

FOX VALLEY UNITED WAY  
FINANCIAL STATEMENTS  
with  
INDEPENDENT AUDITORS' REPORT  
for the year ended June 30, 2015  
(with summarized financial information  
for the year ended June 30, 2014)

**Weber & Associates CPAs, LLC**  
Certified Public Accountants

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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, 2015, 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.

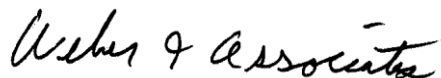
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**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, 2015, 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 4, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Aurora, Illinois  
December 16, 2015

FOX VALLEY UNITED WAY  
STATEMENT OF FINANCIAL POSITION  
as of June 30, 2015 and 2014

	2015	2014
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 465,269	\$ 397,841
Campaign pledges receivable, net of allowance for uncollectible amounts of \$99,140 and \$101,569 as of June 30, 2015 and 2014, respectively	399,655	398,560
Grants receivable	160,609	195,000
Other receivables	2,216	3,411
Prepaid expenses	10,853	11,216
Total current assets	1,038,602	1,006,028
Property and equipment, at cost		
Furniture and equipment	103,983	102,593
Less: accumulated depreciation	(100,750)	(100,669)
Net property and equipment	3,233	1,924
Total assets	\$ 1,041,835	\$ 1,007,952
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 29,866	\$ 17,288
Accrued expenses	23,434	13,723
Allocations payable	283,125	290,050
Designations payable to other agencies	48,903	41,912
Total current liabilities	385,328	362,973
Net assets		
Unrestricted	(134,341)	(144,402)
Temporarily restricted	790,848	789,381
Total net assets	656,507	644,979
Total liabilities and net assets	\$ 1,041,835	\$ 1,007,952

See accompanying notes to financial statements.

**FOX VALLEY UNITED WAY**

**STATEMENT OF ACTIVITIES**

for the year ended June 30, 2015

(With Summarized Financial Information for the year ended June 30, 2014)

	Unrestricted	Temporarily Restricted	Totals	
			2015	2014
Public support and other revenue				
Gross campaign contributions	\$ 645,185	\$ 392,365	\$ 1,037,550	\$ 985,410
Less:				
Donor designations	(61,196)	-	(61,196)	(19,914)
Designations paid by others	(54,284)	-	(54,284)	(116,802)
Provision for uncollectible pledges	<u>(30,548)</u>	-	<u>(30,548)</u>	<u>(51,529)</u>
Net campaign results	499,157	392,365	891,522	797,165
Designations from other United Ways	39,900	-	39,900	113,782
Special events, net of direct costs of \$9,547 for 2015 and \$10,365 for 2014	12,151	-	12,151	4,695
Service fees	-	-	-	232
Fundraising fees	3,368	-	3,368	2,046
Grants and contributions	7,891	320,699	328,590	280,402
In-kind revenues	58,834	2,272	61,106	77,060
Interest income	17	14	31	15
Contract revenue	-	-	-	8,333
Net assets released from restriction	<u>737,075</u>	<u>(737,075)</u>	-	-
Total public support and other revenue	<u>1,358,393</u>	<u>(21,725)</u>	<u>1,336,668</u>	<u>1,283,730</u>
Expenses				
Program services				
Net funds awarded/distributed to agencies	518,845	-	518,845	610,778
SPARK Early Learning Initiative	301,476	-	301,476	201,092
Other program services	<u>225,964</u>	-	<u>225,964</u>	<u>175,258</u>
Total program services	<u>1,046,285</u>	-	<u>1,046,285</u>	<u>987,128</u>
Support services				
Organizational administration	133,957	-	133,957	171,869
Fundraising	136,808	-	136,808	188,093
United Way dues	<u>8,090</u>	-	<u>8,090</u>	<u>9,888</u>
Total support services	<u>278,855</u>	-	<u>278,855</u>	<u>369,850</u>
Total expenses	<u>1,325,140</u>	-	<u>1,325,140</u>	<u>1,356,978</u>
Increase (decrease) in net assets	33,253	(21,725)	11,528	(73,248)
Transfer to temporarily restricted net assets	(23,192)	23,192	-	-
Net assets, beginning of year	<u>(144,402)</u>	<u>789,381</u>	<u>644,979</u>	<u>718,227</u>
Net assets, end of year	<u>\$ (134,341)</u>	<u>\$ 790,848</u>	<u>\$ 656,507</u>	<u>\$ 644,979</u>

See accompanying notes to financial statements.

