

FOOTHILLS UNITED WAY, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

**FOOTHILLS UNITED WAY, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2015 AND 2014**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CHANGES IN NET ASSETS	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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, 2015 and 2014, 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.

Auditors' 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 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 Foothills United Way, Inc. as of June 30, 2015 and 2014, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
November 17, 2015



An independent member of Nexia International

FOOTHILLS UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 2,067,100	\$ 3,304,757
Contributions Receivable, Net	381,279	453,723
Short-Term Investments	186,482	1,007,373
Long-Term Investments	437,212	448,170
Other Assets	16,153	30,215
Land, Building and Equipment, Net	1,036,986	1,072,939
Total Assets	\$ 4,125,212	\$ 6,317,177
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 27,503	\$ 3,281
Bank Line of Credit	37,964	-
Accrued Expenses	118,200	84,026
Donor Designated Payable	307,735	366,863
Agency Allocations Payable	315,790	853,650
Tenant Deposits	1,000	1,000
Total Liabilities	808,192	1,308,820
NET ASSETS		
Unrestricted:		
Designated by Board for Foundation	628,443	1,507,443
Undesignated	444,437	181,854
Total Unrestricted	1,072,880	1,689,297
Temporarily Restricted	2,244,140	3,319,060
Total Net Assets	3,317,020	5,008,357
Total Liabilities and Net Assets	\$ 4,125,212	\$ 6,317,177

See accompanying Notes to Financial Statements.

FOOTHILLS UNITED WAY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
UNRESTRICTED NET ASSETS		
Revenue:		
Gross Campaign Results	\$ 1,291,358	\$ 1,555,617
Less Amounts Designated by Donors	(274,801)	(225,460)
Less Provision for Uncollectibles	(147,818)	(170,166)
Net Campaign Revenue	868,739	1,159,991
Administrative Fee Revenue	39,056	36,377
Investment Income	51,896	289,779
Gifts-in-Kind	17,000	177,591
Other Revenue	13,235	11,993
Total Unrestricted Support	989,926	1,675,731
Net Assets Released from Restrictions	1,997,735	1,593,920
Total Unrestricted Support	2,987,661	3,269,651
Expenses:		
Program Services:		
Community Building	472,605	989,133
Boulder Mountain Resources	83,850	88,689
Imagination Library	15,582	28,016
Nonprofit Cultivation Center	20,745	174,196
Personal Investment Enterprise	169,314	154,910
Volunteer Connection	168,400	131,589
Flood Relief	1,978,041	1,534,904
Supporting Services:		
Management and General	240,863	321,860
Fundraising	454,678	407,392
Total Expenses	3,604,078	3,830,689
Decrease in Unrestricted Net Assets	(616,417)	(561,038)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	922,815	4,682,850
Net Assets Released From Restrictions	(1,997,735)	(1,593,920)
Increase (Decrease) in Temporarily Restricted Net Assets	(1,074,920)	3,088,930
CHANGES IN NET ASSETS	\$ (1,691,337)	\$ 2,527,892

See accompanying Notes to Financial Statements.

**FOOTHILLS UNITED WAY, INC.
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2015 AND 2014**

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
BALANCE - JUNE 30, 2013	\$ 2,250,335	\$ 230,130	\$ 2,480,465
Increase (Decrease) in Net Assets	<u>(561,038)</u>	<u>3,088,930</u>	<u>2,527,892</u>
BALANCE - JUNE 30, 2014	1,689,297	3,319,060	5,008,357
Decrease in Net Assets	<u>(616,417)</u>	<u>(1,074,920)</u>	<u>(1,691,337)</u>
BALANCE - JUNE 30, 2015	<u>\$ 1,072,880</u>	<u>\$ 2,244,140</u>	<u>\$ 3,317,020</u>

See accompanying Notes to Financial Statements.

