

FOX VALLEY UNITED WAY
FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORT
for the year ended June 30, 2011
(with summarized financial information
for the year ended June 30, 2010)

Weber & Associates CPAs, LLC
Certified Public Accountants

FOX VALLEY UNITED WAY
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of Fox Valley United Way (a not-for-profit organization) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements and, in our report dated November 11, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2011, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Weber & Associates

December 8, 2011

FOX VALLEY UNITED WAY
STATEMENT OF FINANCIAL POSITION
as of June 30, 2011 and 2010

	2011	2010
ASSETS		
Current assets		
Cash	\$ 596,235	\$ 744,863
Contributions receivable, net of allowance for uncollectible amounts of \$136,000 and \$224,610 as of June 30, 2011 and 2010, respectively	465,524	512,966
Grant receivable	15,000	-
Other receivables	3,803	2,660
Prepaid expenses	10,991	9,241
Total current assets	<u>1,091,553</u>	<u>1,269,730</u>
Property and equipment, at cost		
Furniture and equipment	110,860	158,243
Less: accumulated depreciation	<u>(102,501)</u>	<u>(146,624)</u>
Net property and equipment	<u>8,359</u>	<u>11,619</u>
Total assets	<u>\$ 1,099,912</u>	<u>\$ 1,281,349</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 11,125	\$ 18,711
Accrued expenses	19,743	18,833
Grants payable	15,891	40,121
Allocations payable	376,059	373,798
Designations payable to other agencies	<u>13,043</u>	<u>18,892</u>
Total current liabilities	<u>435,861</u>	<u>470,355</u>
Net assets		
Unrestricted	149,038	161,864
Temporarily restricted	<u>515,013</u>	<u>649,130</u>
Total net assets	<u>664,051</u>	<u>810,994</u>
Total liabilities and net assets	<u>\$ 1,099,912</u>	<u>\$ 1,281,349</u>

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF ACTIVITIES
for the year ended June 30, 2011
(With Summarized Financial Information for the year ended June 30, 2010)

	Unrestricted	Temporarily Restricted	Totals	
			2011	2010
Public support and other revenue				
Gross campaign contributions	\$ 657,675	\$ 452,268	\$ 1,109,943	\$ 1,121,056
Less:				
Donor-designated contributions	(35,121)	-	(35,121)	(16,032)
Designations paid by others	(73,239)	-	(73,239)	(82,928)
Provision for uncollectible contributions	(98,283)	-	(98,283)	(64,170)
Net campaign revenue	451,032	452,268	903,300	957,926
Designations received from other organizations	100,651	-	100,651	106,630
Service fees	88	-	88	117
Fundraising fees	4,275	-	4,275	6,789
Grants and contributions	80,528	105,936	186,464	260,739
Donations in kind	57,084	-	57,084	150,798
Interest income	702	308	1,010	6,922
Miscellaneous income	103	-	103	721
Net assets released from restriction	692,629	(692,629)	-	-
Total revenue	1,387,092	(134,117)	1,252,975	1,490,642
Expenses				
Program services				
Net funds awarded/distributed	955,527	-	955,527	1,350,260
Support services				
Organizational administration	178,446	-	178,446	182,347
Fundraising	255,701	-	255,701	330,887
United Way dues	10,244	-	10,244	16,596
Total support services	444,391	-	444,391	529,830
Total expenses	1,399,918	-	1,399,918	1,880,090
Decrease in net assets	(12,826)	(134,117)	(146,943)	(389,448)
Net assets, beginning of year	161,864	649,130	810,994	1,200,442
Net assets, end of year	\$ 149,038	\$ 515,013	\$ 664,051	\$ 810,994

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES
for the year ended June 30, 2011
(With Summarized Financial Information for the year ended June 30, 2010)

