



Foothills United Way, Inc.

Financial Statements

As of and for the Years Ended
June 30, 2018 and 2017



Foothills United Way, Inc.

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Annual Audited Financial Statements

The audit of Foothills United Way's financial statements for the fiscal year ended June 30, 2018, was conducted by Anton Collins Mitchell LLP (ACM), independent external auditors, who issued an unmodified opinion. The audit process also resulted in evaluation of our internal financial controls; their comments will inform our processes and work in our continual efforts to fulfill our mission with efficiency and attention to the highest ethical standards.

We encourage you to review these financial statements and accompanying notes. As you do so, here are a few things to keep in mind:

- With over 1,600 nonprofits and other service providers in Boulder and Broomfield counties, Foothills United Way continues to use a new donor-driven business model, urging collaboration so these many organizations work together to deliver results on the largest priorities in the communities we serve.
- United Way funding unites community efforts by incentivizing non-profits, government agencies, faith communities, schools and businesses to combine and coordinate their action, to make real and sustainable progress.
- Building effective partnerships across sectors requires different internal resources than are needed to simply channel funds to the highest performing nonprofits. The push toward consolidated, focused strategies is producing results through 16 collaborative efforts changing lives across our community.

Contributors traditionally have supported individual nonprofits. Today, a gift to Foothills United Way is your unique opportunity to forge collective action between organizations and solve more problems than individual organizations can alone. Our community's collective success depends on effective solutions for Early Childhood Success, Attainable Housing and Community Resilience. Your support makes this innovation happen! Thank you!



Douglas Yeiser
President and CEO



Carlos Pacheco
Board Chair



Independent Auditor's Report

Board of Directors
Foothills United Way, Inc.
Lafayette, Colorado

We have audited the accompanying financial statements of Foothills United Way, Inc. (a Colorado nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foothills United Way, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Liquidity

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 1 to the financial statements, the Organization has suffered recurring reductions in campaign revenues and decreases in net assets. Management's plans regarding those matters also are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

ACM LLP

Greeley, Colorado
February 21, 2019

Foothills United Way, Inc.

Statements of Financial Position

<i>June 30,</i>	2018	2017
Assets:		
Cash and cash equivalents	\$ 357,037	\$ 458,106
Restricted Cash	45,918	62,774
Contributions receivable, net	340,852	444,254
Grants receivable	99,781	67,881
Other assets	33,060	21,609
Property and equipment, net	932,484	965,487
Total assets	\$ 1,809,132	\$ 2,020,111
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 19,588	\$ 22,499
Accrued expenses	51,088	60,451
Donor designated payable	92,020	116,864
Pledges payable	242,350	223,136
Funds held for others	45,918	62,774
Tenant deposits	1,000	1,000
Lines of Credit	149,650	-
Total liabilities	601,614	486,724
Commitments and contingencies		
Net assets:		
Unrestricted	876,536	1,194,293
Temporarily restricted	330,982	339,094
Total net assets	1,207,518	1,533,387
Total liabilities and net assets	\$ 1,809,132	\$ 2,020,111

See accompanying notes to the financial statements.

Foothills United Way, Inc.