**FOOTHILLS UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015**

	Program Services							Supporting Services				Total	
	Boulder		Imagination Library	Nonprofit		Personal Investment Enterprise	Volunteer Connection	Flood Recovery	Total Program Services	Supporting			Total
	Community Building	Mountain Resources		Cultivation Center						Management and General	Fundraising		
Salaries	\$ 63,419	\$ 52,928	\$ 737	\$ 7,339	\$ 45,041	\$ 89,656	\$ 363,557	\$ 622,677	\$ 198,999	\$ 204,705	\$ 403,704	\$ 1,026,381	
Employee Health and Retirement Benefits	22,065	4,868	28	1,068	6,228	7,812	31,442	73,511	7,462	72,773	80,235	153,746	
Payroll Taxes	9,257	3,736	12	395	3,182	6,273	25,471	48,326	3,131	30,532	33,663	81,989	
Contract Labor	2,219	2,472	465	405	2,478	5,328	99,770	113,137	4,651	53,248	57,899	171,036	
Total Salaries and Related Expenses	96,960	64,004	1,242	9,207	56,929	109,069	520,240	857,651	214,243	361,258	575,501	1,433,152	
Agency Allocations	303,541	-	-	-	-	-	-	303,541	-	-	-	303,541	
Professional Fees	48,919	2,033	382	333	2,037	4,381	19,987	78,072	3,824	40,745	44,569	122,641	
Supplies	390	504	82	71	632	1,379	4,271	7,329	817	2,067	2,884	10,213	
Telephone	496	552	104	91	554	1,190	5,431	8,418	1,039	935	1,974	10,392	
Postage	279	277	52	46	294	598	2,727	4,273	522	1,200	1,722	5,995	
Occupancy	1,504	1,675	315	275	1,679	3,610	16,471	25,529	3,152	2,836	5,988	31,517	
Printing and Publication	408	455	86	75	542	1,377	4,472	7,415	856	7,718	8,574	15,989	
Local Transportation/Meetings	1,647	1,663	71	62	1,079	2,316	3,709	10,547	710	4,469	5,179	15,726	
Organizational Dues	2,031	494	93	81	495	2,925	4,859	10,978	929	4,736	5,665	16,643	
United Way of America Dues	(242)	(270)	(51)	(44)	(271)	(582)	(2,656)	(4,116)	(508)	(458)	(966)	(5,082)	
Equipment Rental and Maintenance	788	877	165	144	879	1,891	8,627	13,371	1,651	1,485	3,136	16,507	
Staff Development	1,147	1,289	32	327	3,301	1,408	1,666	9,170	319	13,332	13,651	22,821	
Miscellaneous	537	497	93	81	523	1,072	4,885	7,688	935	847	1,782	9,470	
Computer Maintenance	1,351	1,505	283	247	1,508	3,243	14,794	22,931	2,830	2,548	5,378	28,309	
Bank Charges	823	916	172	150	919	1,975	9,010	13,965	1,724	1,552	3,276	17,241	
Interest Expense	108	120	23	20	120	259	1,179	1,829	226	203	429	2,258	
Stock Transaction Fees	539	601	113	98	602	1,295	5,910	9,158	1,131	1,018	2,149	11,307	
Special Events	1,439	792	149	177	878	24,729	7,792	35,956	1,491	3,712	5,203	41,159	
Volunteer Recognition	53	59	11	10	100	497	574	1,304	110	99	209	1,513	
Insurance	444	495	93	81	496	1,067	4,866	7,542	931	838	1,769	9,311	
Taxes and Licenses	78	87	16	14	87	187	850	1,319	163	147	310	1,629	
Personal Investment Enterprise	-	-	-	-	93,924	-	-	93,924	-	-	-	93,924	
Imagination Library Program	-	-	11,679	-	-	-	-	11,679	-	-	-	11,679	
CCCTC	7,090	-	-	-	-	-	-	7,090	-	-	-	7,090	
Nonprofit Cultivation Center	-	-	-	8,871	-	-	-	8,871	-	-	-	8,871	
211 Program	477	-	-	-	-	-	-	477	-	-	-	477	
Boulder Mountain Resources	-	3,223	-	-	-	-	-	3,223	-	-	-	3,223	
Volunteer Connection	-	-	-	-	-	198	-	198	-	-	-	198	
Flood Recovery	-	-	-	-	-	-	1,318,685	1,318,685	-	-	-	1,318,685	
Total Before Depreciation	470,807	81,848	15,205	20,417	167,307	164,084	1,958,349	2,878,017	237,095	451,287	688,382	3,566,399	
Depreciation of Buildings and Equipment	1,798	2,002	377	328	2,007	4,316	19,692	30,520	3,768	3,391	7,159	37,679	
Total Expenses	\$ 472,605	\$ 83,850	\$ 15,582	\$ 20,745	\$ 169,314	\$ 168,400	\$ 1,978,041	\$ 2,908,537	\$ 240,863	\$ 454,678	\$ 695,541	\$ 3,604,078	

See accompanying Notes to Financial Statements.