**FOX VALLEY UNITED WAY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
for the year ended June 30, 2015  
(With Summarized Financial Information for the year ended June 30, 2014)

	Program Services				Support Services			Total Program and Support Service Expenses	
	Allocation Services	SPARK	Volunteer	Total	Organizational Administration	Fund Raising	Total	2015	2014
		Early Learning Initiative	Fox Valley						
<b>FUNCTIONAL EXPENSES</b>									
Allocations/ awards to agencies	\$ 554,229	\$ -	\$ -	\$ 554,229	\$ -	\$ -	\$ -	\$ 554,229	\$ 645,223
Less: donor designations	(35,384)	-	-	(35,384)	-	-	-	(35,384)	(34,445)
Net allocations/awards to agencies	518,845	-	-	518,845	-	-	-	518,845	610,778
Payroll expenses									
Salaries	101,044	111,796	-	212,840	45,417	58,047	103,464	316,304	305,069
Payroll taxes	7,571	7,910	-	15,481	3,628	4,574	8,202	23,683	23,818
Employee benefits	23,272	13,759	-	37,031	11,151	14,060	25,211	62,242	57,361
Retirement plan	4,897	5,100	-	9,997	2,346	2,958	5,304	15,301	13,767
Total payroll expenses	136,784	138,565	-	275,349	62,542	79,639	142,181	417,530	400,015
Contract services	-	-	-	-	-	824	824	824	514
Accounting and legal fees	346	4,331	-	4,677	48,934	-	48,934	53,611	52,881
Supplies	1,980	6,940	-	8,920	926	6,539	7,465	16,385	11,027
Printing and publications	1,820	17,426	-	19,246	805	5,364	6,169	25,415	22,098
Postage and shipping	666	100	-	766	367	463	830	1,596	965
Telephone	208	1,104	-	1,312	628	820	1,448	2,760	2,592
Information technology and support	4,172	1,546	4,000	9,718	6,078	7,797	13,875	23,593	31,106
Office rent	2,140	10,699	-	12,839	6,152	7,757	13,909	26,748	26,031
Utilities and maintenance	502	2,512	-	3,014	1,445	1,822	3,267	6,281	6,343
Conferences and meetings	1,247	15,952	-	17,199	409	516	925	18,124	4,464
Travel	581	1,899	-	2,480	278	351	629	3,109	3,327
Insurance	2,821	-	-	2,821	1,352	2,032	3,384	6,205	6,635
Special event expenses	-	-	-	-	-	9,547	9,547	9,547	10,365
Other event expenses	-	-	-	-	-	-	-	-	1,105
Advertising and marketing	34,742	2,982	1,058	38,782	1,147	20,740	21,887	60,669	64,533
Other professional services	261	95,374	-	95,635	125	157	282	95,917	28,707
Equipment lease and maintenance	309	1,139	-	1,448	694	875	1,569	3,017	3,547
Community and youth initiative grants	26,250	-	-	26,250	-	-	-	26,250	59,500
Dues and subscriptions	1,196	141	-	1,337	573	723	1,296	2,633	2,540
Bank fees	509	15	-	524	245	309	554	1,078	555

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY  
STATEMENT OF FUNCTIONAL EXPENSES, continued  
for the year ended June 30, 2015  
(With Summarized Financial Information for the year ended June 30, 2014)

	Program Services				Support Services			Total Program and Support Service Expenses	
	Allocation Services	SPARK	Volunteer	Total	Organizational Administration	Fund	Total	2015	2014
		Early Learning Initiative	Fox Valley			Raising			
FUNCTIONAL EXPENSES, continued									
Penalties and late fees	-	-	-	-	-	-	-	-	5
Holiday assistance	4,240	-	-	4,240	-	-	-	4,240	6,081
Miscellaneous expense	-	-	-	-	1,194	-	1,194	1,194	106
Depreciation expense	132	751	-	883	63	80	143	1,026	1,635
Other expenses	84,122	162,911	5,058	252,091	71,415	66,716	138,131	390,222	346,662
United Way Worldwide dues	-	-	-	-	8,090	-	8,090	8,090	9,888
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 739,751</u>	<u>\$ 301,476</u>	<u>\$ 5,058</u>	<u>\$ 1,046,285</u>	<u>\$ 142,047</u>	<u>\$ 146,355</u>	<u>\$ 288,402</u>	<u>\$ 1,334,687</u>	<u>\$ 1,367,343</u>

See accompanying notes to financial statements.



FOX VALLEY UNITED WAY  
STATEMENT OF CASH FLOWS  
for the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ 11,528	\$ (73,248)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,026	1,635
Changes in assets and liabilities		
Contributions receivable	(1,095)	164,553
Grants receivable	34,391	(91,949)
Prepaid expenses	363	2,270
Other receivables	1,195	1,265
Accounts payable	12,578	3,601
Accrued expenses	9,711	(3,287)
Allocations payable	(6,925)	(58,983)
Designations payable	6,991	19,678
Net cash provided by (used in) operating activities	<u>69,763</u>	<u>(34,465)</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(2,335)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,335)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	67,428	(34,465)
Cash and cash equivalents, beginning of year	<u>397,841</u>	<u>432,306</u>
Cash and cash equivalents, end of year	<u>\$ 465,269</u>	<u>\$ 397,841</u>

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

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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 a website that connects volunteers with local nonprofit agencies. Governed by a volunteer Board of Directors, the Organization has committed to complying with the United Way Worldwide 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.