Statements of Activities

<i>Years Ended June 30,</i>	2018	2017
Unrestricted net assets		
Revenue:		
Gross campaign results	\$1,662,033	\$ 1,720,031
Less: amounts designated by donors	(163,291)	(154,042)
Less: designated amounts paid direct	(527,837)	(421,465)
Less: provision for uncollectibles	(62,951)	(44,199)
Campaign revenue, net	907,954	1,100,325
Contributions	112,155	-
Administrative fee revenue	29,937	38,561
Investment income	1,450	518
Gifts-in-kind	78,500	63,048
Other revenue	18,823	20,700
Total unrestricted support	1,148,819	1,223,152
Net assets released from restrictions	143,014	709,507
Total unrestricted support	1,291,833	1,932,659
Expenses:		
Program services:		
Gross Community Impact	1,102,717	960,367
Less: funds designated by donors	(691,128)	(575,507)
Community Impact, net	411,589	384,860
Resilience	153,019	225,003
Imagination Library	14,867	14,119
Personal Investment Enterprise	258,294	194,605
Volunteer Connection	200,897	200,303
Disaster Recovery	38,121	498,301
Supporting services:		
Management and general	186,808	224,604
Fundraising	345,995	351,446
Total expenses	1,609,590	2,093,241
Decrease in unrestricted net assets	(317,757)	(160,582)
Temporarily restricted net assets		
Contributions	134,902	309,238
Net assets released from restrictions	(143,014)	(709,507)
Decrease in temporarily restricted net assets	(8,112)	(400,269)
Changes in net assets	\$ (325,869)	\$ (560,851)

See accompanying notes to the financial statements.

Foothills United Way, Inc.

Statements of Changes in Net Assets

	Unrestricted net assets	Temporarily restricted net assets	Total net assets
Balance June 30, 2016	\$ 1,354,875	\$ 739,363	\$ 2,094,238
Decrease in net assets	(160,582)	(400,269)	(560,851)
Balance June 30, 2017	1,194,293	339,094	1,533,387
Decrease in net assets	(317,757)	(8,112)	(325,869)
Balance June 30, 2018	\$ 876,536	\$ 330,982	\$ 1,207,518

See accompanying notes to the financial statements.

Foothills United Way, Inc.

Statements of Functional Expenses

Year Ended June 30, 2018

	Program Services							Supporting Services				Total
	Community Impact	Resilience	Imagination Library	Personal Investment Enterprise	Volunteer Connection	Disaster Response	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 108,407	\$ 88,567	\$ 7,349	\$ 88,857	\$ 95,515	\$ 9,658	\$ 398,353	\$ 113,013	\$ 229,683	\$ 342,696	\$ 741,049	
Employee health and retirement benefits	10,101	12,231	698	12,267	8,109	918	44,324	10,467	17,297	27,764	72,088	
Payroll taxes	8,591	6,895	728	7,422	12,336	957	36,929	11,015	19,091	30,106	67,035	
Contract labor	164	63	-	87	217	-	531	48	1,353	1,401	1,932	
Total salaries and related expenses	127,263	107,756	8,775	108,633	116,177	11,533	480,137	134,543	267,424	401,967	882,104	
Professional fees	11,749	1,827	913	3,045	2,131	609	20,274	14,310	4,262	18,572	38,846	
Supplies	592	978	61	597	685	184	3,097	609	1,389	1,998	5,095	
Telephone	523	945	59	574	639	178	2,918	588	1,248	1,836	4,754	
Postage	103	179	11	110	126	33	562	112	273	385	947	
Occupancy	3,547	6,409	403	3,890	4,333	1,209	19,791	3,991	8,465	12,456	32,247	
Promotional expense	28,615	297	-	345	23,194	-	52,451	97	3,564	3,661	56,112	
Local transportation/meetings	1,169	2,541	52	1,503	1,630	156	7,051	559	2,471	3,030	10,081	
Organizational dues	798	1,261	74	764	1,013	221	4,131	759	2,358	3,117	7,248	
United Way Worldwide dues	-	-	-	-	-	-	-	13,748	-	13,748	13,748	
Equipment rental and maintenance	1,391	2,513	158	1,525	1,699	474	7,760	1,565	3,319	4,884	12,644	
Staff development	427	732	45	453	624	136	2,417	458	1,176	1,634	4,051	
Grants	207,142	-	-	-	-	-	207,142	-	-	-	207,142	
Computer maintenance	7,812	12,714	783	7,999	10,858	2,348	42,514	7,925	21,538	29,463	71,977	
Bank and processor fees	1,138	2,057	129	1,248	1,391	388	6,351	1,281	14,529	15,810	22,161	
Interest expense	659	1,190	75	722	805	225	3,676	741	1,572	2,313	5,989	
Volunteer and special events	8,950	35	-	48	29,623	-	38,656	27	747	774	39,430	
Volunteer recognition	111	201	13	122	136	38	621	125	266	391	1,012	
Insurance	912	1,648	104	1,000	1,114	311	5,089	1,026	2,176	3,202	8,291	
Taxes and Licenses	223	402	25	244	272	76	1,242	250	531	781	2,023	
Personal Investment Enterprise	-	-	-	121,480	-	-	121,480	-	-	-	121,480	
Imagination Library Program	-	-	2,773	-	-	-	2,773	-	-	-	2,773	
Resilience Program	-	2,757	-	-	-	-	2,757	-	-	-	2,757	
211 program	4,457	-	-	-	-	-	4,457	-	-	-	4,457	
Disaster response	-	-	-	-	-	18,761	18,761	-	-	-	18,761	
Miscellaneous	378	18	1	11	12	3	423	10	24	34	457	
Total before depreciation	407,959	146,460	14,454	254,313	196,462	36,883	1,056,531	182,724	337,332	520,056	1,576,587	
Depreciation of property and equipment	3,630	6,559	413	3,981	4,435	1,238	20,256	4,084	8,663	12,747	33,003	
Total expenses	\$ 411,589	\$ 153,019	\$ 14,867	\$ 258,294	\$ 200,897	\$ 38,121	\$ 1,076,787	\$ 186,808	\$ 345,995	\$ 532,803	\$ 1,609,590	

