

FOX VALLEY UNITED WAY
FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORT

For the Year Ended June 30, 2024
With Comparative Totals For the Year Ended June 30, 2023

Weber & Associates CPAs, LLC
Certified Public Accountants

FOX VALLEY UNITED WAY
INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8-17

Weber & Associates CPAs, LLC

Certified Public Accountants

Thomas A. Weber

Michael Coakley

Gabriela Fedmasu

Suite 1B, 314 N. Lake St. Aurora, IL 60506

630 897-4500

Fax: 630-897-4951

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Fox Valley United Way
Aurora, Illinois

Opinion

We have audited the accompanying financial statements of Fox Valley United Way (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fox Valley United Way as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fox Valley United Way and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fox Valley United Way's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fox Valley United Way's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fox Valley United Way's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ashes & Associates

Aurora, Illinois
February 20, 2025

FOX VALLEY UNITED WAY
STATEMENT OF FINANCIAL POSITION
June 30, 2024 With Comparative Totals for June 30, 2023

ASSETS	2024	2023
Current assets		
Cash and cash equivalents	\$ 720,708	\$ 659,014
Pledges receivable, net of allowance for uncollectible amounts of \$70,476 and \$108,674 as of June 30, 2024 and 2023, respectively	90,661	157,438
Grants receivable	47,175	74,487
Other receivables	2,250	2,250
Prepaid expenses	8,575	51,468
Total current assets	<u>869,369</u>	<u>944,657</u>
Property and equipment, at cost		
Furniture and equipment	129,242	129,242
Less: accumulated depreciation	<u>(124,138)</u>	<u>(119,997)</u>
Net property and equipment	<u>5,104</u>	<u>9,245</u>
Non-current assets		
Operating lease right-of-use assets	<u>40,436</u>	<u>72,536</u>
Total assets	<u>\$ 914,909</u>	<u>\$ 1,026,438</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 14,101	\$ 27,355
Accrued expenses	42,569	35,763
Allocations payable to community agencies	38,750	62,490
Designations payable	1,554	7,379
Operating lease liability, current	33,078	32,433
Total current liabilities	<u>130,052</u>	<u>165,420</u>
Noncurrent liabilities		
Operating lease liability, net of current portion	<u>8,122</u>	<u>40,802</u>
Net assets		
Without donor restrictions	320,496	345,057
With donor restrictions	456,239	475,159
Total net assets	<u>776,735</u>	<u>820,216</u>
Total liabilities and net assets	<u>\$ 914,909</u>	<u>\$ 1,026,438</u>

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
With Comparative Totals For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Public support and other revenue				
Gross campaign results	\$ 396,603	\$ 75,173	\$ 471,776	\$ 565,969
Less donor designations	(25,416)	-	(25,416)	(37,825)
Gross campaign revenue	371,187	75,173	446,360	528,144
Provision for uncollectible pledges	(27,116)	-	(27,116)	(52,288)
Net campaign revenue	344,071	75,173	419,244	475,856
Designations from other United Ways	12,907	-	12,907	22,841
Special events, net of direct costs of \$3,977 for 2024 and \$4,103 for 2023	16,573	-	16,573	3,661
Grants and contributions	16,761	549,181	565,942	578,584
In-kind contributions	31,784	-	31,784	32,332
Interest income	521	27	548	522
Other miscellaneous income	-	-	-	91,117
Net assets released from restriction	666,511	(666,511)	-	-
Total public support and other revenue	1,089,128	(42,130)	1,046,998	1,204,913
Expenses				
Program services				
Net funds allocated/awarded to agencies	120,900	-	120,900	103,399
Other community impact/allocation services	247,846	-	247,846	229,665
SPARK Early Learning Initiative	420,484	-	420,484	503,520
Volunteer Fox Valley	4,573	-	4,573	4,633
Total program services	793,803	-	793,803	841,217
Support services				
Management and general	123,328	-	123,328	133,592
Fundraising	173,348	-	173,348	168,459
Total support services	296,676	-	296,676	302,051
Total expenses	1,090,479	-	1,090,479	1,143,268
Excess (deficiency) of public support and other revenue over expenses	(1,351)	(42,130)	(43,481)	61,645
Transfer of program specific designations	(23,210)	23,210	-	-
Change in net assets	(24,561)	(18,920)	(43,481)	61,645
Net assets, beginning of year	345,057	475,159	820,216	758,571
Net assets, end of year	\$ 320,496	\$ 456,239	\$ 776,735	\$ 820,216

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024
With Comparative Totals For the Year Ended June 30, 2023

