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Financial Statements
As of June 30, 2019 and 2018 and for the Years Then Ended
Together With Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Utah Foster Care Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Utah Foster Care Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2019 and 2018, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to 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 error or fraud.

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 audits 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 error or fraud. In making those risk assessments, the auditors consider 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 Utah Foster Care Foundation as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard

As further described in Note 1 to the financial statements, during the year ended June 30, 2019, the Foundation adopted Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Tanner LLC

November 14, 2019



UTAH FOSTER CARE FOUNDATION
Statements of Financial Position

As of June 30,

	2019	2018
<u>Assets</u>		
Cash	\$ 154,729	\$ 140,344
Investments	158,974	70,049
Accounts and grants receivable	590,216	658,139
Promises to give receivable, net	86,204	79,569
Prepaid expenses	73,689	77,738
Property and equipment, net	87,424	87,476
Other assets	11,298	11,541
Total assets	<u>\$ 1,162,534</u>	<u>\$ 1,124,856</u>
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ 24,863	\$ 48,979
Accrued liabilities	233,494	194,531
Total liabilities	<u>258,357</u>	<u>243,510</u>
Commitments (Note 11)		
Net assets:		
Without donor restrictions	705,409	734,473
With donor restrictions	198,768	146,873
Total net assets	<u>904,177</u>	<u>881,346</u>
Total liabilities and net assets	<u>\$ 1,162,534</u>	<u>\$ 1,124,856</u>



UTAH FOSTER CARE FOUNDATION
Statements of Activities

For the Years Ended June 30,

	2019	2018
Change in net assets without donor restrictions:		
Revenues, support, and net investment income:		
Government grant	\$ 3,133,977	\$ 3,133,977
In-kind contributions	361,763	308,086
Contributions	128,064	152,311
Interest and other income	7,887	7,749
Net realized and unrealized gain on investments	3,214	6,773
Total revenues, support, and net investment income	3,634,905	3,608,896
Net assets released from restrictions	119,035	104,381
Total revenues, support, net investment income, and reclassifications	3,753,940	3,713,277
Expenses:		
Program services:		
Recruitment	1,356,050	1,318,627
Retention	1,037,625	1,060,483
Education	945,639	867,517
Supporting services:		
Management and general	369,255	379,029
Fundraising	74,435	125,297
Total expenses	3,783,004	3,750,953
Decrease in net assets without donor restrictions	(29,064)	(37,676)
Change in net assets with donor restrictions:		
Contributions	170,930	86,561
Net assets released from restrictions	(119,035)	(104,381)
Increase (decrease) in net assets with donor restrictions	51,895	(17,820)
Increase (decrease) in net assets	22,831	(55,496)
Net assets, beginning of the year	881,346	936,842
Net assets, end of the year	\$ 904,177	\$ 881,346

UTAH FOSTER CARE FOUNDATION

Statement of Functional Expenses

For the Year Ended June 30, 2019

	Program Services			Supporting Services			Total Expenses
	Recruitment	Retention	Education	Total	Management and General	Fundraising	Total
Salaries, payroll taxes and benefits	\$ 958,812	\$ 509,327	\$ 645,826	\$ 2,113,965	\$ 243,942	\$ 43,171	\$ 287,113
In-kind expenses	51,898	305,124	4,741	361,763	-	-	-
Direct service	42,706	48,253	162,085	253,044	6,467	12,690	19,157
Occupancy	91,634	51,698	35,821	179,153	55,793	8,898	64,691
Travel	53,051	64,607	20,038	137,696	3,673	570	4,243
Equipment maintenance and rental	20,412	9,985	12,160	42,557	9,519	1,368	10,887
Community outreach	51,600	200	-	51,800	-	-	-
Depreciation and amortization	17,824	11,184	9,436	38,444	8,038	-	8,038
Telephone / internet	14,006	8,369	8,632	31,007	6,296	857	7,153
Printing and publications	9,879	2,076	22,018	33,973	221	244	465
Supplies	14,657	2,710	7,094	24,461	5,225	2,886	8,111
Professional fees	7,867	4,585	4,579	17,031	4,317	-	4,317
Lobbying	7,727	4,091	4,697	16,515	3,485	-	3,485
Software / technology	4,132	3,727	3,516	11,375	3,461	3,259	6,720
Insurances	5,584	2,962	3,519	12,065	2,867	-	2,867
Other	-	-	-	-	11,324	-	11,324
Professional development	2,418	3,484	253	6,155	2,395	220	2,615
Postage / shipping	785	4,199	490	5,474	433	58	491
Dues / memberships	1,058	1,044	734	2,836	1,799	214	2,013
Total expenses	\$ 1,356,050	\$ 1,037,625	\$ 945,639	\$ 3,339,314	\$ 369,255	\$ 74,435	\$ 443,690
							\$ 3,783,004

