



Foothills United Way, Inc.

Financial Statements

As of and for the Years Ended June 30, 2017
and 2016

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, 2017, 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 has adopted a new donor-driven business model, driving collaboration so these many organizations work together to deliver results on the largest priorities.
- By incentivizing nonprofits, government agencies, faith communities, schools and businesses to combine and coordinate their action, United Way funds are uniting often-splintered community efforts, to make real progress.
- Building effective partnerships across sectors requires different internal resources than are needed to simply channel funds to the highest performing nonprofits. We are already demonstrating results by certifying 15 collaborative efforts taking root 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!



Doug 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, 2017, and the related statements of activities, changes in net assets, 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.

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. 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, 2017, 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.

Other Matter

The 2016 financial statements of Foothills United Way, Inc. were audited by other auditors, whose report dated November 15, 2016 expressed an unmodified opinion on those statements.

Anton Collins Mitchell LLP

Boulder, Colorado
November 21, 2017

Foothills United Way, Inc.

Statements of Financial Position

<i>June 30,</i>	2017	2016
Assets:		
Cash and cash equivalents	\$ 520,880	\$ 873,991
Contributions receivable, net	444,254	343,196
Grants receivable	67,881	67,000
Other assets	21,609	19,522
Property and equipment, net	965,487	1,000,114
Total assets	\$ 2,020,111	\$ 2,303,823
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 22,499	\$ 12,974
Accrued expenses	60,451	111,672
Donor designated payable	116,864	83,939
Agency allocations payable	223,136	-
Funds held for others	62,774	-
Tenant deposits	1,000	1,000
Total liabilities	486,724	209,585
Commitments and contingencies		
Net assets:		
Unrestricted	1,194,293	1,354,875
Temporarily restricted	339,094	739,363
Total net assets	1,533,387	2,094,238
Total liabilities and net assets	\$ 2,020,111	\$ 2,303,823

See independent auditor's report and accompanying notes to the financial statements.

Foothills United Way, Inc.

Statements of Activities

<i>Years Ended June 30,</i>	2017	2016
Unrestricted net assets		
Revenue:		
Gross campaign results	\$ 1,720,031	\$ 1,999,351
Less: amounts designated by donors	(154,042)	(99,946)
Less: designated amounts paid direct	(421,465)	(690,476)
Less: provision for uncollectibles	(44,199)	(45,617)
Campaign revenue, net	1,100,325	1,163,312
Administrative fee revenue	38,561	16,210
Investment income	518	4,863
Gifts-in-kind	63,048	84,732
Other revenue	20,700	48,156
Total unrestricted support	1,223,152	1,317,273
Net assets released from restrictions	709,507	1,988,325
Total unrestricted support	1,932,659	3,305,598
Expenses:		
Program services:		
Gross Community Impact	960,367	986,568
Less: funds designated by donors	(575,507)	(790,422)
Community Impact, net	384,860	196,146
Resilience	225,003	119,702
Imagination Library	14,119	12,356
Personal Investment Enterprise	194,605	197,432
Volunteer Connection	200,303	161,268
Disaster Recovery	498,301	1,794,968
Supporting services:		
Management and general	224,604	113,974
Fundraising	351,446	427,757
Total expenses	2,093,241	3,023,603
(Decrease) / increase in unrestricted net assets	(160,582)	281,995
Temporarily restricted net assets		
Contributions	309,238	483,548
Net assets released from restrictions	(709,507)	(1,988,325)
Decrease in temporarily restricted net assets	(400,269)	(1,504,777)
Changes in net assets	\$ (560,851)	\$ (1,222,782)

See independent auditor's report and 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, 2015	\$ 1,072,880	\$ 2,244,140	\$ 3,317,020
Increase (decrease) in net assets	281,995	(1,504,777)	(1,222,782)
Balance June 30, 2016	1,354,875	739,363	2,094,238
Increase (decrease) in net assets	(160,582)	(400,269)	(560,851)
Balance June 30, 2017	\$ 1,194,293	\$ 339,094	\$ 1,533,387

See independent auditor's report and 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 Recovery	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 of America 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 stock transaction 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 recognition	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 recovery	-	-	-	-	-	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 independent auditor's report and accompanying notes to the financial statements.