FOOTHILLS UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014

	Program Services							Supporting Services				Total
	Community Building	Boulder Mountain Resources	Imagination Library	Nonprofit Cultivation Center	Personal Investment Enterprise	Volunteer Connection	Flood Recovery	Total Program Services	Management and General	FundRaising	Supporting Services	
Salaries	\$ 69,182	\$ 52,489	\$ 3,963	\$ 61,968	\$ 47,957	\$ 68,068	\$ 69,977	\$ 373,604	\$ 167,678	\$ 212,237	\$ 379,915	\$ 753,519
Employee Health and Retirement Benefits	12,619	7,603	723	10,928	10,048	10,488	12,765	65,174	30,587	38,716	69,303	134,477
Payroll Taxes	5,391	3,318	309	4,733	5,104	4,372	5,452	28,679	13,064	16,536	29,600	58,279
Contract Labor	912	49	52	140	108	111	922	2,294	2,209	2,795	5,004	7,298
Total Salaries and Related Expenses	88,104	63,459	5,047	77,769	63,217	83,039	89,116	469,751	213,538	270,284	483,822	953,573
Agency Allocations	837,116	-	-	-	-	-	-	837,116	-	-	-	837,116
Professional Fees	6,130	2,867	366	8,092	4,457	6,466	10,789	39,167	14,697	18,602	33,299	72,466
Supplies	1,126	527	67	1,487	819	1,188	1,983	7,197	2,700	3,418	6,118	13,315
Telephone	585	274	35	773	426	618	1,031	3,742	1,404	1,777	3,181	6,923
Postage	738	345	44	974	537	778	1,299	4,715	1,769	2,239	4,008	8,723
Occupancy	2,379	1,113	142	3,140	1,730	2,509	4,187	15,200	5,704	7,219	12,923	28,123
Printing and Publication	16,573	7,752	989	21,878	12,050	17,481	29,169	105,892	39,734	50,292	90,026	195,918
Local Transportation/Meetings	976	457	58	1,289	709	1,030	1,718	6,237	2,340	2,963	5,303	11,540
Organizational Dues	1,131	529	68	1,492	822	1,192	1,989	7,223	2,709	3,430	6,139	13,362
United Way of America Dues	1,777	831	106	2,345	1,291	1,874	3,126	11,350	4,259	5,391	9,650	21,000
Equipment Rental and Maintenance	1,395	653	84	1,843	1,015	1,472	2,456	8,918	3,346	4,235	7,581	16,499
Staff Development	1,678	785	100	2,216	1,221	1,771	2,955	10,726	4,025	5,094	9,119	19,845
Miscellaneous	55	26	3	72	40	57	97	350	132	167	299	649
Computer Maintenance	1,407	658	84	1,858	1,023	1,485	2,477	8,992	3,374	4,271	7,645	16,637
Bank Charges	1,478	692	88	1,951	1,075	1,559	2,602	9,445	3,544	4,486	8,030	17,475
Stock Transaction Fees	1,207	564	72	1,593	877	1,273	2,124	7,710	2,893	3,662	6,555	14,265
Special Events	2,301	1,076	137	3,037	1,673	2,427	4,050	14,701	5,516	6,982	12,498	27,199
Volunteer Recognition	2	1	-	2	1	2	3	11	4	5	9	20
Insurance	935	438	56	1,235	680	987	1,646	5,977	2,243	2,839	5,082	11,059
Taxes and Licenses	169	79	10	222	123	178	296	1,077	404	511	915	1,992
Personal Investment Enterprise	-	-	-	-	58,842	-	-	58,842	-	-	-	58,842
Imagination Library Program	-	-	20,273	-	-	-	-	20,273	-	-	-	20,273
CCCTC	16,534	-	-	-	-	-	-	16,534	-	-	-	16,534
Nonprofit Cultivation Center	-	-	-	36,784	-	-	-	36,784	-	-	-	36,784
211 Program	2,198	-	-	-	-	-	-	2,198	-	-	-	2,198
Boulder Mountain Resources	-	4,095	-	-	-	-	-	4,095	-	-	-	4,095
Volunteer Connection	-	-	-	-	-	892	-	892	-	-	-	892
Flood Recovery	-	-	-	-	-	-	1,366,266	1,366,266	-	-	-	1,366,266
Total before depreciation	985,994	87,221	27,829	170,052	152,628	128,278	1,529,379	3,081,381	314,335	397,867	712,202	3,793,583
Depreciation of Buildings and Equipment	3,139	1,468	187	4,144	2,282	3,311	5,525	20,056	7,525	9,525	17,050	37,106
Total Expenses	\$ 989,133	\$ 88,689	\$ 28,016	\$ 174,196	\$ 154,910	\$ 131,589	\$ 1,534,904	\$ 3,101,437	\$ 321,860	\$ 407,392	\$ 729,252	\$ 3,830,689

