

FOX VALLEY UNITED WAY
FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORT

For the Year Ended June 30, 2019
With Comparative Totals For the Year Ended June 30, 2018

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 financial statements of Fox Valley United Way (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. 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 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 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.

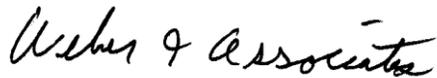
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fox Valley United Way as of June 30, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the Fox Valley United Way's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 14, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Aurora, Illinois
January 9, 2020

FOX VALLEY UNITED WAY
STATEMENT OF FINANCIAL POSITION
June 30, 2019 With Comparative Totals for June 30, 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 464,235	\$ 533,642
Pledges receivable, net of allowance for uncollectible amounts of \$198,268 and \$230,853 as of June 30, 2019 and 2018, respectively	370,227	267,705
Grants receivable	36,667	85,000
Other receivables	2,578	2,216
Prepaid expenses	19,535	44,024
Total current assets	893,242	932,587
Property and equipment, at cost		
Furniture and equipment	110,150	106,667
Less: accumulated depreciation	(104,973)	(103,851)
Net property and equipment	5,177	2,816
Total assets	\$ 898,419	\$ 935,403
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 12,455	\$ 21,278
Accrued expenses	30,910	34,231
Allocations payable to community agencies	111,000	161,260
Designations payable	30,792	45,630
Total current liabilities	185,157	262,399
Net assets		
Without donor restrictions	(63,889)	(103,189)
With donor restrictions	777,151	776,193
Total net assets	713,262	673,004
Total liabilities and net assets	\$ 898,419	\$ 935,403

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019
With Comparative Totals For the Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
Public support and other revenue				
Gross campaign results	\$ 586,968	\$ 341,646	\$ 928,614	\$ 950,346
Less donor designations	(63,920)	-	(63,920)	(107,562)
Gross campaign revenue	523,048	341,646	864,694	842,784
Provision for uncollectible pledges	(70,440)	-	(70,440)	(204,542)
Net campaign revenue	452,608	341,646	794,254	638,242
Designations from other United Ways	102,770	-	102,770	144,608
Special events, net of direct costs of \$18,288 for 2019 and \$12,735 for 2018	28,886	-	28,886	24,785
Service fees	661	-	661	1,439
Fundraising fees	3,496	-	3,496	7,955
Grants and contributions	536	205,119	205,655	535,488
In-kind contributions	18,233	496	18,729	27,955
Interest income	656	5,037	5,693	2,174
Other miscellaneous income	3,742	-	3,742	-
Net assets released from restriction	622,930	(622,930)	-	-
Total public support and other revenue	1,234,518	(70,632)	1,163,886	1,382,646
Expenses				
Program services				
Net funds allocated/awarded to agencies	206,904	-	206,904	402,114
Other community impact/allocation services	181,511	-	181,511	249,790
SPARK Early Learning Initiative	384,309	-	384,309	250,087
Volunteer Fox Valley	4,670	-	4,670	4,019
Total program services	777,394	-	777,394	906,010
Support services				
Management and general	146,188	-	146,188	186,906
Fundraising	200,046	-	200,046	152,563
Total support services	346,234	-	346,234	339,469
Total expenses	1,123,628	-	1,123,628	1,245,479
Excess (deficiency) of public support and other revenue over expenses	110,890	(70,632)	40,258	137,167
Transfer of program specific designations	(71,590)	71,590	-	-
Change in net assets	39,300	958	40,258	137,167
Net assets, beginning of year	(103,189)	776,193	673,004	535,837
Net assets, end of year	\$ (63,889)	\$ 777,151	\$ 713,262	\$ 673,004

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019
With Comparative Totals For the Year Ended June 30, 2018

