

UNITED WAY OF SUMNER COUNTY

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2018 AND 2017

UNITED WAY OF SUMNER COUNTY

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AND  
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JUNE 30, 2018 AND 2017

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
United Way of Sumner County  
Gallatin, Tennessee

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of United Way of Sumner County (the "Organization") which comprise the statements of financial position as of June 30, 2018 and 2017, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 United Way of Sumner County as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Kraft CPAs PLLC*

Nashville, Tennessee  
September 26, 2018

UNITED WAY OF SUMNER COUNTY  
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u> (Restated)
ASSETS		
Cash and cash equivalents	\$ 371,798	\$ 356,710
Investments	22,467	22,400
Pledges receivable, net of allowance of \$61,731 and \$54,239	383,526	367,599
Prepaid expenses	1,437	1,451
Property and equipment, net	2,842	4,725
Deposits	<u>1,200</u>	<u>1,200</u>
 TOTAL ASSETS	 <u>\$ 783,270</u>	 <u>\$ 754,085</u>
 LIABILITIES		
Allocations to agencies	\$ 631,983	\$ 634,720
Accrued expenses	<u>7,452</u>	<u>7,526</u>
 TOTAL LIABILITIES	 <u>639,435</u>	 <u>642,246</u>
 NET ASSETS		
Unrestricted net assets	32,568	3,087
Unrestricted net assets - Board designated	<u>90,897</u>	<u>88,382</u>
Total unrestricted net assets	123,465	91,469
 Temporarily restricted net assets	 <u>20,370</u>	 <u>20,370</u>
TOTAL NET ASSETS	<u>143,835</u>	<u>111,839</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 783,270</u>	 <u>\$ 754,085</u>

See accompanying notes to financial statements.

UNITED WAY OF SUMNER COUNTY

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018		
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND REVENUE			
Gross campaign results	\$ 911,470	\$ -	\$ 911,470
Less donor designations	(114,428)	-	(114,428)
Less provision for uncollectible accounts	(79,393)	-	(79,393)
Net campaign revenues	717,649	-	717,649
Special events	44,681	-	44,681
In-kind contributions	35,052	-	35,052
Designations from other United Ways, net of fees of \$8,895 and \$7,237	54,879	-	54,879
Service fees	5,196	-	5,196
Other contributions	9,565	-	9,565
Interest income	802	-	802
TOTAL SUPPORT AND REVENUE	867,824	-	867,824
PROGRAM SERVICES			
Allocations and designations	665,769	-	665,769
Less donor designations	(114,428)	-	(114,428)
Net allocations and designations	551,341	-	551,341
Allocations and designations	25,273	-	25,273
Community building	75,275	-	75,275
TOTAL PROGRAM SERVICES	651,889	-	651,889
SUPPORTING SERVICES			
Management and general	88,456	-	88,456
Campaign development	95,483	-	95,483
TOTAL SUPPORTING SERVICES	183,939	-	183,939
TOTAL COSTS AND EXPENSES	835,828	-	835,828
CHANGE IN NET ASSETS	31,996	-	31,996
NET ASSETS - BEGINNING OF YEAR - RESTATED	91,469	20,370	111,839
NET ASSETS - END OF YEAR	\$ 123,465	\$ 20,370	\$ 143,835

See accompanying notes to financial statements.

2017

UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
(Restated)		
\$ 866,174	\$ -	\$ 866,174
(124,702)	-	(124,702)
(51,682)	-	(51,682)
689,790	-	689,790
56,481	-	56,481
46,823	-	46,823
48,695	-	48,695
8,562	-	8,562
7,260	-	7,260
874	-	874
858,485	-	858,485
655,626	-	655,626
(124,702)	-	(124,702)
530,924	-	530,924
20,452	-	20,452
112,819	-	112,819
664,195	-	664,195
49,983	-	49,983
93,885	-	93,885
143,868	-	143,868
808,063	-	808,063
50,422	-	50,422
41,047	20,370	61,417
\$ 91,469	\$ 20,370	\$ 111,839