See accompanying Notes to Financial Statements.

**FOOTHILLS UNITED WAY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (1,691,337)	\$ 2,527,892
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	37,679	37,106
Loss on Disposal of Assets	-	6,770
Net Unrealized and Realized Gain on Investments	(22,918)	(261,187)
Changes in Working Capital Items:		
Contributions Receivable	72,444	413,372
Other Assets	14,062	(1,106)
Accounts Payable	24,222	(8,887)
Accrued Expense	34,174	14,518
Donor Designated Payable	(59,128)	(48,419)
Agency Allocations Payable	(537,860)	-
Net Cash Provided by (Used in) Operating Activities	<u>(2,128,662)</u>	<u>2,680,059</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	2,291,953	585,722
Purchase of Investments	(1,437,186)	(408,596)
Purchase of Property and Equipment	(1,726)	(10,032)
Change in Temporary Investments	-	8,746
Net Cash Provided by Investing Activities	<u>853,041</u>	<u>175,840</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings under bank line of credit	37,964	-
Net Cash Provided by Financing Activities	<u>37,964</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,237,657)	2,855,899
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,304,757</u>	<u>448,858</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,067,100</u>	<u>\$ 3,304,757</u>

See accompanying Notes to Financial Statements.

**FOOTHILLS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

The mission of Foothills United Way, Inc. (the Organization) is to mobilize people and resources to address vital issues and build a stronger, thriving community. Substantially all of the contributions received by the Organization are from individuals or businesses in Boulder and Broomfield Counties.

Use of Estimates in Preparing Financial Statements

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, either 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.

Cash and Cash Equivalents

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

Investments

Investments are carried at fair value and realized and unrealized gains and losses are reflected in the statement of activities. Fair value is determined based on quoted market prices. An investment that is classified as a short-term investment has an original maturity within one year of purchase. An investment classified as a long-term investment if it does not meet the definition of a short-term investment or original term to maturity is over one year.

Land, Building, and Equipment

Land, building, and equipment are recorded at cost if purchased, or estimated fair value at date of gift from donors. 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.

FOOTHILLS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 to be impaired, the impairment to be 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, 2015 and 2014, 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 time 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.

Promises to Give

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.

Amounts received that are designated for a certain agency are recorded as a receivable from the donor and as a liability to the designated agency. Designations are shown in the statement of activities as a subtraction from gross campaign results.

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

**FOOTHILLS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

For the year ended June 30, 2015, the Organization paid \$847,000 in grants to local nonprofits. Due to GAAP, this expense was committed and recorded in the year ended June 30, 2014, and does not appear on the June 30, 2015 Statement of Activities. During the year ended June 30, 2015, the Organization committed and expensed \$303,541 as reflected in the Statement of Activities, which will be paid during the year ended June 30, 2016.

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 have been 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, 2015, the IRS has not proposed any adjustments that would result in a material change to the Organization's financial position.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 17, 2015, the date the financial statements were available to be issued.

FOOTHILLS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 2 LINE OF CREDIT

The Organization established a revolving line of credit for \$50,000 with a financial institution at an interest rate of Prime plus 6.75%. There was \$37,964 of outstanding borrowings on the line of credit at June 30, 2015. There were no borrowings against this line of credit during the year ending June 30, 2014.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2015 consist of 2015 and 2014 campaigns. Contributions receivable at June 30, 2014 consist of 2014 and 2013 campaigns. A breakdown of the contributions receivable and the allowance for uncollectible accounts is as follows:

	<u>Unrestricted</u>	<u>Donor Designations</u>	<u>Total 2015</u>	<u>Total 2014</u>
Contribution Receivable Expected to be Collected in:				
Less than One Year	\$ 323,403	\$ 156,194	\$ 479,597	\$ 549,368
Allowance for Uncollectible Accounts	<u>(98,318)</u>	<u>-</u>	<u>(98,318)</u>	<u>(95,645)</u>
Total	<u>\$ 225,085</u>	<u>\$ 156,194</u>	<u>\$ 381,279</u>	<u>\$ 453,723</u>

NOTE 4 FAIR VALUE MEASUREMENTS AND INVESTMENTS

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The fair value measurement framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The three levels of fair value hierarchy based on the reliability of inputs are described as follows:

- Level 1 - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 - Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

**FOOTHILLS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE 4 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

The following is a summary of investments as of June 30:

	<u>2015</u>	<u>2014</u>
Equity Securities:		
Common Stock	\$ 365,300	\$ 950,215
Foreign Equities	41,964	57,158
Equity Income	29,948	-
Bonds		
U.S. Government Securities	-	178,755
Municipals	172,248	258,941
Corporate Bonds	14,234	10,474
Total	<u>\$ 623,694</u>	<u>\$ 1,455,543</u>

Investments presented on the financial statement for the years ended June 30 are summarized as follows:

	<u>2015</u>	<u>2014</u>
Short-Term Investments	\$ 437,212	\$ 1,007,373
Long-Term Investments	186,482	448,170
Total	<u>\$ 623,694</u>	<u>\$ 1,455,543</u>

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

Following is a description of the instruments measured at fair value, the valuation methodology used for the investments, and their classification in the valuation hierarchy.

Equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities.

There were no changes in the valuation techniques noted for the years ending June 30, 2015 and 2014.

FOOTHILLS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 4 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

The following tables present assets measured at fair value by classification within the fair value hierarchy as of June 30:

	2015			
	Level 1	Level 2	Level 3	Total
Equity Securities:				
Common Stock	\$ 365,300	\$ -	\$ -	\$ 365,300
Foreign Equities	41,964	-	-	41,964
Equity Income	-	29,948	-	29,948
Bonds:				
Municipals	-	172,248	-	172,248
Corporate Bonds	-	14,234	-	14,234
Total	<u>\$ 407,264</u>	<u>\$ 216,430</u>	<u>\$ -</u>	<u>\$ 623,694</u>
	2014			
	Level 1	Level 2	Level 3	Total
Equity Securities				
Common Stock	\$ 950,215	\$ -	\$ -	\$ 950,215
Foreign Equities	57,158	-	-	57,158
Bonds				
U.S. Government Securities	-	178,755	-	178,755
Municipals	-	258,941	-	258,941
Corporate Bonds	-	10,474	-	10,474
Total	<u>\$ 1,007,373</u>	<u>\$ 448,170</u>	<u>\$ -</u>	<u>\$ 1,455,543</u>

Income from these investments for the years ended June 30 are summarized as follows:

	2015	2014
Net Realized Gain on Sale of Investments	\$ 350,745	\$ 176,991
Net Unrealized Gain (loss) on Investments	(327,827)	84,196
Other Investment Income	28,978	28,592
Total	<u>\$ 51,896</u>	<u>\$ 289,779</u>

NOTE 5 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 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 Foothills United Way Fund as of June 30, 2015 and 2014 was \$15,002 and \$15,654, respectively. The Fund is not recorded as an asset for the Organization for June 30, 2015 or 2014. The Organization is only entitled to contributions from their Organization and earnings on the amount invested.

**FOOTHILLS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE 6 LAND, BUILDING, AND EQUIPMENT

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

	2015	2014
Land	\$ 100,000	\$ 100,000
Building and Improvements	1,185,895	1,185,895
Furniture and Equipment	104,461	102,734
	<u>1,390,356</u>	<u>1,388,629</u>
Less Accumulated Depreciation	(353,370)	(315,690)
Total	<u>\$ 1,036,986</u>	<u>\$ 1,072,939</u>

Depreciation expense incurred for the years ended June 30, 2015 and 2014 was \$37,679 and \$37,106, respectively.