See accompanying notes to financial statements.

UTAH FOSTER CARE FOUNDATION
Statement of Functional Expenses

For the Year Ended June 30, 2018

	Program Services			Supporting Services			Total Expenses
	Recruitment	Retention	Education	Management and General	Fundraising	Total	
Salaries, payroll taxes and benefits	\$ 908,957	\$ 504,772	\$ 653,321	\$ 237,536	\$ 42,888	\$ 280,424	\$ 2,347,474
In-kind expenses	44,197	259,851	4,038	-	-	-	308,086
Direct service	73,280	159,133	64,454	10,050	60,192	70,242	367,109
Occupancy	87,652	48,426	24,882	60,782	5,841	66,623	227,583
Travel	49,427	18,918	57,236	5,847	10,465	16,312	141,893
Equipment maintenance and rental	19,396	10,536	12,223	9,462	743	10,205	52,360
Community outreach	63,997	-	116	-	-	-	64,113
Depreciation and amortization	16,889	8,941	10,597	7,616	-	7,616	44,043
Telephone / internet	11,661	7,687	8,315	4,977	623	5,600	33,263
Printing and publications	10,567	19,348	796	74	223	297	31,008
Supplies	2,667	1,619	4,619	4,405	138	4,543	13,448
Professional fees	7,212	4,293	4,121	4,121	-	4,121	19,747
Lobbying	8,029	3,942	4,672	3,357	-	3,357	20,000
Software / technology	5,385	4,067	4,031	10,278	3,713	13,991	27,474
Insurances	5,768	3,070	4,180	3,047	-	3,047	16,065
Other	-	-	-	12,693	-	12,693	12,693
Professional development	1,533	69	8,678	3,180	70	3,250	13,530
Postage / shipping	799	5,114	449	534	156	690	7,052
Dues / memberships	1,211	697	789	1,070	245	1,315	4,012
Total expenses	\$ 1,318,627	\$ 1,060,483	\$ 867,517	\$ 379,029	\$ 125,297	\$ 504,326	\$ 3,750,953

See accompanying notes to financial statements.



UTAH FOSTER CARE FOUNDATION
Statements of Cash Flows

For the Years Ended June 30,

	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 22,831	\$ (55,496)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	46,482	44,043
Loss on disposal of property and equipment	5,503	-
Interest and dividends reinvested	(2,921)	(1,839)
Net realized and unrealized gain on investments	(3,214)	(6,773)
(Increase) decrease in:		
Receivables	61,288	(290,537)
Prepaid expenses and other assets	4,292	2,030
Increase (decrease) in:		
Accounts payable	(24,116)	(54,050)
Accrued liabilities	38,963	28,570
Net cash provided by (used in) operating activities	<u>149,108</u>	<u>(334,052)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(51,933)	(39,802)
Proceeds from sale of investments	2,986	83,206
Purchase of investments	<u>(85,776)</u>	<u>(2,343)</u>
Net cash provided by (used in) investing activities	<u>(134,723)</u>	<u>41,061</u>
Net increase (decrease) in cash	14,385	(292,991)
Cash, beginning of year	<u>140,344</u>	<u>433,335</u>
Cash, end of year	<u>\$ 154,729</u>	<u>\$ 140,344</u>



UTAH FOSTER CARE FOUNDATION

Notes to Financial Statements

June 30, 2019 and 2018

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Utah Foster Care Foundation (the Foundation) is a Utah not-for-profit corporation organized to recruit, train, and support foster care families.