See accompanying notes to the financial statements.

Foothills United Way, Inc.

Statements of Functional Expenses

	Year Ended June 30, 2017											
	Program Services							Supporting Services				
	Community Impact	Resilience	Imagination Library	Personal Investment Enterprise	Volunteer Connection	Disaster Response	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	
Salaries	\$ 110,762	\$ 54,305	\$ 6,932	\$ 72,537	\$ 88,552	\$ 53,538	\$ 386,626	\$ 142,049	\$ 216,827	\$ 358,876	\$ 745,502	
Benefits	14,118	3,812	990	13,351	10,895	17,493	60,659	19,789	21,450	41,239	101,898	
Payroll taxes	8,434	4,165	519	5,546	11,455	3,528	33,647	10,655	16,656	27,311	60,958	
Contract labor	1,872	870	412	1,145	1,076	412	5,787	6,206	2,761	8,967	14,754	
Total salaries and related expenses	135,186	63,152	8,853	92,579	111,978	74,971	486,719	178,699	257,694	436,393	923,112	
Professional fees	7,351	5,062	948	5,694	8,545	948	28,548	14,214	20,573	34,787	63,335	
Supplies	707	502	71	684	846	231	3,041	699	12,518	13,217	16,258	
Telephone	845	571	93	849	998	302	3,658	891	1,949	2,840	6,498	
Postage	95	64	10	93	113	32	407	96	254	350	757	
Occupancy	4,183	2,827	460	4,206	4,941	1,494	18,111	4,413	9,653	14,066	32,177	
Promotional expense	30,744	294	-	307	20,939	-	52,284	49	2,382	2,431	54,715	
Local transportation/meetings	2,452	1,875	33	1,634	2,719	109	8,822	614	9,021	9,635	18,457	
Organizational dues	1,062	572	89	840	1,356	290	4,209	870	2,218	3,088	7,297	
United Way Worldwide dues	-	-	-	-	-	-	-	8,435	-	8,435	8,435	
Equipment rental & maintenance	1,318	891	145	1,326	1,557	471	5,708	1,391	3,043	4,434	10,142	
Staff development	381	127	20	188	222	66	1,004	195	436	631	1,635	
Miscellaneous	1	11	-	1	2	-	15	2	3	5	20	
Grants	175,803	140,000	-	-	-	-	315,803	-	-	-	315,803	
Computer maintenance	7,993	3,866	625	5,831	9,102	2,030	29,447	5,998	13,240	19,238	48,685	
Bank and processor fees	1,508	1,019	166	1,516	1,782	539	6,530	1,591	3,481	5,072	11,602	
Interest expense	3	2	-	3	3	1	12	3	6	9	21	
Special events	5,418	63	-	63	28,023	-	33,567	35	957	992	34,559	
Volunteer and special events	113	76	12	113	133	40	487	119	260	379	866	
Insurance	1,162	785	128	1,168	1,373	415	5,031	1,226	2,682	3,908	8,939	
Taxes & licenses	299	202	33	300	353	107	1,294	315	689	1,004	2,298	
Personal Investment Enterprise	-	-	-	72,684	-	-	72,684	-	-	-	72,684	
Imagination Library Program	-	-	1,938	-	-	-	1,938	-	-	-	1,938	
211 program	3,734	-	-	-	-	-	3,734	-	-	-	3,734	
Disaster response	-	-	-	-	-	414,647	414,647	-	-	-	414,647	
Total before depreciation	380,358	221,961	13,624	190,079	194,985	496,693	1,497,700	219,855	341,059	560,914	2,058,614	
Depreciation of property and equipment	4,502	3,042	495	4,526	5,318	1,608	19,491	4,749	10,387	15,136	34,627	
Total expenses	\$ 384,860	\$ 225,003	\$ 14,119	\$ 194,605	\$ 200,303	\$ 498,301	\$ 1,517,191	\$ 224,604	\$ 351,446	\$ 576,050	\$ 2,093,241	