UNITED WAY OF SUMNER COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services			Supporting Services		
	Allocations and Designations	Community Building	Total Program	Management and General	Campaign Development	Total Supporting Services
Salaries	\$ 14,368	\$ 28,735	\$ 43,103	\$ 48,850	\$ 51,724	\$ 100,574
Payroll taxes	1,137	2,274	3,411	3,867	4,094	7,961
Employee benefits	1,225	2,451	3,676	4,166	4,411	8,577
Total personnel costs	16,730	33,460	50,190	56,883	60,229	117,112
Days of Action:						
Stuff the Bus	-	6,536	6,536	-	-	-
Coat drive	-	12,304	12,304	-	-	-
Community leadership	-	5,258	5,258	-	-	-
Days of Caring	-	-	-	-	-	-
Total Days of Action	-	24,098	24,098	-	-	-
Printing and promotional	-	129	129	1,761	3,956	5,717
Occupancy	3,313	6,626	9,939	11,264	11,926	23,190
Professional services	1,408	2,816	4,224	4,787	5,069	9,856
Travel and training	100	310	410	1,277	916	2,193
Dues to United Way Worldwide and others	1,232	2,464	3,696	4,189	4,436	8,625
Maintenance, equipment rental and other contracts	868	1,735	2,603	2,950	3,123	6,073
Business insurance	601	1,202	1,803	2,043	2,163	4,206
Office expense	715	1,431	2,146	2,433	2,577	5,010
Meetings and events	118	627	745	229	410	639
	8,355	17,340	25,695	30,933	34,576	65,509
Total other operating expenses	25,085	74,898	99,983	87,816	94,805	182,621
Depreciation of property and equipment	188	377	565	640	678	1,318
Total operating expenses	25,273	75,275	100,548	88,456	95,483	183,939
Net allocations and designations (shown separately on the Statement of Activities)	551,341		551,341			
	\$ 576,614		\$ 651,889			

See accompanying notes to financial statements.



UNITED WAY OF SUMNER COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017

	Program Services			Supporting Services		
	Allocations and Designations	Community Building	Total Program	Management and General	Campaign Development	Total Supporting Services
Salaries	\$ 11,011	\$ 42,818	\$ 53,829	\$ 26,914	\$ 41,595	\$ 68,509
Payroll taxes	852	3,314	4,166	2,083	3,219	5,302
Employee benefits	1,333	5,183	6,516	3,258	5,035	8,293
Total personnel costs	13,196	51,315	64,511	32,255	49,849	82,104
Days of Action:						
Stuff the Bus	-	6,276	6,276	-	-	-
Coat drive	-	11,953	11,953	-	-	-
Community leadership	-	3,481	3,481	-	-	-
Days of Caring	-	551	551	-	-	-
Total Days of Action	-	22,261	22,261	-	-	-
Printing and promotional						
Occupancy	-	11,400	11,400	-	15,778	15,778
Professional services	2,902	11,287	14,189	7,095	10,964	18,059
Travel and training	1,058	4,113	5,171	2,586	3,996	6,582
Dues to United Way Worldwide and others	80	239	319	163	1,093	1,256
Maintenance, equipment rental and other contracts	1,124	4,370	5,494	2,747	4,245	6,992
Business insurance	850	3,305	4,155	2,078	3,211	5,289
Office expense	535	2,082	2,617	1,309	2,023	3,332
Meetings and events	460	1,788	2,248	1,124	1,737	2,861
	77	-	77	212	349	561
	7,086	38,584	45,670	17,314	43,396	60,710
Total other operating expenses	20,282	112,160	132,442	49,569	93,245	142,814
Depreciation of property and equipment	170	659	829	414	640	1,054
Total operating expenses	20,452	112,819	133,271	49,983	93,885	143,868
Net allocations and designations (shown separately on the Statement of Activities)	530,924		530,924			
	\$ 551,376		\$ 664,195			\$ 808,063

See accompanying notes to financial statements.

UNITED WAY OF SUMNER COUNTY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u> (Restated)
OPERATING ACTIVITIES		
Change in net assets	\$ 31,996	\$ 50,422
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,883	1,883
Increase in provision for uncollectible accounts	7,492	89
(Increase) decrease in assets:		
Pledges receivable	(23,419)	(9,466)
Prepaid expenses	14	-
Increase (decrease) in liabilities:		
Accounts payable	-	(560)
Allocations to agencies	(2,737)	29,355
Accrued expenses	(74)	(1,993)
	<u>(16,841)</u>	<u>19,308</u>
TOTAL ADJUSTMENTS		
	<u>15,155</u>	<u>69,730</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
INVESTING ACTIVITIES		
Interest income re-invested in certificates of deposit	(67)	(114)
Purchase of property and equipment	-	(2,987)
	<u>(67)</u>	<u>(3,101)</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,088	66,629
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>356,710</u>	<u>290,081</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 371,798</u>	<u>\$ 356,710</u>

See accompanying notes to financial statements.