Adoption of New Accounting Standard

On August 18, 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This ASU primarily addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses. The Foundation adopted this ASU for the year ended June 30, 2019 and has adjusted the presentation of the accompanying financial statements accordingly, including the presentation of certain information for the year ended June 30, 2018. The adoption of this ASU had the following primary effects on the accompanying financial statements and related notes:

- Changed the net asset classifications to those described in the “Financial Statement Presentation” note below
- Added disclosure about the Foundation’s liquidity and availability of financial resources (see Note 2)

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation’s management and the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, wherein the donor has stipulated the funds be maintained in perpetuity.

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 reported amounts and disclosures.



1. Description of Organization and Summary of Significant Accounting Policies
Continued

Use of Estimates – Continued

Accordingly, actual results could differ from those estimates. Key management estimates include the useful lives of property and equipment, the allocation of program and supporting service expenses, and the allowance for uncollectible receivables.

Concentrations of Credit Risk and Revenue Sources

The Foundation maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. As of June 30, 2019, the Foundation had approximately \$2,000 of cash that exceeded federally insured limits. To date, the Foundation has not experienced a loss or lack of access to its cash; however, no assurance can be provided that access to the Foundation's cash will not be impacted by adverse conditions in the financial markets.

A significant portion of the Foundation's revenues and receivables are from an agency of the state of Utah. This agency represented 87% and 89% of the total of accounts, grants, and promises to give receivable balances as of June 30, 2019 and 2018, respectively. Additionally, for the years ended June 30, 2019 and 2018, this agency represented approximately 82% and 85%, respectively, of revenues, support, and net investment income. The current grant agreement with this agency ends June 30, 2020, with an expectation the agreement will be renewed for future periods; however, there is no assurance this will occur. A future reduction of the revenue from this agency, due to either amendment of contract terms or cancellation of the contract, would have a very significant impact on the Foundation's operations.

Investments

Investments consist of marketable securities reported at their readily determinable fair values. Unrealized gains and losses are included in the change in net assets, less external and direct internal investment expenses.

Accounts, Grants and Promises to Give Receivable

Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. As of June 30, 2019 and 2018, the discount on promises was immaterial. Management determined that a \$8,526 and \$7,870 allowance was necessary based on historical collections and other factors specific to each donor as of June 30, 2019 and 2018, respectively.



1. Description of Organization and Summary of Significant Accounting Policies
Continued

Accounts, Grants and Promises to Give Receivable - Continued

Accounts and grants receivable are carried at the original billed amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. As of June 30, 2019 and 2018, management determined that no allowance for accounts and grants receivable was necessary.

Property and Equipment

The Foundation capitalizes purchases of property and equipment at cost. The fair value of donated property and equipment is similarly capitalized. Minor replacements, maintenance, and repairs, which do not increase the useful lives of the property and equipment, are expensed as incurred. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets or lease terms, ranging from three to seven years.

Impairment of Long-Lived Assets

The Foundation reviews its property and equipment, and other long-lived assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may be impaired. If it is determined that the estimated undiscounted future cash flows are not sufficient to recover the carrying value of the asset, an impairment loss is recognized in the statement of activities for the difference between the carrying value and the fair value of the asset. Management does not consider any of the Foundation's assets to be impaired as of June 30, 2019 and 2018.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.



1. Description of Organization and Summary of Significant Accounting Policies
Continued

Contributions - Continued

Donations of advertising, property and equipment, and supplies (such as blankets and clothing) are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Services

Many individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific programs and assignments. Donated services are reflected in the financial statements when such services create or enhance a nonfinancial asset, or when the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The expense for these donated services is allocated between program and supporting services in the statements of activities.

Expense Allocation

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services benefited based upon the following methods:

Expense	Allocation Method
Salaries, payroll taxes and benefits	Time and effort
Professional fees	Headcount
Insurances	Headcount
Supplies	Headcount
Lobbying	Headcount
Telephone and internet	Headcount
Occupancy	Headcount
Software / technology	Headcount
Depreciation and amortization	Headcount
Equipment maintenance and rental	Headcount



1. **Description of Organization and Summary of Significant Accounting Policies**
Continued

Advertising

Advertising costs are expensed as incurred and were approximately \$52,000 and \$64,000 for the years ended June 30, 2019 and 2018, respectively.