See accompanying notes to the financial statements.

Foothills United Way, Inc.

Statements of Cash Flows

<i>Years ended June 30,</i>	2018	2017
Cash flows from operating activities:		
Changes in net assets	\$ (325,869)	\$ (560,851)
Adjustments to reconcile changes in net assets to		
Net cash (used in) provided by operating activities:		
Depreciation	33,003	34,627
Bad debt	39,793	(41,792)
Increase in:		
Contributions receivable	63,609	(59,266)
Grants receivable	(31,900)	(881)
Other assets	(11,451)	(2,087)
Increase (decrease) in:		
Accounts payable	(2,911)	9,525
Accrued expenses	(9,363)	(51,221)
Donor designated payable	(24,844)	32,925
Pledges payable	19,214	223,136
Net cash used in operating activities	(250,719)	(415,885)
Cash flows (used in) provided by financing activities:		
Proceeds from borrowings under lines of credit	194,650	26,056
Repayments on lines of credit	(45,000)	(26,056)
Net cash provided in financing activities	149,650	-
Net decrease in cash and cash equivalents	(101,069)	(415,885)
Cash and cash equivalents, beginning of year	458,106	873,991
Cash and cash equivalents, end of year	\$ 357,037	\$ 458,106
Supplemental Disclosure of Cash Flow Information		
Restricted Cash	\$ 45,918	\$ 62,774
Cash paid for interest	\$ 5,989	\$ 20

See accompanying notes to the financial statements.

Foothills United Way, Inc.

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Foothills United Way (the “Organization”) was founded in 1922 to realize a community working together in which all people can achieve their full potential. Foothills United Way collaboratively identifies community needs and desired outcomes, unites community resources in pursuit of agreed-upon goals, and takes action.

Basis of Presentation

Under accounting principles generally accepted in the United States (“GAAP”) standards, the Organization is required to report information regarding financial position and activities according to the following three classes of net assets:

- a. Unrestricted net assets - Net assets that are not subject to donor-imposed restrictions.
- b. Temporarily restricted net assets - Net assets subject to donor-imposed restrictions that may, or will be met, by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with restrictions and satisfied in the same fiscal period are reported as unrestricted.
- c. Permanently restricted net assets - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization to use all or part of the assets for general or specific purposes. The Organization has no permanently restricted net assets.