	Program Services		Support Services			Total Program and Support Service Expenses	
	Allocation Services	Organizational Administration	Fund Raising	UW Dues	Total	2011	2010
FUNCTIONAL EXPENSES							
Allocations / awards	\$ 896,445	\$ -	\$ -	\$ -	\$ -	\$ 896,445	\$ 1,232,917
Less: donor designations	(26,076)	-	-	-	-	(26,076)	(9,084)
Total allocations/awards	870,369	-	-	-	-	870,369	1,223,833
Payroll expenses							
Salaries	42,815	74,926	96,334	-	171,260	214,075	206,967
Payroll taxes	3,643	6,376	8,197	-	14,573	18,216	17,507
Employee benefits	9,098	15,920	20,469	-	36,389	45,487	37,120
Total payroll expenses	55,556	97,222	125,000	-	222,222	277,778	261,594
Contract services	2,123	-	-	-	-	2,123	2,117
Supplies	848	1,484	8,875	-	10,359	11,207	9,425
Printing and publications	1,057	2,877	4,336	-	7,213	8,270	12,875
Telephone	584	1,022	1,314	-	2,336	2,920	3,302
Computer and software support	278	487	625	-	1,112	1,390	2,819
Office rent	5,605	7,134	12,811	-	19,945	25,550	55,696
Utilities and maintenance	1,236	2,164	2,782	-	4,946	6,182	9,237
Meetings	1,257	748	961	-	1,709	2,966	1,160
Travel	586	1,026	1,318	-	2,344	2,930	1,666
Insurance	1,081	1,892	2,733	-	4,625	5,706	4,837
Events expense	-	-	13,220	-	13,220	13,220	46,026
Advertising	3,854	3,822	67,469	-	71,291	75,145	149,486
Accounting and legal fees	295	52,797	665	-	53,462	53,757	59,414

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES, continued
for the year ended June 30, 2011
(With Summarized Financial Information for the year ended June 30, 2010)

	Program Services	Support Services				Total Program and Support Service Expenses	
	Allocation Services	Organizational Administration	Fund Raising	UW Dues	Total	2011	2010
FUNCTIONAL EXPENSES, continued							
Other professional services	7,500	-	6,275	-	6,275	13,775	200
Equipment	374	654	840	-	1,494	1,868	2,553
Parking	90	157	203	-	360	450	1,125
Moving expenses	907	1,587	2,040	-	3,627	4,534	-
Dues and subscriptions	425	744	956	-	1,700	2,125	2,182
Bank fees	156	273	350	-	623	779	483
Penalties and late fees	48	84	108	-	192	240	198
Awards	13	23	29	-	52	65	234
Miscellaneous expense	74	130	166	-	296	370	610
Depreciation expense	1,211	2,119	2,625	-	4,744	5,955	12,422
Other expenses	29,602	81,224	130,701	-	211,925	241,527	378,067
United Way dues	-	-	-	10,244	10,244	10,244	16,596
TOTAL FUNCTIONAL EXPENSES	\$ 955,527	\$ 178,446	\$ 255,701	\$ 10,244	\$ 444,391	\$ 1,399,918	\$ 1,880,090

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF CASH FLOWS
for the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Change in net assets	\$ (146,943)	\$ (389,448)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	5,955	12,422
Changes in assets and liabilities		
Contributions receivable	47,442	191,552
Grant receivable	(15,000)	-
Prepaid expenses	(1,750)	(6,786)
Other receivables	(1,143)	(460)
Accounts payable	(7,586)	12,838
Accrued expenses	910	987
Grants payable	(24,230)	(216,279)
Allocations payable	2,261	(74,680)
Designations payable	(5,849)	(9,745)
Net cash used in operating activities	<u>(145,933)</u>	<u>(479,599)</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(2,695)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,695)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(148,628)	(479,599)
Cash and cash equivalents, beginning of year	<u>744,863</u>	<u>1,224,462</u>
Cash and cash equivalents, end of year	<u><u>\$ 596,235</u></u>	<u><u>\$ 744,863</u></u>

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES

Organization

Fox Valley United Way (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 through an annual campaign appeal. The program services of the Organization include allocating campaign collections to various community agencies, public information and community awareness, and sponsoring an annual "Day of Caring" consisting of a variety of community projects. The Organization's ability to raise funds is susceptible to fluctuations in the local economy. Governed by a volunteer Board of Directors, the Organization has committed to complying with the United Way of America's Cost Deduction Standards.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The Organization prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles; consequently, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Financial Statement Presentation

The Organization's financial statements are presented as required by the Financial Accounting Standards Board Accounting Standards Codification. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

The Organization has unrestricted and temporarily restricted net assets. Temporarily restricted net assets of the Organization result from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Cash and Cash Equivalents

For the Statement of Cash Flows, cash consists of demand deposits and money market accounts at banks.