UNITED WAY OF SUMNER COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE 1 - NATURE OF ACTIVITIES

The United Way of Sumner County (the "Organization") adopted by-laws in April 1985. Its purpose is to bring together in one united appeal all possible contribution campaigns of the community's health, welfare and educational agencies. Additionally, the Organization is committed to deploy financial support to agencies, to maximize resources available for services aimed at the most urgent needs of the community, to muster community support and commitment and to manage its operation effectively. A campaign is held annually for contributions from donors in Sumner County which are then allocated as support to partner agencies and other charities in Sumner County based on the recommendation of a volunteer allocation committee.

The volunteer Board of Directors is the governing body to which management is accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements present the financial position and changes in net assets of the Organization on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Resources are classified as unrestricted, temporarily restricted or permanently restricted net assets, based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- *Temporarily restricted net assets* are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.
- *Permanently restricted net assets* are amounts required by donors to be held in perpetuity, including gifts requiring that the principal be invested, and the income or specific portions thereof be used for operations.

The Organization had no permanently restricted net assets as of June 30, 2018 or 2017.

UNITED WAY OF SUMNER COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions, Pledges Receivable and Campaign Expenses

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Campaigns are conducted each year to raise support for member charities in the subsequent year. Unconditional pledges receivable are recognized in the period received, with an allowance provided for estimated uncollectible accounts. The allowance for uncollectible accounts is computed based on a three-year historical average write-off percentage, adjusted by management estimates of current economic factors, applied to gross campaign including donor designations. Outstanding pledges receivable are considered collectible within one year.

Allocations to funded partner agencies are recognized as program service expenses in the period that corresponds to the campaign revenues recognized. All contributions are considered available for use as approved by the Board of Directors unless specifically restricted or designated by the donor. Campaign pledges designated by donors to specific agencies or other United Way organizations are considered to be agency type transactions and are recorded as pledges receivable and designations payable on the statement of financial position and not included in net revenues or expenses of the Organization. Campaign expenses for annual campaigns are recognized in the period incurred. The Organization honors designations made by donors to each organization by distributing a proportionate share of receipts based on donor designations to each organization.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with banks.

Investments

Investments are comprised of certificates of deposit with maturities greater than three months.

Property and Equipment

Property and equipment are reported at cost at the date of purchase or at estimated fair value at date of gift to the Organization. The Organization's policy is to capitalize purchases with a cost of \$500 or more and an expected useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to fifteen years for furniture and equipment. Accumulated depreciation amounts to \$23,147 at June 30, 2018 and \$21,264 at June 30, 2017.

UNITED WAY OF SUMNER COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Vacation and Sick Pay

Unused sick time can be accrued and carried forward from year-to-year up to a maximum of 90 days. Sick time is not paid upon termination and is not recorded on the financial statements. Vacation time is earned after 90 days of service. Five days can be carried forward from year-to-year. Vacation time is paid upon termination and is accrued in the financial statements.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Service:

Allocations and Designations - includes activities such as allocations to partner agencies and related planning and fund distribution costs.

Donor Designations - represents the gross amount of campaign funding designated by donors to an eligible 501(c)(3) agency.

Net Allocations and Designations - includes the net amounts provided to agencies from unrestricted campaign funds.

Community Building - costs associated with quarterly Days of Action in the community, including the Stuff the Bus program, coat drive and annual Days of Caring.

Supporting Services:

Management and General - relates to the overall direction of the Organization. These expenses are not identifiable with a particular program or event or with fundraising, but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include organization oversight, business management, human resources, finance, budgeting, information technology and other administrative activities.

Campaign Development - includes costs of activities directed toward appeals for financial support. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

UNITED WAY OF SUMNER COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

Service Fees

Service fees are amounts charged by the Organization for raising, processing and transferring donor-designated gifts to non-partner agencies and other United Way organizations. Donor-designated pledges are assessed both a fundraising and a management and general fee based on actual historical costs in accordance with United Way Worldwide's Membership Requirements as outlined in its publication titled *Cost Deduction Requirements for Membership Requirement M*. The Organization is committed to complying with that requirement in assessing these service fees. Amounts designated by donors are presented at the gross amount in the statement of activities prior to such charges.