Liquidity and Credit Facilities

During the year ended June 30, 2018, the Organization had a decrease in net assets of \$325,869; which included a negative cash flow from operations of \$250,719. The Organization has two lines of credit, one for \$150,000, which is fully drawn on as of June 30, 2018, and the other with availability \$50,000 as of June 30, 2018 and 2017. The Organization, as of June 30, 2018, had unrestricted cash of \$357,037 which covers approximately three months of operating expenses before depreciation. Subsequent to year end, the Organization received cash receipts totaling approximately \$300,000 relating to undesignated pledges. The Organization expects and has budgeted net income before depreciation of \$35,742 for the year ended June 30, 2019. As of December 28, 2018, the building at 1285 Cimarron Drive, Lafayette, CO 80026, included in property at Note 5, was held for sale. Based upon appraisals received, management has determined that these assets, will provide sufficient cash to meet its funding requirements over the next year.

Foothills United Way, Inc.

Notes to Financial Statements

Cash and Cash Equivalents

The Organization considers all liquid investments with a original maturity of three months or less when purchased, including money market accounts, to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost if purchased, or estimated fair value at date of gift from donors. All acquisitions of property and equipment in excess of \$5,000 and all expenditures for renewals and betterments that extend the estimated economic life of the assets or convert the asset to a new use are capitalized. Expenditures for maintenance, repairs and other renewals of items are charged to expense. When items are disposed of, the cost and accumulated depreciation are eliminated from the accounts and any gain or loss is included in the results of operations.

Provision for depreciation is made using straight-line methods over the estimated lives of the assets. Estimated economic lives of assets range as follows:

Building and building improvements	10 to 40 years
Furniture and equipment	3 to 7 years

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. At June 30, 2018 and 2017, there were no such impairments.

Restricted and Unrestricted Revenue and Support

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

When a restriction expires in a time period other than the period of contribution (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Foothills United Way, Inc.

Notes to Financial Statements

Designated Contributions Paid Directly to Recipients

Funds raised as a result of the Organization's fundraising efforts and paid directly to another organization for which they have been designated by the donor, are included in gross campaign results and shown as a reduction to arrive at net campaign revenues on the statement of activities.

Contributions Receivable

Contributions are recorded when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Organization expects the majority of promises to give to be collected within one year and, therefore, no discount rate has been applied. Conditional promises to give are not included as support until the conditions are substantially met. No interest is charged on past due pledges.

The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and current economic conditions. The Organization writes off uncollectible accounts against the allowance on an annual basis.

Designations made to member organizations of combined campaigns are honored by distributing a proportionate share of receipts based on donor designations to each member.

Grants Receivable

The Organization receives grants to fund its programs from various sources. Proceeds from grants are shown as temporarily restricted contributions on the statement of activities when awarded to the Organization and as net assets released from restrictions when allowable expense are incurred. Amounts awarded but not received as of year-end are reported as grants receivable on the statement of financial position.

Designations and Pledges Payable

Donor and agency payables are made from available resources in accordance with donor and the Board of Directors recommendations. Pledges payable are recognized when approved by the Board of Directors and payment is generally made within one year.

The Organization paid \$207,142 and \$310,921 in grants to local nonprofit organizations for the years ended June 30, 2018 and 2017, respectively.

Funds Held for Others

The Organization had an agreement with Boulder County Human Services Department ("BCHSD") in which they agreed to hold BCHSD funds on their behalf and distribute them to recipients at the discretion and direction of BCHSD. These funds are reported as funds held for

Foothills United Way, Inc.

Notes to Financial Statements

others as of June 30, 2017. The project was completed in July of 2017 and no BCHSD funds remained as of June 30, 2018. During the year ended June 30, 2018, the organization held funds on behalf of the Westgate Office Park home owner's association, an association of which the Organization is a member. These funds are reported as funds held for others as of June 30, 2018.