	Program Services			Support Services			Total Program and Support Service Expenses		
	Community Impact/ Allocation Services	SPARK Early Learning Initiative	Volunteer Fox Valley	Total	Management and General	Fundraising	Total	2024	2023
FUNCTIONAL EXPENSES									
Allocations/ awards to agencies	\$ 122,451	\$ -	\$ -	\$ 122,451	\$ -	\$ -	\$ -	\$ 122,451	\$ 115,297
Less: donor designations	(1,551)	-	-	(1,551)	-	-	-	(1,551)	(11,898)
Net allocations/awards to agencies	120,900	-	-	120,900	-	-	-	120,900	103,399
Payroll expenses									
Salaries	97,336	196,080	-	293,416	49,211	120,139	169,350	462,766	429,861
Payroll taxes	8,355	18,439	-	26,794	3,564	10,296	13,860	40,654	36,667
Employee benefits	7,892	16,930	-	24,822	3,141	8,970	12,111	36,933	36,575
Retirement plan	3,900	1,584	-	5,484	1,565	4,199	5,764	11,248	18,153
Total payroll expenses	117,483	233,033	-	350,516	57,481	143,604	201,085	551,601	521,256
Contract services	59,016	85,621	378	145,015	-	2,368	2,368	147,383	227,892
Accounting and legal fees	-	31,369	-	31,369	29,075	-	29,075	60,444	58,822
Supplies	1,305	19,917	-	21,222	5,472	178	5,650	26,872	41,843
Contributed child care supplies distributed	17,979	-	-	17,979	-	-	-	17,979	20,927
Printing and publications	1,491	6,053	-	7,544	-	-	-	7,544	8,403
Postage and shipping	-	-	-	-	463	81	544	544	569
Telephone	1,206	1,447	-	2,653	500	2,497	2,997	5,650	4,384
Information technology and support	10,768	1,231	4,195	16,194	1,842	5,205	7,047	23,241	20,966
Occupancy	5,519	16,798	-	22,317	7,050	11,423	18,473	40,790	36,767
Conferences and staff development	-	4,227	-	4,227	3,939	-	3,939	8,166	17,140
Travel	1,195	624	-	1,819	-	-	-	1,819	2,491
Insurance	-	1,984	-	1,984	6,958	-	6,958	8,942	9,881
Special event expenses	-	652	-	652	-	4,213	4,213	4,865	2,695
Advertising and marketing	15,304	119	-	15,423	1,163	165	1,328	16,751	20,563
Other professional services	-	-	-	-	-	-	-	-	201
Consulting	-	-	-	-	-	-	-	-	5,209
Equipment lease and maintenance	-	1,073	-	1,073	1,598	-	1,598	2,671	3,189
Dues and subscriptions	-	14,599	-	14,599	-	-	-	14,599	13,427

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES, continued
For the Year Ended June 30, 2024
With Comparative Totals For the Year Ended June 30, 2023

	Program Services				Support Services			Total Program and Support Service Expenses	
	Community Impact/ Allocation Services	SPARK Early Learning Initiative	Volunteer Fox Valley	Total	Management and General	Fundraising	Total	2024	2023
FUNCTIONAL EXPENSES, continued									
Bank fees	-	445	-	445	2,614	-	2,614	3,059	3,034
United Way Worldwide and state dues	5,584	-	-	5,584	2,233	3,349	5,582	11,166	8,087
Holiday assistance	10,996	-	-	10,996	-	-	-	10,996	6,692
Miscellaneous expense	-	-	-	-	91	265	356	356	692
Depreciation expense	-	1,292	-	1,292	2,849	-	2,849	4,141	4,739
Other expenses	130,363	187,451	4,573	322,387	65,847	29,744	95,591	417,978	518,613
TOTAL FUNCTIONAL EXPENSES	\$ 368,746	\$ 420,484	\$ 4,573	\$ 793,803	\$ 123,328	\$ 173,348	\$ 296,676	\$ 1,090,479	\$ 1,143,268

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
With Comparative Totals For the Year Ended June 30, 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ (43,481)	\$ 61,645
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	4,141	4,739
Provision for uncollectible pledges	27,116	52,288
Change in measurement of operating lease	65	699
Changes in assets and liabilities		
Contributions receivable	39,661	58,209
Grants receivable	27,312	(12,273)
Prepaid expenses	42,893	(17,394)
Accounts payable	(13,254)	(3,151)
Accrued expenses	6,806	(2,739)
Grants payable	-	(41,440)
Refundable advance	-	(15,000)
Allocations payable	(23,740)	25,399
Designations payable	(5,825)	1,030
Net cash used in operating activities	<u>61,694</u>	<u>112,012</u>
Change in cash and cash equivalents	61,694	112,012
Cash and cash equivalents, beginning of year	<u>659,014</u>	<u>547,002</u>
Cash and cash equivalents, end of year	<u><u>\$ 720,708</u></u>	<u><u>\$ 659,014</u></u>
Schedule of noncash investing and financing transactions:		
Right of use asset	\$ 32,100	\$ 72,536
Operating lease liability for right of use asset	\$ 32,100	\$ 73,235

