA has been contracted to perform have been provided and the costs associated with providing the contracted services have been incurred.

Functional Expense Allocation - The accompanying financial statements present expenses by function and natural classification. Natural expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Certain costs have been allocated among the program and supporting services using a variety of cost allocation techniques, such as time and effort.

Income Taxes - Texas PTA is a nonprofit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except as it relates to any unrelated business income. Texas PTA did not incur any significant tax liabilities due to unrelated business income during the year ended July 31, 2018. Texas PTA files Form 990 tax returns in the U.S. federal jurisdiction, and is subject to routine examinations of their returns; however, there are no examinations currently in process.

Recently Issued Accounting Pronouncements - In May 2014 and August 2015, the FASB issued Accounting Standards Updates ("ASU") No. 2014-09 and No. 2015-14, *Revenue from Contracts with Customers*, which supersede the revenue recognition requirements in ASC 605, *Revenue Recognition*, and most industry-specific guidance included in the ASC. The standard requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The standard is effective retrospectively for fiscal years beginning after December 15, 2018 and early adoption is permitted. Texas PTA is currently evaluating the impact the standard will have on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires the recognition of lease assets and lease liabilities by lessees for all leases, including leases previously classified as operating leases, and modifies the classification criteria and accounting for sales-type and direct financing leases by lessors. Leases continue to be classified as finance or operating leases by lessees and both classifications require the recognition of a right-of-use asset and a lease liability, initially measured at the present value of the lease payments in the statement of financial position. Interest on the lease liability and amortization of the right-of-use asset are recognized separately in the statements of activities for finance leases and as a single lease cost recognized on the straight-line basis over the lease term for operating leases. The standard is effective using a modified retrospective approach for fiscal years beginning after December 15, 2019 and early adoption is permitted. Texas PTA is currently evaluating the impact the standard will have on its financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which requires presentation on the face of the statement of financial position amounts for two classes of net assets at the end of the period, net assets with donor restrictions and net assets without donor restrictions, rather than the currently required three classes. The standard also requires the presentation on the face of the statement of activities the amount of the change in each of these two classes of net assets. The standard will no longer require the presentation or disclosure of the indirect method of reporting cash flows if an entity elects to use the direct method. Entities will be required to provide enhanced disclosures about liquidity in the footnotes to the financial statements. The standard is effective for fiscal years beginning after December 15, 2017 and early adoption is permitted. Texas PTA is currently evaluating the impact the standard will have on its financial statements.

3. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject Texas PTA to credit risk consist of cash and cash equivalents, receivables, and investments. Texas PTA places its cash and cash equivalents with a limited number of high quality financial institutions and may exceed the amount of insurance provided on such deposits. Texas PTA does not maintain collateral for its receivables. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain marketable investments, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position.

4. INVESTMENTS

Investments consisted of the following as of July 31, 2018:

Equities	\$ 1,547,592
Fixed income	421,801
Real assets	324,781
Cash and cash equivalents	82,953
	<u>\$ 2,377,127</u>

Investment income was comprised of the following during the year ended July 31, 2018:

Net unrealized and realized gains	\$ 213,929
Interest and dividends	43,714
Investment fees	<u>(25,299)</u>
Total investment income, net	<u>\$ 232,344</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of July 31, 2018:

Building and improvements	\$ 5,989,349
Furniture and equipment	357,658
Transportation equipment	<u>50,772</u>
Total	6,397,779
Accumulated depreciation	(779,179)
Land	<u>93,517</u>
Property and equipment, net	<u>\$ 5,712,117</u>

6. RENTAL INCOME

Texas PTA has lease agreements with third parties. As of July 31, 2018, the buildings held for lease, which were included in property and equipment in the statement of financial position, had a cost basis and accumulated depreciation of \$2,501,284 and \$211,008, respectively. Rental income from third parties totaled \$145,572 during the year ended July 31, 2018, which is included with other income in the statement of activities.

Future minimum rental payments to be received were as follows as of July 31, 2018:

2019	\$ 147,198
2020	150,004
2021	152,654
2022	156,084
2023	159,567
Thereafter	<u>390,656</u>
Total	<u>\$ 1,156,163</u>

In addition to base rent, the lessees are responsible for their pro rata share of operating expenses.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following purposes as of July 31, 2018:

Investment return on Ella Caruthers Memorial Endowment	\$	233,516
Disaster relief fund		28,962
Emergency relief fund		<u>12,053</u>
Total	\$	<u><u>274,531</u></u>

8. ENDOWMENTS

The Board of Directors (the “Board”) has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (“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. Texas PTA classifies permanently restricted net assets as the original value of gifts donated to the permanent endowment, the original value of subsequent gifts donated to the permanent endowment, and additions to the permanent endowment in accordance with donor directions. Texas PTA classifies the earnings portion of the donor-restricted endowment fund as temporarily restricted net assets until those funds are appropriated for expenditure by Texas PTA in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, Texas PTA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Texas PTA, and (7) Texas PTA’s investment policies.

TX PTA’s Board adopted an investment policy that provides that the endowment assets are invested using a socially responsible investing strategy that is intended to result in high yields while assuming a moderate level of investment risk. The long-term return objectives of the funds should be to preserve capital, provide consistent asset growth that exceeds the rate of inflation, as measured by the Consumer Price Index, and minimize the exposure of the endowment’s capital to risk and volatility. The long-term objective is to obtain a rate of return of CPI plus 5%. The investment policy also defines certain asset allocation targets and ranges that are implemented by third-party investment managers.

Texas PTA has a permanently restricted endowment named the Ella Caruthers Memorial Endowment. The Texas PTA also has a board-designated endowment called Texas Congress of Parents and Teachers that is used for educational purposes.

Changes in the endowment fund during the year ended July 31, 2018 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year, as restated	\$ 400,516	209,905	36,230	646,651
Net unrealized gain and realized loss on investments	37,651	21,242	-	58,893
Interest and dividends	8,373	5,124	-	13,497
Investment fees	(4,618)	(2,755)	-	(7,373)
Endowment net assets, end of year	<u>\$ 441,922</u>	<u>233,516</u>	<u>36,230</u>	<u>711,668</u>

Endowment net asset composition by type of fund was as follows at July 31, 2018:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	233,516	36,230	269,746
Board-designated endowment funds	441,922	-	-	441,922
Total funds	<u>\$ 441,922</u>	<u>233,516</u>	<u>36,230</u>	<u>711,668</u>

9. RETIREMENT PLAN

Texas PTA maintains a 401(k) retirement plan (the “Plan”) which covers all employees choosing to participate who have been employed for at least one year. The employees can contribute up to the amount allowed by the Internal Revenue Service, and Texas PTA matches the employee contributions up to five percent. Texas PTA made employer contributions during the year ended July 31, 2018 of \$27,531.

10. SUBSEQUENT EVENTS

Texas PTA has evaluated subsequent events through February 24, 2019 (the date the financial statements were available to be issued), and no events have occurred from the statement of financial position date through that date that would impact the financial statements.