Printing and Promotional

Promotional costs are expensed as incurred. Included in the printing and promotional balance of \$5,846 includes no donated promotional costs recognized as contributions and expense for the year ended June 30, 2018. (The prior year balance of \$27,178 of included \$23,400 in donated promotional costs recognized as contributions and expense for the year ended June 30, 2017).

Donated Services and In-Kind Contributions

A large number of volunteers donate substantial amounts of time toward the annual campaign and the various community activities; however, no values for in-kind amounts have been included in the financial statements. Donated property and other in-kind amounts have been included in the financial statements. Donated property and other in-kind contributions are recognized in the financial statements at fair value when received.

Income Taxes

The Organization qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided.

The Organization files a U.S. federal Form 990 for organizations exempt from income tax.

UNITED WAY OF SUMNER COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Organization's income tax return to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there were no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures. The Organization recognizes campaign revenues, net of an estimated allowance and calculates the related distribution payable accordingly. Accordingly, actual results could differ from those estimates.

Events Occurring After Reporting Date

The Organization has evaluated events and transactions that occurred between June 30, 2018 and September 26, 2018, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Recent Authoritative Accounting Guidance

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606) requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the financial statements.

UNITED WAY OF SUMNER COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Authoritative Accounting Guidance (continued)

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the Statement of Activities. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Organization is in the process of evaluating the impact of this new guidance.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions," and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Organization is currently evaluating the impact the adoption of this guidance will have on its financial statements.

NOTE 3 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, pledges receivable and investments.

United Way holds cash and certificates of deposit with various financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC"). The Organization's cash balances may, at times, exceed statutory limits. The Organization has not experienced any losses in such accounts, and management considers this to be a normal business risk. Pledges receivable consist of corporate and individual pledges for the annual campaign, which are widely dispersed to mitigate credit risk.



UNITED WAY OF SUMNER COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

NOTE 4 - OPERATING LEASE

United Way leases office space for \$1,180 per month under a lease which expired January 31, 2016 at which time the lease of office space continued on a month to month basis. The Organization also leases office equipment under an operating lease expiring in 2023. Total cash rental payments made during 2018 amounted to \$16,846 (\$16,240 during 2016).

A summary of the future minimum lease payments for equipment as of June 30, 2018 follows:

<u>Year ending June 30,</u>	
2019	\$ 2,570
2020	2,570
2021	2,570
2022	2,570
2023	<u>1,928</u>
	<u>\$ 12,208</u>

On August 31, 2018, the Organization extended the office space lease for a five-year term that expires August 2023. Monthly rent will remain at \$1,180 for the term of the lease.

NOTE 5 - RESTRICTED NET ASSETS

Board Designated

Board designated net assets consist of funds set aside to assist partner agencies with the financial needs associated with emergencies that arise within those agencies, as well as 3 months of the current operating budget of the Organization.

Temporarily Restricted

Temporarily restricted net assets consist of funds raised to assist victims of natural disasters in Sumner County.

UNITED WAY OF SUMNER COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

NOTE 6 - IN-KIND DONATIONS

In-kind donations recognized by the Organization for the years ended June 30 are included as contributions revenue, with the related expense as follows:

	<u>2018</u>	<u>2017</u>
Printing and promotional	\$ -	\$ 23,400
Days of Action - coat drive	12,163	11,846
Special event - Boots and Bling	11,195	1,000
Occupancy	10,110	10,116
Office expense	<u>1,584</u>	<u>461</u>
	<u>\$ 35,052</u>	<u>\$ 46,823</u>

NOTE 7 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment has been proposed to correct certain errors in the June 30, 2017 statement of financial position and statement of activities. The effect of the prior period adjustment is to reduce contributions receivable by \$19,465, to reduce allocation payable by \$6,901 and to reduce unrestricted net assets by \$12,564. The effect on the June 30, 2017 change in unrestricted net assets is as follows:

Change in net assets, as previously reported	\$ 62,986
Reduction of net contributions revenue	(19,465)
Reduction in allocations payable	<u>6,901</u>
Change in net assets, as restated	<u>\$ 50,422</u>