Foothills United Way, Inc.

Statements of Functional Expenses

	Year Ended June 30, 2016											
	Program Services							Supporting Services				
	Community Impact	Resilience	Imagination Library	Personal Investment Enterprise	Volunteer Connection	Disaster Recovery	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	
Salaries and contract labor	\$ 87,001	\$ 71,888	\$ 3,170	\$ 61,256	\$ 72,529	\$ 266,234	\$ 562,078	\$ 40,464	\$ 288,003	\$ 328,467	\$ 890,545	
Employee health and retirement benefits	8,638	9,699	248	9,842	7,394	29,556	65,377	3,160	32,948	36,108	101,485	
Payroll taxes	6,434	5,643	265	4,829	5,744	20,478	43,393	3,384	22,018	25,402	68,795	
Contract labor	2,173	1,614	280	1,560	2,582	1,581	9,790	2,851	3,706	6,557	16,347	
Total salaries and related expenses	104,246	88,844	3,963	77,487	88,249	317,849	680,638	49,859	346,675	396,534	1,077,172	
Professional fees	11,494	8,535	1,479	8,250	13,656	8,365	51,779	15,079	18,493	33,572	85,351	
Supplies	734	531	92	513	849	520	3,239	938	1,205	2,143	5,382	
Telephone	844	627	109	606	1,003	614	3,803	1,107	1,358	2,465	6,268	
Postage	179	133	23	129	213	130	807	235	288	523	1,330	
Occupancy	3,321	2,466	427	2,384	3,945	2,417	14,960	4,356	5,343	9,699	24,659	
Promotional expense	4,680	3,216	557	3,108	5,629	3,151	20,341	5,681	15,245	20,926	41,267	
Local transportation/meetings	2,154	2,423	72	1,221	1,672	406	7,948	733	2,721	3,454	11,402	
Organizational dues	747	517	90	500	1,163	507	3,524	913	1,120	2,033	5,557	
United Way of America dues	-	-	-	-	-	-	-	13,147	-	13,147	13,147	
Equipment rental and maintenance	1,838	1,365	237	1,320	2,184	1,338	8,282	2,412	2,958	5,370	13,652	
Staff development	361	268	47	260	1,026	263	2,225	474	5,136	5,610	7,835	
Computer maintenance	8,235	4,788	830	4,715	9,711	4,692	32,971	8,459	14,236	22,695	55,666	
Bank charges	1,763	1,309	227	1,265	2,095	1,283	7,942	2,313	2,836	5,149	13,091	
Interest expense	244	181	31	175	291	178	1,100	320	394	714	1,814	
Special events	45,733	15	3	14	21,955	15	67,735	26	33	59	67,794	
Volunteer recognition	32	24	4	30	491	24	605	42	52	94	699	
Insurance	787	584	101	565	934	572	3,543	1,032	1,265	2,297	5,840	
Taxes and Licenses	255	189	32	183	302	185	1,146	335	410	745	1,891	
Personal Investment Enterprise	-	-	-	91,143	-	-	91,143	-	-	-	91,143	
Imagination Library Program	-	-	3,393	-	-	-	3,393	-	-	-	3,393	
211 program	3,533	-	-	-	-	-	3,533	-	-	-	3,533	
Flood recovery	-	-	-	-	-	1,448,845	1,448,845	-	-	-	1,448,845	
Total before depreciation	191,180	116,015	11,717	193,868	155,368	1,791,354	2,459,502	107,461	419,768	527,229	2,986,731	
Depreciation of property and equipment	4,966	3,687	639	3,564	5,900	3,614	22,370	6,513	7,989	14,502	36,872	
Total expenses	\$ 196,146	\$ 119,702	\$ 12,356	\$ 197,432	\$ 161,268	\$ 1,794,968	\$ 2,481,872	\$ 113,974	\$ 427,757	\$ 541,731	\$ 3,023,603	

See independent auditor's report and accompanying notes to the financial statements.