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 With Comparative Totals for June 30, 2023

1. ORGANIZATION

Fox Valley United Way (the Organization) is an incorporated not-for-profit organization governed by a volunteer board of directors. The Organization provides services for planning community activities and fundraisers, evaluating individual agency programs, informing the community of various activities it sponsors, and helping solve community problems. Funds are raised from the businesses and people of the Fox Valley area including Central and Southern Kane and Kendall counties through an annual campaign appeal. The program services of the Organization include allocating campaign collections to various community social service agencies, public information and community awareness, and sponsoring a website that connects volunteers with local nonprofit agencies through the Volunteer Fox Valley program.

During the year ended June 30, 2020, in response to the COVID-19 crisis, the Organization partnered with four other local grant makers in the Fox Valley region and established a COVID-19 Relief Fund to support nonprofit agencies.

The SPARK (Strong, Prepared And Ready for Kindergarten) program of Fox Valley United Way strives to empower diverse families and children to attain full success in learning and life by ensuring all young children in Aurora and the Fox Valley area have equal access to exemplary early childhood care and education. SPARK improves and strengthens the early childhood system by 1) educating and informing parents and the community about the importance and value of an early childhood education, the impact it has on children's success in school and life and connecting them with programs and services; 2) ensuring professional development of early childhood education teachers and learning center participation in the statewide Quality Rating Improvement System; 3) coordinating a system in which school districts, community-based early childhood programs, and community agencies serving families and children work as one unit to ensure that the area's young children have the resources, knowledge and skills to be Strong, Prepared, and Ready for Kindergarten.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) and with the financial statement standards of United Way Worldwide.

Basis of Presentation

The Organization has presented its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements* .

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 With Comparative Totals for June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

ASC 958 requires not-for-profit organizations to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor-imposed (or grantor) restrictions. These net assets are available to support the Organization's activities and operations at the discretion of Fox Valley United Way's management and the board of directors.

Net assets with donor restrictions - These net assets are subject to stipulations imposed by donors or grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Prior Year Summarized Comparative Information

The financial statements include certain prior year summarized comparative information. In the statement of activities, prior year information is presented in total but not by net asset class. In the statement of functional expenses, comparative prior year expenses are presented in total rather than by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers short-term highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Short-term investments consist of bank money market accounts and repurchase sweep accounts.

Property and Equipment

Office equipment, furniture and fixtures are recorded at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Generally, the Organization's policy is to capitalize assets with a cost exceeding \$500. Depreciation expense for the years ended June 30, 2024 and 2023 was \$4,141 and \$4,739, respectively.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 With Comparative Totals for June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Campaign Pledges Receivable and Allowance for Uncollectible Amounts

Each fall the Organization conducts an annual fundraising campaign whereby it solicits voluntary contributions from the general public in the Fox Valley area in the form of cash contributions and pledges to make future cash contributions. The Organization's ability to collect pledges can be affected by local economic conditions. The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is computed based upon historical averages adjusted by management's estimate of current economic factors that could affect pledge collections. After two years, uncollected campaign pledges are written off. Current campaign pledges receivable are included in net assets with donor restrictions net of the allowance for uncollectible amount.

Contributions

Gross campaign results consist of cash and unconditional promises to give to the Organization received during the annual fundraising campaigns and include contributions processed by third-party processors. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Campaign contributions are released from restriction in the current year to the extent of allocations to community agencies approved for the following year.

Contributed property and equipment are recorded at estimated fair value at the date of donation. If donors stipulate a time or use restriction, the contributions are recorded as contributions with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded without donor restrictions.

Other contributions and grants received are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for support of specific programs or solutions for community problems are reported as net assets with donor restrictions and are reclassified to net assets without donor restrictions upon fulfillment of the time or purpose restriction.

Donor Designated Contributions and Designations Payable

Donors may choose to designate contributions to be distributed to a specific agency or another United Way. Such contributions are referred to as donor designations. The collection of these contributions and distribution to specified agencies or United Ways are transactions in which the Organization is acting as an agent. These transactions are not reported in the statement of activities as revenue and expenses, but are included in gross campaign results then deducted as donor designated contributions before arriving at net campaign revenue.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 With Comparative Totals for June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donor Designated Contributions and Designations Payable (continued)

Designations payable are recorded at the time the related pledge is received and reflected in net campaign revenue. Amounts are remitted to the beneficiary agencies as the related pledges are received from the donors.