Donated Assets

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, provided by individuals possessing those skills that would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Donated marketable securities and other non-cash donations, including inventory and equipment, are recorded as contributions at their estimated fair values at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. Donated assets that are earmarked for specific organizations are not recorded by the Organization. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Expense Allocation

The costs of providing various programs and other activities are summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Financial Instruments and Credit Risk

The Organization maintains its cash and cash equivalent balances at three financial institutions. As of June 30, 2018 and 2017, balances in the Organization's noninterest-bearing transaction deposit accounts are fully insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per depositor per bank. Total cash and cash equivalents held by banks with balances in excess of FDIC limits was \$91,346 and \$121,396 at June 30, 2018 and 2017, respectively. The Organization has not experienced any losses as a result of these concentrations.

Restricted Cash

Restricted cash consists of funds held for others.

Income Taxes

Under the provisions of the Internal Revenue Code Section 501(c)(3), the Organization is exempt from Federal income tax on earnings from operations or activities related to its status as a nonprofit organization. The Organization is also exempt from state sales, personal, and real estate property taxes. As of June 30, 2018 and 2017, the Internal Revenue Service has not proposed any adjustments that would result in a material change to the Organization's financial position. The Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2015.

Foothills United Way, Inc.

Notes to Financial Statements

Use of Estimates

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

Reclassification

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported net assets or changes in net assets.

2. CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2018 consist of the 2017 campaign and remaining collectible amounts from the 2016 campaign. Contributions receivable at June 30, 2017 consisted of 2016 and 2015 campaigns. A breakdown of the contributions receivable and the allowance for uncollectible accounts is as follows:

<i>June 30,</i>	2018		
	Donor		Total
	Unrestricted	Designations	
Contribution receivable expected to be collected in less than one year	\$ 419,991	\$ 75,668	\$ 495,659
Allowance for uncollectible accounts	(154,807)	-	(154,807)
Total	\$ 265,184	\$ 75,668	\$ 340,852

<i>June 30,</i>	2017		
	Donor		Total
	Unrestricted	Designations	
Contribution receivable expected to be collected in less than one year	\$ 479,389	\$ 79,879	\$ 559,268
Allowance for uncollectible accounts	(115,014)	-	(115,014)
Total	\$ 364,375	\$ 79,879	\$ 444,254

Foothills United Way, Inc.

Notes to Financial Statements

3. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization entered into a designated agency agreement with The Community Foundation. The Community Foundation shall hold, manage, invest, and reinvest the assets of the Foothills United Way Fund (the "Fund"). Distribution from the Fund shall be made exclusively for charitable purposes as defined in The Community Foundation's Articles of Incorporation and Bylaws and Section 501(c) of the Internal Revenue Code. The Organization may request distributions of investment income from the Fund. The aggregate fair market value of the Fund as of June 30, 2018 and 2017 was \$15,422 and \$15,366, respectively. The Fund is not recorded as an asset for the Organization for June 30, 2018 or 2017. The Organization is only entitled to contributions from The Community Foundation and earnings on the amount invested.

4. LEASE COMMITMENTS

The Organization leases office equipment through two operating leases. Minimum lease payments are as follows for the fiscal years ending June 30:

2019	\$	5,195
2020		936
2021		780
Total	\$	6,911

5. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment recorded at cost, less accumulated depreciation as of June 30:

	2018	2017
Land	\$ 100,000	\$ 100,000
Building and improvements	1,185,895	1,185,895
Furniture and equipment	104,461	104,461
Total	1,390,356	1,390,356
Less: accumulated depreciation	(457,872)	(424,869)
Total	\$ 932,484	\$ 965,487

Depreciation expense incurred for the years ended June 30, 2018 and 2017 was \$33,003 and \$34,627, respectively.