Foothills United Way, Inc.

Statements of Cash Flows

Years ended June 30,	2017	2016
Cash flows from operating activities:		
Changes in net assets	\$ (560,851)	\$ (1,222,782)
Adjustments to reconcile changes in net assets to		
Net cash (used in) provided by operating activities:		
Depreciation	34,627	36,872
Bed debt	(41,792)	21,096
Net unrealized and realized gain on investments	-	(5,014)
Increase in:		
Contributions receivable	(59,266)	(50,013)
Grants receivable	(881)	-
Other assets	(2,087)	(3,369)
Increase (decrease) in:		
Accounts payable	9,525	(14,529)
Accrued expenses	(51,221)	(6,528)
Donor designated payable	32,925	(223,796)
Agency allocations payable	223,136	(315,790)
Funds held for others	62,774	-
Net cash used in operating activities	\$ (353,111)	\$ (1,783,853)
Cash flows (used in) provided by investing activities:		
Proceeds from sale of investments	-	1,241,469
Purchase of investments	-	(612,761)
Net cash provided by investing activities	-	628,708
Cash flows (used in) provided by financing activities:		
Proceeds from borrowings under lines of credit	26,056	70,250
Repayments on lines of credit	(26,056)	(108,214)
Net cash used in financing activities	-	(37,964)
Net decrease in cash and cash equivalents	(353,111)	(1,193,109)
Cash and cash equivalents, beginning of year	873,991	2,067,100
Cash and cash equivalents, end of year	\$ 520,880	\$ 873,991

See independent auditor's report and accompanying notes to the financial statements.

Foothills United Way, Inc.

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Presentation

Under U.S. generally accepted accounting principles (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 stipulations.
- b. Temporarily restricted net assets - Net assets subject to donor-imposed stipulations 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.
- c. Permanently restricted net assets - Net assets subject to donor-imposed stipulations 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.

Cash and Cash Equivalents

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

Foothills United Way, Inc.

Notes to Financial Statements

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, 2017 and 2016, 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.

Designated Contributions Paid Directly to Recipients

Funds raised as a result of the Organizations 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.

Foothills United Way, Inc.

Notes to Financial Statements

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.

Donor and Agency Payables

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

The Organization paid \$310,921 and \$303,541 in grants to local nonprofit organizations for the years ended June 30, 2017 and 2016, respectively. Payments made in the year ended June, 30, 2016 were committed and recorded in the year ended June 30, 2015, and do not appear on the June 30, 2016 Statement of Activities.

Funds Held for Others

The Organization has an agreement with Boulder County Human Services Department (BCHSD) 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 others on the Statement of Financial Position.

Foothills United Way, Inc.

Notes to Financial Statements

Donated Assets

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and 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.

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 exempt from federal income taxes under Sections 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from state sales, personal, and real estate property taxes. As of June 30, 2017 and 2016, 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 2014.

Reclassifications

Some amounts for the year ended June 30, 2016 have been reclassified to be consistent and comparable with the presentation of June 30, 2017 information. There is no change in the net assets as of June 30, 2016 as a result of these reclassifications.

2. 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 plus 6.75% (11% at June 30, 2017).

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 plus 1% or 4.75% (5.25% at June 30, 2017). The Organization's personal property and rental income are pledged as collateral on the line of credit.

There was no outstanding balance on either line of credit as of June 30, 2017 and 2016.

Foothills United Way, Inc.