Income Taxes

The Foundation is a qualified charitable organization under Section 501(c)(3) of the Internal Revenue Code and under state of Utah regulations, and as such, is not subject to federal or state income taxes on exempt purpose income. The Foundation is subject to taxation on unrelated business income.

The Foundation accounts for uncertain tax positions, if any, when it is more-likely-than-not the position will not be sustained upon examination by the tax authorities. As of June 30, 2019, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Activities

The following is a description of the activities for each program:

Recruitment – Assess the needs of children in foster care in cooperation with the State Division of Child and Family Services. Provide information to communities and target the types of families who can meet those needs.

Retention – Provide supporting services to foster care families to assist them in their care-giving experience.

Education – Provide pre-service and in-service training to families involved in all phases of foster care.

Reclassifications

Certain reclassifications have been made to the 2018 financial statement presentation to conform to the 2019 presentation.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through November 14, 2019, which is the date the accompanying financial statements were available to be issued.



**2. Liquidity
and
Availability of
Financial
Resources**

The Foundation is financially supported primarily by a government grant provided by the Utah Division of Child and Family Services (DCFS). Funds are dispersed on a monthly basis dependent on total prior month qualified expenses and the grant contract is subject to renewal every five years. In addition, the Foundation receives contributions with or without donor restrictions for recruitment, education, retention, management and general, and fundraising for foster families and foster children in the state of Utah. It also receives in-kind gifts that can be passed on to foster families which helps eliminate additional cash outlay. Event registrations and sponsorships are also awarded to the Foundation throughout each year. Based on recent years' operations, the amount provided by government funding covers approximately 83% of total Foundation expenses. The remaining expenses are covered by monetary support the Foundation receives primarily through contributions.

The Foundation considers investment income without donor restrictions, contributions without donor restrictions, and contributions with donor restrictions for use in current programs which are ongoing and central to its annual operations to be available to meet cash needs for program and supporting services. Supporting services include administrative, support, general expenses, and fundraising expenses. Program services are defined as activities occurring during the Foundation's fiscal year related to recruitment, education, and retention of Utah foster families.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining adequate liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance that obligations that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation strives to maintain financial assets available and monitors budgeted expenses through the end of the fiscal year in an effort to ensure there are sufficient funds to cover 90 days of total expenses at any given time.



UTAH FOSTER CARE FOUNDATION
Notes to Financial Statements
Continued

**2. Liquidity
and
Availability of
Financial
Resources**
Continued

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following as of June 30, 2019:

Cash	\$ 154,729
Investments	158,974
Accounts and grants receivable	590,216
Promises to give receivable, net	<u>86,204</u>
Total financial assets at year-end	990,123
Less amounts not available to be used within one year for general expenditures:	
Investments*	(158,974)
Net assets with donor restrictions	<u>(198,768)</u>
Net amount available	<u>\$ 632,381</u>

**Although investments are generally held for more than one year, the Foundation's management or board could choose to liquidate investments at any time and use the proceeds to fund expenditures.*

3. Investments

Investments are stated at fair value and consist of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Cost basis of mutual funds	\$ 155,760	\$ 63,276
Unrealized gain	<u>3,214</u>	<u>6,773</u>
	<u>\$ 158,974</u>	<u>\$ 70,049</u>



UTAH FOSTER CARE FOUNDATION
Notes to Financial Statements
Continued

4. Promises to Give Receivable

These receivables represent unconditional promises to donate to the Foundation as of June 30:

	<u>2019</u>	<u>2018</u>
Due in:		
Less than one year	\$ 33,985	\$ 27,602
In one to five years	60,745	59,837
	<u>94,730</u>	<u>87,439</u>
Allowance for uncollectible promises receivable	<u>(8,526)</u>	<u>(7,870)</u>
	<u>\$ 86,204</u>	<u>\$ 79,569</u>

Included in promises to give receivable was \$41,628 and \$56,555 due from board members and employees of the Foundation as of June 30, 2019 and 2018, respectively.

5. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. To increase comparability, the following hierarchy prioritizes fair value measurements according to the type of inputs included in valuation methodologies used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.

Level 2: Prices that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs that are used when little or no market data is available.

The fair value of mutual funds is based on the quoted values of shares held at year-end, which are Level 1 inputs. There have been no changes in valuation methodologies used as of June 30, 2019 and 2018.



UTAH FOSTER CARE FOUNDATION
Notes to Financial Statements
Continued

- 5. Fair Value Measurements** Assets and liabilities measured at fair value on a recurring basis are summarized as follows:
Continued

Fair Value Measurements as of June 30, 2019

Description	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds				
Bond	\$ 91,928	\$ -	\$ -	\$ 91,928
Large Cap	28,448	-	-	28,448
International	17,810	-	-	17,810
Small Cap	8,119	-	-	8,119
Mid Cap	8,027	-	-	8,027
Liquid Alternative	4,642	-	-	4,642
	<u>\$ 158,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,974</u>

Fair Value Measurements as of June 30, 2018

Description	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds				
Bond	\$ 31,396	\$ -	\$ -	\$ 31,396
International	12,856	-	-	12,856
Exchange	11,162	-	-	11,162
Large Cap	6,502	-	-	6,502
Mid Cap	4,973	-	-	4,973
Small Cap	2,442	-	-	2,442
Money Market	718	-	-	718
	<u>\$ 70,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,049</u>

- 6. Property and Equipment** Property and equipment consist of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Office equipment	\$ 127,220	\$ 169,318
Furniture and fixtures	99,948	109,863
Leasehold improvements	<u>92,743</u>	<u>40,810</u>
	319,911	319,991
Less accumulated depreciation and amortization	<u>(232,487)</u>	<u>(232,515)</u>
	<u>\$ 87,424</u>	<u>\$ 87,476</u>



UTAH FOSTER CARE FOUNDATION
Notes to Financial Statements
Continued

7. Accrued Liabilities

Accrued liabilities consist of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Personal leave	\$ 88,012	\$ 94,756
Payroll and related costs	97,392	92,286
Other	48,090	7,489
	<u>\$ 233,494</u>	<u>\$ 194,531</u>

8. Line of Credit

During the year ended June 30, 2018, the Foundation entered into a line of credit arrangement with a financial institution with a borrowing capacity of \$50,000. The line of credit bears interest at an annual rate of 11.5% and does not have a maturity date. As of June 30, 2019 and 2018, the Foundation had no outstanding balance on the line of credit.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions represent donations to the Foundation that are subject to time restrictions or are expendable only for specific purposes, as follows:

	<u>2019</u>	<u>2018</u>
Time restricted	\$ 86,204	\$ 79,569
Foster family retention	67,285	67,144
Wishing well fund	17,462	-
Spanish mentorship	15,223	-
Other	12,594	160
	<u>\$ 198,768</u>	<u>\$ 146,873</u>

10. Retirement Plan

The Foundation sponsors a defined contribution retirement plan for eligible participants age 21 and older with six months of full-time service. The Foundation contributes, on a discretionary basis, a percentage of the annual salary of each eligible employee. The expense for the years ended June 30, 2019 and 2018 was approximately \$122,000 and \$153,000, respectively.



UTAH FOSTER CARE FOUNDATION
Notes to Financial Statements
Continued

11. Commitments *Operating Leases*

The Foundation leases office facilities and equipment under non-cancelable operating leases. As of June 30, 2019, future minimum lease payments under non-cancelable operating leases with terms of one year or more are as follows:

<u>Years Ending June 30:</u>	<u>Amount</u>
2020	\$ 244,362
2021	205,226
2022	176,644
2023	180,394
2024	184,280
Thereafter	189,305
	<u>\$ 1,180,211</u>

Rental expense under operating leases was approximately \$232,000 and \$213,000 for the years ended June 30, 2019 and 2018, respectively.