In-Kind Contributions

The Organization receives and records various types of in-kind contributions consisting of equipment, supplies, food, advertising, computer support, printing and other services. Contributed goods and services are recognized at fair value when received. If donors stipulate a time or use restriction, the contributions are recorded as contributions with donor restrictions. In the absence of donor-imposed restrictions, in-kind contributions are recorded as contributions without donor restrictions.

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Although the Organization receives a significant amount of contributed time from volunteers, this time does not meet the recognition criteria and accordingly, is not reflected in the accompanying financial statements.

Allocations to Agencies

Allocations to partner United Way agencies are recorded as expenses when they are approved by the Board of Directors and communicated to the respective agencies. These allocations are generally payable within one year. Allocations payable amounting to \$38,750 at June 30, 2024 consist of amounts approved for payment beginning July 1, 2024 from the 2023 campaign revenue and are included in the amount released from restriction on the statement of activities. At June 30, 2023, allocations payable from the 2022 campaign amounted to \$62,490.

Functional Expense Allocations

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Expenses that can be directly identified with a program or supporting services to which they relate are charged to the program or supporting service accordingly. Other expenses have been allocated among the program and supportive services benefited based on the average of number of employees, time spent, dedicated square footage or on a direct cost basis consistent with the standards for allocation of functional expenses in accordance with generally accepted accounting principles and United Way Worldwide.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 With Comparative Totals for June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Costs

The Organization expenses advertising costs as incurred. Expenses incurred were \$16,751 and \$20,563 for the years ended June 30, 2024 and 2023, respectively.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity pursuant to a letter from the U.S. Treasury Department dated March 20, 1963. In addition, the Organization is exempt from Illinois income taxes. Accordingly, no provision for income taxes is included in the financial statements.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material to these financial statements.

3. PLEDGES RECEIVABLE

Pledges receivable consisted of the following as of June 30, 2024 and 2023:

	2024	2023
Prior year's campaign	\$ 28,610	\$ 73,207
Current year's campaign	132,527	192,905
	161,137	266,112
Less allowance for uncollectible pledges	(70,476)	(108,674)
Pledges receivable, net	<u>\$ 90,661</u>	<u>\$ 157,438</u>

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 With Comparative Totals for June 30, 2023

4. OTHER RECEIVABLES

Other receivables consist of the following at June 30:

	2024	2023
Accounts receivable - other	\$ 250	\$ 250
Rent deposit	2,000	2,000
	\$ 2,250	\$ 2,250

The Organization considers the receivable to be fully collectible; accordingly no allowance for doubtful accounts has been established.

5. EMPLOYEE PENSION PLAN

The Organization has a defined contribution pension plan covering all eligible employees. Eligible employees are persons who have at least one year of service with the Organization. During the years ended June 30, 2024 and 2023 the Organization matched 5% of all participants' contributions to the Plan. The Organization's pension plan expense for the fiscal years ended June 30, 2024 and 2023 was \$11,248 and \$18,153, respectively.

6. COMPENSATED ABSENCES

Full-time employees of the Organization are entitled to paid vacation depending on the length of service. Up to five days of earned vacation leave may be carried over. Compensated absences accrued as of June 30, 2024 and 2023 amounted to \$20,740 and \$18,224, respectively.

7. CONTRIBUTED MATERIALS AND SERVICES

The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. The Organization received the following in-kind contributions during the years ended June 30:

	2024	2023
Supplies	\$ 18,579	\$ 22,927
Advertising and marketing	500	-
Computer support	12,705	9,405
	\$ 31,784	\$ 32,332

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 With Comparative Totals for June 30, 2023

7. CONTRIBUTED MATERIALS AND SERVICES (continued)

The Board of Directors makes significant contributions of time with respect to the management and operations of the Organization. Additionally, a substantial number of unpaid volunteers have made significant contributions of their time to the Organization. The value of this contributed time is not reflected in the financial statements.

8. NET ASSETS WITH DONOR RESTRICTIONS

In accordance with United Way Worldwide requirements, net assets with donor restrictions include pledges receivable from the current campaign for use in the next year, net of an allowance for uncollectible amounts and Board approved community agency allocations.