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

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

	2015	2014
Personal Investment Enterprise	\$ 176,724	\$ 141,083
Nonprofit Cultivation Center	49,880	15,445
Volunteer Connection	12,712	46,511
Flood Relief	2,004,824	3,116,021
Total	<u>\$ 2,244,140</u>	<u>\$ 3,319,060</u>

NOTE 8 BOARD DESIGNATED ENDOWMENT

The Board of Directors had originally designated \$1,227,163 of unrestricted net assets as a general endowment to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets. The Board's policy is to first use investment earnings before using the corpus of the endowment. During the year ended June 30, 2015 and 2014, the Board authorized use of endowment funds of \$919,000 and \$160,000, respectively to support United Way's mission in the community. The amounts used were investment earnings of \$320,280 and \$160,000 for the year ended June 30, 2015 and 2014, respectively and corpus amounts of \$598,720 and \$0 for the year ended June 30, 2015 and 2014, respectively, resulting in a new designated amount of \$628,443.

Spending from the endowment to support the Organization's mission is approved at the discretion of the Board of Directors.

The Organization has adopted, and the Board has approved, an investment policy, that attempts to provide a minimum rate of return of 2%, while maintaining a moderate level of risk and specific diversification guidelines.

**FOOTHILLS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE 8 BOARD DESIGNATED ENDOWMENT (CONTINUED)

To satisfy its minimum real rate-of-return objective, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization utilizes a paid professional investment manager to implement the investment policy. A separate investment committee oversees the work of the investment manager.

From time to time, the fair market value of assets associated with Board-designated funds may fall below the level the Board has determined the Organization should retain as an endowment of perpetual duration. There was no such deficiency as of June 30, 2015 or 2014.

Composition of and changes in endowment net assets for the years ended June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Board Designated Endowment Net Assets - Beginning of Year	\$ 1,507,443	\$ 1,392,457
Investment Return:		
Investment Income	28,389	28,075
Net Appreciation Realized and Unrealized	22,917	261,187
Investment Fees	(11,306)	(14,276)
Total Investment Return	<u>40,000</u>	<u>274,986</u>
Amounts Appropriated for Expenditure	(919,000)	(160,000)
Board Designated Endowment Net Assets - End of Year	<u>\$ 628,443</u>	<u>\$ 1,507,443</u>

NOTE 9 RETIREMENT PLAN

The Organization provides a 403(b) benefit 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, 2015 and 2014, retirement expense totaled \$19,641 and \$19,400, respectively.

NOTE 10 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 13) 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.

FOOTHILLS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 11 IN-KIND GIFTS

For the year ended June 30, 2015, the Organization received gifts in-kind of \$17,000 of which \$0 was allocated to various agencies. For the year ended June 30, 2014, the Organization received gifts in-kind of \$177,591 of which \$0 was allocated to various agencies.

NOTE 12 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalent balances at three financial institutions. As of June 30, 2015 and 2014, balances in the Organization's noninterest-bearing transaction deposit accounts are fully insured by the FDIC and balances in other deposit accounts are insured by the 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 \$1,642,680 and \$2,739,292 at June 30, 2015 and 2014, respectively. The Organization has not experienced any losses as a result of these concentrations.

NOTE 13 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, 2015 and 2014 advertising costs were \$15,590 and \$195,760, respectively. For the years ended June 30, 2015 and 2014, \$0 and \$147,343, respectively, was received as in-kind gifts from local media.

NOTE 14 RENTALS UNDER OPERATING LEASE

The Organization has leased out a portion of its building on a short term rental. Rental income received during the years ended June 30, 2015 and 2014 were \$12,340 and \$12,210, respectively.

NOTE 15 SIGNIFICANT CONCENTRATIONS

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

Revenues from Major Sources

For the years ended June 30, 2015 and 2014, there were no donors that represented over 10% of the Organizations revenues.

FOOTHILLS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

NOTE 16 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 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. Foothills United Way continues to facilitate the receipt and disbursement of funds to the impacted community. The Long-Term Flood Recovery Group currently has over 80 volunteers providing recovery services, support and oversight, and volunteer and case management. As of June 30, 2014 the fund had received approximately \$4,474,000 in grants and donations and another \$12,400 in miscellaneous reimbursements. Through June 30, 2014, the fund had expended approximately \$1,366,000 in grants and \$169,000 in recovery group staffing, office space and operations, and volunteer housing.

During the year ended June 30, 2015, the fund received approximately \$663,000 in donations and expended approximately \$1,318,000 in grants and \$660,000 in recovery group staffing, office space and operations.