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

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.

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  
June 30, 2015

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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, 2015 and 2014 was \$1,026 and \$1,635, 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.

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 based on prior years' experience. Campaign pledges receivable at June 30, 2015 are expected to be collected within one year and are included in temporarily restricted net assets.

Allocations

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.

Advertising Costs

The Organization expenses advertising costs as incurred. Expenses incurred were \$60,669 and \$64,533 for the years ended June 30, 2015 and 2014, respectively.

FOX VALLEY UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

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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.

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, 2014, from which the summarized information was derived.

3. OTHER RECEIVABLES

Other receivables consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Accounts receivable - insurance	\$ -	\$ 1,411
Accounts receivable - other	216	-
Rent deposit	2,000	2,000
	<u>\$ 2,216</u>	<u>\$ 3,411</u>

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

FOX VALLEY UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

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4. CONCENTRATION OF CREDIT RISK

The Organization maintains its bank account balances in one financial institution. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured bank deposits at June 30, 2015 or 2014. Cash equivalent amounts invested in the repurchase sweep investment accounts are not insured nor guaranteed by the United States government or its agencies.

5. CONTRIBUTED MATERIALS AND SERVICES

The Organization records various types of in-kind contributions. 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. Contributions of tangible assets are recognized at fair value when received. 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:

	<u>2015</u>	<u>2014</u>
Advertising and marketing	\$ 40,815	\$ 48,009
Printing	3,671	4,456
Supplies	1,110	2,200
Computer support	<u>15,510</u>	<u>22,395</u>
	<u>\$ 61,106</u>	<u>\$ 77,060</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 as it does not meet the requirements for recognition under generally accepted accounting principles.

6. 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, 2015 and 2014, the Organization contributed 5% of all participants' compensation to the Plan. The Organization's pension plan expense for the fiscal years ended June 30, 2015 and 2014 was \$15,301 and \$13,767, respectively.

FOX VALLEY UNITED WAY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

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7. RENTAL AGREEMENTS

On September 1, 2010, the Organization entered into a lease agreement for office space that expires on October 15, 2015. 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 noncancelable operating lease that began on October 23, 2013 and expires on January 23, 2019. Monthly lease payments include sales tax and charges for excess copies.

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

2016	\$	8,853
2017		2,100
2018		2,100
2019		1,225

Rent expense recorded for the years ended June 30, 2015 and 2014 totaled \$28,323 and \$27,708, respectively.

8. TEMPORARILY RESTRICTED NET ASSETS

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

	2015	2014
Youth programs	\$ 58,250	\$ 37,106
SPARK Early Learning Initiative	149,208	150,150
Volunteer Fox Valley	24,115	-
Pledges received-next year's campaign	-	935
Other specific grant purposes	6,301	7,630
	\$ 237,874	\$ 195,821

FOX VALLEY UNITED WAY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

8. TEMPORARILY RESTRICTED NET ASSETS (continued)

Temporarily restricted net assets at June 30 consisted of amounts receivable for the following purposes:

	2015	2014
Youth programs	\$ 50,000	\$ 50,000
SPARK Early Learning Initiative	109,548	145,000
Other specific grant purposes	1,061	-
Pledges receivable	392,365	398,560
	<u>\$ 552,974</u>	<u>\$ 593,560</u>
Total temporarily restricted net assets	<u>\$ 790,848</u>	<u>\$ 789,381</u>

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

	2015	2014
Food and shelter assistance programs	\$ 2,123	\$ 1,809
Youth programs	28,856	58,000
SPARK early learning initiative	301,476	201,092
Volunteer Fox Valley	885	-
Other specific grant purposes	4,240	6,081
Campaign funds released	399,495	438,676
	<u>\$ 737,075</u>	<u>\$ 705,658</u>

9. ENDOWMENT FUND

In 1999 the Organization established an endowment fund with the Community Foundation of the Fox River Valley to be used for support of the mission or activities of the Organization or its affiliated agencies. The fund is considered 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. At June 30, 2015 the fair value of the endowment fund was \$41,537. For the years ended June 30, 2015 and 2014, net income available for distribution amounted to \$10,385 and \$8,912, respectively.

10. 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, 2015 and 2014 amounted to \$21,078 and \$12,545, respectively.

FOX VALLEY UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

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11. 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 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, 2015, and there were no accruals for interest and penalties at June 30, 2015. The 2012-2014 tax years for federal and state of Illinois income tax returns (the Organization's major tax jurisdictions) remain open and are subject to examination.

12. SUBSEQUENT EVENTS

Effective September 1, 2015, the Organization executed a renewal lease for the office space with a term of five years beginning October 15, 2015 and expiring October 15, 2020. Initial monthly rental payments due under the lease amount to \$2,319 with annual increases of 3% thereafter.

Management has evaluated subsequent events through December 16, 2015, the date the financial statements were available to be issued.