At June 30, 2024 and 2023, net assets with donor restrictions consisted of the following:

	2024	2023
Pledges receivable, net	\$ 36,423	\$ 80,592
Donor restricted purposes		
SPARK Early Learning Initiative	256,985	329,947
Volunteer Fox Valley	-	1,707
211 Helpline	118,212	31,739
Other purposes	44,619	31,174
	419,816	394,567
Total net assets with donor restrictions	\$ 456,239	\$ 475,159

9. ENDOWMENT FUND

In 1999 the Organization contributed funds to the Community Foundation of the Fox River Valley for the purpose of establishing an endowment fund to be used for support of the mission or activities of the Organization or its affiliated agencies. The fund is the property of the Foundation and the Foundation has ultimate authority and control over all property in the fund and the income derived therefrom. At least annually, the Foundation may distribute the fund's net income to the Organization, or the Organization may elect to accumulate the income. As of June 30, 2024 and 2023, net income available for distribution amounted to \$11,281 and \$9,489, respectively.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 With Comparative Totals for June 30, 2023

10. LEASE AGREEMENTS

On October 1, 2020, the Organization entered into a five year lease agreement for office space beginning October 15, 2020 and expiring on October 14, 2025. The lease requires monthly payments of \$2,611 with annual increases of 2% beginning in year three, and includes an option to renew for an additional five-year term.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of June 30:

	<u>2024</u>	<u>2023</u>
<u>Operating leases</u>		
Operating lease right-of-use-assets	\$ 40,436	\$ 72,536
Operating lease liability, current	33,078	32,433
Operating lease liability, net of current portion	8,122	40,802

The lease cost, including imputed interest and amortization of the right-of-use asset for the years ended June 30, 2024 and 2023 was \$32,643 and \$32,499, respectively, and is included in occupancy expense in the accompanying Statement of Functional Expenses.

The following summarizes the weighted average remaining lease term and discount rate as of June 30:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term	1.25 years	2.25 years
Weighted average discount rate	0.68%	0.68%

The maturities of lease liabilities as of June 30, 2024 were as follows:

Year ending June 30:	
2025	\$ 33,078
2026	8,310
Total lease payments	<u>41,388</u>
Less: interest	(188)
Present value of lease liabilities	<u><u>\$ 41,200</u></u>

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 With Comparative Totals for June 30, 2023

11. LINE OF CREDIT

The Organization obtained a line of credit with a financial institution up to \$50,000. The line of credit has a two-year term expiring on June 7, 2025 and is secured by substantially all of the assets of the Organization. Interest is payable monthly on the outstanding balance at an interest rate of 2.0% over the Wall Street Journal Prime Rate (10.50% at June 30, 2024). There were no borrowings under the line of credit as of June 30, 2024.

12. INCOME TAXES

The Organization is exempt from federal and state income taxes as an organization described under Section 501(c)(3) of the Internal Revenue Code. Income from activities not directly related to the Organization's tax exempt purpose is subject to federal and state income tax as unrelated business income.

The Organization has adopted guidance issued by the Financial Accounting Standards Board (FASB) relating to uncertain tax positions. The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

The Organization has analyzed tax positions taken and believes that income tax filing positions would be sustained upon examination and does not anticipate any adjustments that would have a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, there were no interest or penalties recognized for uncertain tax positions during the year ended June 30, 2024, and there were no accruals for interest and penalties at June 30, 2024. The 2021-2023 tax years for federal and state of Illinois income tax returns (the Organization's major tax jurisdictions) remain open and are subject to examination.

13. CONCENTRATION OF CREDIT RISK

The Organization maintains its bank account balances in two financial institutions. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured bank deposits at June 30, 2024 or 2023. Cash equivalent amounts invested in the repurchase sweep investment accounts are not insured nor guaranteed by the United States government or its agencies.

During the years ended June 30, 2024 and 2023, Fox Valley United Way received approximately 33% of its gross campaign revenue from two employers, each exceeding 10% of the gross campaign revenue. Grant revenue from three sources, each exceeding 10% of total grant revenue, amounted to 66% of total grant revenue in 2024. Grant revenue from two sources, each exceeding 10% of total grant revenue, amounted to 45% of total grant revenue in 2023.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 With Comparative Totals for June 30, 2023

14. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of the statement of financial position for general expenditures are as follows:

Financial assets as of year end:	
Cash and cash equivalents	\$ 720,708
Pledges receivable, net	90,661
Grants receivable	47,175
Other receivables	2,250
	<hr/> 860,794
Less those unavailable for general expenditures within one year:	
Designations payable	1,554
Restricted by donors with purpose restrictions	419,816
	<hr/>
Financial assets available to meet general expenditures within one year	<u><u>\$ 439,424</u></u>

Fox Valley United Way also has a bank line of credit in the amount of \$50,000 (see Note 11) upon which it can draw if needed for liquidity.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 20, 2025, the date the financial statements were available to be issued.