6. LINES OF CREDIT

The Organization has a revolving line of credit for \$50,000 with a financial institution at an interest rate equal to prime (5% at June 30, 2018) plus 6.75% (11.75% at June 30, 2018), which has no maturity. There was no outstanding balance due as of June 30, 2018 or 2017.

Foothills United Way, Inc.

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The Organization has a revolving line of credit for \$150,000 with a second financial institution at an interest rate equal to the greater of prime (5% at June 30, 2018) plus 1% or 4.75% (6.00% at June 30, 2018), which has no maturity and is payable on demand. The Organization's personal property and rental income are pledged as collateral on the line of credit. There was an outstanding balance of \$149,650 and \$0 as of June 30, 2018 and 2017, respectively.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30:

	2018	2017
Personal Investment Enterprise	\$ 317,603	\$ 309,782
Imagination Library Program	13,379	10,551
Disaster Relief	-	18,761
Total	\$ 330,982	\$ 339,094

8. RETIREMENT PLAN

The Organization provides a 403(b) plan for substantially all employees. Participants become eligible to receive employer contributions after attaining age twenty-one. The Organization is required to contribute 100% of the first 3% of a participant's salary reduction contribution, and 50% of the next 2% of a participant's salary reduction contribution received in that plan year. For the years ended June 30, 2018 and 2017, retirement expense totaled \$18,775 and \$17,863 respectively.

9. DONATED MATERIALS, SUPPLIES, AND SERVICES

For the years ended June 30, 2018 and 2017, the Organization received donated materials, supplies and services of \$78,500 and \$63,048 respectively.

The Organization receives a significant amount of donated services from unpaid volunteers who assist with specific assistance programs, campaign solicitations, and various committee assignments. Except for the portion of advertising expense, no amounts have been recognized in the statement of activities because the criteria for recognition under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, Presentation of Financial Statements of Non-for-Profit Entities, have not been satisfied. For the years ended June 30, 2018 and 2017, \$49,668 and \$49,108, respectively, was received as in-kind gifts from local media and were included in the statements of activities as gifts-in-kind.

10. ADVERTISING

Costs associated with advertising are expensed in the year incurred. Advertising expense is comprised primarily of print media. For the years ended June 30, 2018 and 2017 advertising costs were \$56,111 and \$54,715, respectively.

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11. RENTALS UNDER OPERATING LEASE

The Organization has leased out a portion of its building on a short-term rental. Rental payments of \$1,554 plus \$380 for shared utilities were due monthly through June 30, 2018. Rental income received during the years ended June 30, 2018 and 2017 were \$17,419 and \$20,688, respectively.

12. FLOOD RELIEF

In September 2013, Boulder County experienced a devastating flood that caused extensive property damage throughout the community served by Foothills United Way. In response to the catastrophic impact of the flood, Foothills United Way established the Foothills Flood Relief Fund (the “Program”) and began receiving donations on the day of the flood. Initial assistance was provided to flood survivors in the form of cash cards distributed through disaster recovery centers by the Boulder County Office of Emergency Management. Grant requests were funded for local nonprofit agencies whose operations were impacted by the flood. Grants were also made to the hardest hit towns to fund assistance and recovery resources. In December of 2013, the Long-Term Flood Recovery Group was created to provide strategic guidance and management of the remaining funds. Through 2017, Foothills United Way continued to facilitate the receipt and disbursement of funds to the impacted community. The Long-Term Flood Recovery Group helped over 1,300 local households recover, and operations were concluded in first quarter 2017.

During the year ended June 30, 2017, the fund received approximately \$9,827 in donations and had expenditures of approximately \$387,000 in grants and \$86,000 in other program costs.

13. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 21, 2019, the date the financial statements were available to be issued. As of December 28, 2018, the building at 1285 Cimarron Drive, Lafayette, CO 80026, as disclosed in Note 1 and 5, was held for sale. Additionally, on July 17, 2018, the Organization entered into a contract for cloud hosting and application services for the period of one year. The total commitment under the contract is approximately \$72,000.