	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	2019	2018
FUNCTIONAL EXPENSES									
Allocations/ awards to agencies	\$ 221,265	\$ -	\$ -	\$ 221,265	\$ -	\$ -	\$ -	\$ 221,265	\$ 425,035
Less: donor designations	(14,361)	-	-	(14,361)	-	-	-	(14,361)	(22,921)
Net allocations/awards to agencies	206,904	-	-	206,904	-	-	-	206,904	402,114
Payroll expenses									
Salaries	85,587	128,084	-	213,671	34,240	111,053	145,293	358,964	392,786
Payroll taxes	6,825	9,445	-	16,270	2,758	9,080	11,838	28,108	29,600
Employee benefits	20,035	9,575	-	29,610	7,439	23,369	30,808	60,418	60,772
Retirement plan	4,233	5,345	-	9,578	1,691	5,726	7,417	16,995	17,250
Total payroll expenses	116,680	152,449	-	269,129	46,128	149,228	195,356	464,485	500,408
Contract services	-	-	-	-	-	-	-	-	500
Accounting and legal fees	-	8,770	-	8,770	41,132	-	41,132	49,902	44,551
Supplies	-	7,142	60	7,202	4,371	1,232	5,603	12,805	11,893
Printing and publications	847	3,510	109	4,466	3,691	-	3,691	8,157	8,071
Postage and shipping	-	-	-	-	1,003	-	1,003	1,003	547
Telephone	618	1,435	-	2,053	321	1,278	1,599	3,652	4,770
Information technology and support	4,384	3,591	4,095	12,070	4,015	9,075	13,090	25,160	19,603
Occupancy	7,867	13,269	-	21,136	5,876	16,281	22,157	43,293	40,925
Conferences and meetings	-	3,842	-	3,842	686	-	686	4,528	6,393
Travel	-	3,984	-	3,984	646	-	646	4,630	2,323
Insurance	-	-	-	-	8,984	-	8,984	8,984	7,835
Special event expenses	2,212	-	-	2,212	-	2,874	2,874	5,086	9,507
Advertising and marketing	5,190	720	406	6,316	150	4,214	4,364	10,680	14,894
Other professional services	-	-	-	-	784	3,920	4,704	4,704	9,861
Consulting	7,621	93,200	-	100,821	11,803	7,156	18,959	119,780	105,056
Equipment lease and maintenance	516	1,198	-	1,714	213	1,068	1,281	2,995	2,675
Community grants	23,250	90,000	-	113,250	-	-	-	113,250	19,000
Dues and subscriptions	-	119	-	119	11,245	-	11,245	11,364	13,494

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES, continued
For the Year Ended June 30, 2019
With Comparative Totals For the Year Ended June 30, 2018

	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	2019	2018
FUNCTIONAL EXPENSES, continued									
Bank fees	-	-	-	-	1,343	-	1,343	1,343	2,584
United Way Worldwide and state dues	6,157	-	-	6,157	2,463	3,695	6,158	12,315	10,491
Holiday assistance	6,157	-	-	6,157	-	-	-	6,157	6,810
Miscellaneous expense	-	-	-	-	1,329	-	1,329	1,329	338
Depreciation expense	12	1,080	-	1,092	5	25	30	1,122	836
Other expenses	64,831	231,860	4,670	301,361	100,060	50,818	150,878	452,239	342,957
TOTAL FUNCTIONAL EXPENSES	\$ 388,415	\$ 384,309	\$ 4,670	\$ 777,394	\$ 146,188	\$ 200,046	\$ 346,234	\$ 1,123,628	\$ 1,245,479

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2019
With Comparative Totals For the Year Ended June 30, 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 40,258	\$ 137,167
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,122	836
Provision for uncollectible pledges	70,440	204,542
Changes in assets and liabilities		
Contributions receivable	(172,962)	24,007
Grants receivable	48,333	(70,000)
Prepaid expenses	24,489	(10,911)
Other receivables	(362)	137
Accounts payable	(8,823)	(13,472)
Accrued expenses	(3,321)	9,556
Allocations payable	(50,260)	(115,199)
Designations payable	(14,838)	24,631
Net cash provided by (used in) operating activities	<u>(65,924)</u>	<u>191,294</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(3,483)</u>	<u>(1,348)</u>
Net cash used in investing activities	<u>(3,483)</u>	<u>(1,348)</u>
Change in cash and cash equivalents	(69,407)	189,946
Cash and cash equivalents, beginning of year	<u>533,642</u>	<u>343,696</u>
Cash and cash equivalents, end of year	<u><u>\$ 464,235</u></u>	<u><u>\$ 533,642</u></u>

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 With Comparative Totals for June 30, 2018

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.

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, 2019 With Comparative Totals for June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 2018, from which the summarized information was derived.

Prior Year Reclassifications

Certain amounts for the year ended June 30, 2018 have been reclassified to conform to the current year presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

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, 2019 and 2018 was \$1,122 and \$836, respectively.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 With Comparative Totals for June 30, 2018

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, 2019 With Comparative Totals for June 30, 2018

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, 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 \$111,000 at June 30, 2019 consist of amounts approved for payment beginning July 1, 2019 from the 2018 campaign revenue and are included in the amount released from restriction on the statement of activities. At June 30, 2018, allocations payable from the 2017 campaign amounted to \$161,260.

Advertising Costs

The Organization expenses advertising costs as incurred. Expenses incurred were \$10,680 and \$14,894 for the years ended June 30, 2019 and 2018, respectively.