Income Taxes

The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements. The Organization has been classified as a public charity pursuant to a letter from the U.S. Treasury Department dated March 20, 1963.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS, continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fixed Assets

Office equipment, furniture and fixtures are recorded at cost if purchased or fair market value at the date of donation and are being depreciated 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, 2011 and 2010 was \$5,955 and \$12,422, respectively.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received. 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. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation.

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 campaign contributions in the statement of activities then deducted as donor designated contributions before arriving at net campaign revenue.

Contributions 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 bases the allowance for uncollectible pledges on past experience. The Organization expects to receive contributions receivable at June 30, 2011 within one year.

Allocations

Allocations to participating 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.

Advertising Costs

The Organization expenses advertising costs as incurred. Expenses incurred were \$75,145 and \$149,486 for the years ended June 30, 2011 and 2010, respectively.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS, continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Functional Expense Allocations

The Organization has allocated expenses to program and support services based on an estimate of time spent by employees in each area.

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.

Donated Services

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 since it does not meet the requirements for recognition under generally accepted accounting principles.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities, such prior year information is presented in total but not by net asset class. With respect to 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

3. CONCENTRATION OF CREDIT RISK

The Organization maintains its bank account balances in one financial institution. These balances were fully insured by the Federal Deposit Insurance Corporation at June 30, 2011 and 2010.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS, continued

4. OTHER RECEIVABLES

Other receivables consist of the following at June 30:

	<u>2011</u>	<u>2010</u>
Accounts receivable - insurance	\$ 1,803	\$ 460
Rent deposit	2,000	2,200
	<u>\$ 3,803</u>	<u>\$ 2,660</u>

The Organization considers these receivables 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, 2011 and 2010, the Organization contributed 5% of all participants' compensation to the Plan. The Organization's pension plan expense for the fiscal years ended June 30, 2011 and 2010 was \$8,255 and \$8,681, respectively.

6. ENDOWMENT FUND

The Organization participates in an endowment fund established with the Community Foundation of the Fox River Valley. The fund is considered the property of the Foundation and the Foundation has ultimate authority and control over all property in the fund. At least annually, the Foundation can distribute income to the Organization, or the Organization can accumulate the income. For the years ended June 30, 2011 and 2010, no accumulated income was distributed.

7. RENTAL AGREEMENTS

Through September 30, 2010, the Organization was leasing office space on a month-to-month basis with monthly payments of \$2,675.

The Organization entered into a lease agreement for office space dated September 1, 2010. The lease is for the period October 15, 2010 through October 15, 2015. Monthly payments are \$2,000 increasing 3% annually. The lease includes the option of one five-year extension.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS, continued

7. RENTAL AGREEMENTS, continued

Future minimum lease payments for the years ending June 30 are as follows:

2012	\$ 24,450
2013	25,278
2014	26,031
2015	26,814
2016	6,753

Rent expense recorded for the years ended June 30, 2011 and 2010 totaled \$25,550 and \$55,696, respectively.

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30 consisted of cash available for the following purposes:

	2011	2010
Programs benefiting the elderly	\$ -	\$ 55,704
Food and shelter assistance programs	21,765	35,346
Youth programs	18,000	61,011
Other specific grant purposes	22,979	2,980
Pledges receivable	452,269	494,089
	\$ 515,013	\$ 649,130

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	2011	2010
Programs benefiting the elderly	\$ 56,012	40,121
Food and shelter assistance programs	13,581	319,755
Youth programs	65,500	254,809
Other specific grant purposes	63,447	10,667
Campaign funds released	494,089	667,311
	\$ 692,629	\$ 1,292,663

9. UNCERTAIN TAX POSITIONS

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 income tax as unrelated business income.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS, continued

9. UNCERTAIN TAX POSITIONS, continued

The Organization adopted guidance issued by the Financial Accounting Standards Board (FASB) relating to uncertain tax positions on July 1, 2009. The adoption of this guidance had no impact on the financial statements. 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, 2011, and there were no accruals for interest and penalties at June 30, 2011. The 2008-2010 tax years for federal and state of Illinois income tax returns (the Organization's major tax jurisdictions) remain open and are subject to examination.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 8, 2011, the date the financial statements were available to be issued.