Notes to Financial Statements

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2017 consist of the 2016 campaign and remaining collectible amounts from the 2015 campaign. Contributions receivable at June 30, 2016 consist of 2015 and 2014 campaigns. A breakdown of the contributions receivable and the allowance for uncollectible accounts is as follows:

<i>June 30,</i>	Donor		Total 2017	Total 2016
	Unrestricted	Designations		
Contribution receivable expected to be collected in less than one year	\$ 479,389	\$ 79,879	\$ 559,268	\$ 416,418
Allowance for uncollectible accounts	(115,014)	-	(115,014)	(73,222)
Total	\$ 364,375	\$ 79,879	\$ 444,254	\$ 343,196

4. 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, 2017 and 2016 was \$15,366 and \$14,921, respectively. The Fund is not recorded as an asset for the Organization for June 30, 2017 or 2016. The Organization is only entitled to contributions from the Community Foundation and earnings on the amount invested.

5. LEASE COMMITMENTS

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

2017	\$	9,839
2018		7,514
2019		4,259
Total	\$	21,612

Foothills United Way, Inc.

Notes to Financial Statements

6. PROPERTY AND EQUIPMENT

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

	2017	2016
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	(424,869)	(390,242)
Total	\$ 965,487	\$ 1,000,114

Depreciation expense incurred for the years ended June 30, 2017 and 2016 was \$34,627 and \$36,872, respectively.

7. TEMPORARILY RESTRICTED NET ASSETS

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

	2017	2016
Personal Investment Enterprise	\$ 309,782	\$ 193,769
Imagination Library Program	10,551	4,572
Disaster Relief	18,761	-
Flood Relief	-	541,022
Total	\$ 339,094	\$ 739,363

Foothills United Way, Inc.

Notes to Financial Statements

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, 2017 and 2016, retirement expense totaled \$17,863 and \$19,950, respectively.

9. DONATED SERVICES

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, (see Note 12) 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 have not been satisfied.

10. GIFTS-IN-KIND

For the years ended June 30, 2017 and 2016, the Organization received donated materials, supplies and advertising services of \$63,048 and \$84,732, respectively.

11. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalent balances at three financial institutions. As of June 30, 2017 and 2016, 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 \$121,396 and \$359,679 at June 30, 2017 and 2016, respectively. The organization has not experienced any losses as a result of these concentrations.

12. 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, 2017 and 2016 advertising costs were \$54,715 and \$41,267, respectively. For the years ended June 30, 2017 and 2016, \$49,108 and \$24,000, respectively, was received as in-kind gifts from local media and were included in the statements of activities as gifts-in-kind.

13. 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 are due monthly through June 30, 2018. Rental income received during the years ended June 30, 2017 and 2016 were \$20,688 and \$18,340, respectively.

Foothills United Way, Inc.

Notes to Financial Statements

14. SIGNIFICANT CONCENTRATIONS

Generally, accepted accounting principles require disclosures of information about current vulnerabilities due to certain concentrations. These matters include the following:

Revenue Concentrations

For the years ended June 30, 2017 and 2016, there were no individual donors that represented over 10% of the Organization's revenues.

Receivable Concentrations

For the years ended June 30, 2017 and 2016, there were no individual donors that represented over 10% of the Organization's receivables.

15. 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 has helped over 1,300 local households recover, and operations were concluded in first quarter 2017.

During the years ended June 30, 2017 and 2016, the fund received approximately \$9,827 and \$172,807 in donations, respectively. Expenditures under the Program during the years ended June 30, 2017 and 2016, were approximately \$387,000 and \$1,448,000 in grants and \$86,000 and \$342,000 in other program costs, respectively.

16. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 21, 2017, the date the financial statements were available to be issued.

After year end, the timing of cyclical campaign activities resulted in the Organization drawing from their bank line of credit, and as of the report date the balance owed was \$150,000. This balance is expected to be paid off as campaign fundraising renewals in the fall generate additional revenue.