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, 2019 With Comparative Totals for June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Newly Adopted Accounting Pronouncement

In August 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 represents phase 1 of FASB's Not-for Profit financial reporting project and reduces the number of net asset classes, requires expense presentation by functional and natural classification, requires quantitative and qualitative information in liquidity, retains the option to present the cash flow statement on a direct or indirect method as well as includes various other additional disclosure requirements. The Organization adopted ASU 2016-14 in the current year.

Recent Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the scope and the accounting guidance for contributions received and contributions made*. ASU 2018-08 clarifies the accounting guidance for making or receiving contributions. This primarily affects not-for-profit (NFP) entities, although it also applies to businesses. The ASU provides a framework for evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance. ASU 2018-08 is effective for fiscal years beginning after December 15, 2018, for contributions received and after December 15, 2019, for contributions made. The requirements of this statement are effective for Fox Valley United Way for the year ending June 30, 2020. Management is currently evaluating the impact of the provisions of ASU 2018-08 on the financial statements.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 With Comparative Totals for June 30, 2018

3. PLEDGES RECEIVABLE

Pledges receivable consisted of the following as of June 30, 2019 and 2018:

	2019	2018
Prior year's campaign	\$ 105,795	\$ 114,299
Current year's campaign	426,300	348,259
Next year's campaign	36,400	36,000
	568,495	498,558
Less allowance for uncollectible pledges	(198,268)	(230,853)
Pledges receivable, net	\$ 370,227	\$ 267,705

4. OTHER RECEIVABLES

Other receivables consist of the following at June 30:

	2019	2018
Accounts receivable - other	\$ 578	\$ 216
Rent deposit	2,000	2,000
	\$ 2,578	\$ 2,216

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, 2019 and 2018 the Organization contributed 5% of all participants' compensation to the Plan. The Organization's pension plan expense for the fiscal years ended June 30, 2019 and 2018 was \$16,995 and \$17,250, 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, 2019 and 2018 amounted to \$23,621 and \$26,923, respectively.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 With Comparative Totals for June 30, 2018

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:

	2019	2018
Advertising and marketing	\$ 3,050	\$ 10,632
Other professional services	1,920	1,950
Printing	1,343	3,122
Computer support	12,416	12,251
	<u>\$ 18,729</u>	<u>\$ 27,955</u>

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, 2019 and 2018, net assets with donor restrictions consisted of the following:

	2019	2018
Pledges receivable, net	\$ 230,646	\$ 98,007
Donor restricted purposes		
Youth programs	74,662	64,912
SPARK Early Learning Initiative	408,657	580,783
Volunteer Fox Valley	18,202	18,777
Count Me In 2020	40,000	-
Other purposes	4,984	13,714
	<u>546,505</u>	<u>678,186</u>
Total net assets with donor restrictions	<u>\$ 777,151</u>	<u>\$ 776,193</u>

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 With Comparative Totals for June 30, 2018

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, 2019 and 2018, net income available for distribution amounted to \$1,623 and \$99, respectively.

10. LEASE AGREEMENTS

On September 1, 2015, the Organization entered into a five year lease agreement for office space beginning October 15, 2015 and expiring on October 14, 2020. The lease requires annual increases of three percent and includes an option to renew for an additional five-year term.

The Organization leases a copier under a noncancellable operating lease expiring on October 30, 2023. Monthly lease payments include sales tax and charges for excess copies.

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

2020	\$	33,538
2021		10,267
2022		2,434
2023		2,434
2024		608

Additional office space is leased on a month-to-month basis. Rent expense recorded for the years ended June 30, 2019 and 2018 totaled \$39,826 and \$39,343, respectively.

11. LINE OF CREDIT

During the year ended June 30, 2019, the Organization obtained a line of credit with a financial institution up to \$50,000. The line of credit has a two-year term 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 (5.5% at June 30, 2019). There were no borrowings under the line of credit as of June 30, 2019.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 With Comparative Totals for June 30, 2018

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, 2019, and there were no accruals for interest and penalties at June 30, 2019. The 2016-2018 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. 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 year end:	
Cash and cash equivalents	\$ 464,235
Pledges receivable, net	370,227
Grants receivable	36,667
Other receivables	2,578
	<u>873,707</u>
Less those unavailable for general expenditures within one year:	
Designations payable	30,792
Restricted by donors with purpose restrictions	546,505
Financial assets available to meet general expenditures within one year	<u><u>\$ 296,410</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.

FOX VALLEY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 With Comparative Totals for June 30, 2018

14. 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, 2019 or 2018. 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, 2019 and June 30, 2018, Fox Valley United Way received approximately 11% and 12%, respectively, of its gross campaign revenue from one employer. Grant revenue from two sources amounted to 34% in 2019 and 84% in 2018.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 9, 2020, the date the financial statements were available to be issued.