

FOX VALLEY UNITED WAY  
FINANCIAL STATEMENTS  
with  
INDEPENDENT AUDITORS' REPORT  
for the year ended June 30, 2012  
(with summarized financial information  
for the year ended June 30, 2011)

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

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FOX VALLEY UNITED WAY  
INDEX TO FINANCIAL STATEMENTS

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# *Weber & Associates CPAs, LLC*

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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, 2012, 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 2011 financial statements and, in our report dated December 8, 2011, 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, 2012, 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 13, 2012

FOX VALLEY UNITED WAY  
STATEMENT OF FINANCIAL POSITION  
as of June 30, 2012 and 2011

|  | 2012                       | 2011                       |
|--|----------------------------|----------------------------|
| <b>ASSETS</b>  |                            |                            |
| Current assets   |                            |                            |
| Cash   | \$ 568,834                 | \$ 596,235                 |
| Contributions receivable, net of allowance for<br>uncollectible amounts of \$149,822 and \$136,000<br>as of June 30, 2012 and 2011, respectively | 457,838                    | 465,524                    |
| Grant receivable   | 77,315                     | 15,000                     |
| Other receivables  | 4,618                      | 3,803                      |
| Prepaid expenses   | 13,921                     | 10,991                     |
| Total current assets   | <u>1,122,526</u>           | <u>1,091,553</u>           |
| Property and equipment, at cost  |                            |                            |
| Furniture and equipment  | 111,602                    | 110,860                    |
| Less: accumulated depreciation   | <u>(106,934)</u>           | <u>(102,501)</u>           |
| Net property and equipment   | <u>4,668</u>               | <u>8,359</u>               |
| Total assets   | <u><u>\$ 1,127,194</u></u> | <u><u>\$ 1,099,912</u></u> |
| <b>LIABILITIES AND NET ASSETS</b>  |                            |                            |
| Current liabilities  |                            |                            |
| Accounts payable   | \$ 7,865                   | \$ 11,125                  |
| Accrued expenses   | 16,357                     | 19,743                     |
| Grants payable   | -                          | 15,891                     |
| Allocations payable  | 387,100                    | 376,059                    |
| Designations payable to other agencies   | <u>19,115</u>              | <u>13,043</u>              |
| Total current liabilities  | <u>430,437</u>             | <u>435,861</u>             |
| Net assets   |                            |                            |
| Unrestricted   | (22,881)                   | 149,038                    |
| Temporarily restricted   | <u>719,638</u>             | <u>515,013</u>             |
| Total net assets   | <u>696,757</u>             | <u>664,051</u>             |
| Total liabilities and net assets   | <u><u>\$ 1,127,194</u></u> | <u><u>\$ 1,099,912</u></u> |

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY  
STATEMENT OF ACTIVITIES  
for the year ended June 30, 2012  
(With Summarized Financial Information for the year ended June 30, 2011)

|  | Unrestricted | Temporarily<br>Restricted | Totals       |              |
|--|--------------|---------------------------|--------------|--------------|
|  |              |                           | 2012         | 2011         |
| Public support and other revenue               |              |                           |              |              |
| Gross campaign contributions                   | \$ 669,567   | \$ 446,455                | \$ 1,116,022 | \$ 1,109,943 |
| Less:  |              |                           |              |              |
| Donor-designated contributions                 | (37,311)     | -                         | (37,311)     | (35,121)     |
| Designations paid by others                    | (73,641)     | -                         | (73,641)     | (73,239)     |
| Provision for uncollectible contributions      | (81,416)     | -                         | (81,416)     | (98,283)     |
| Net campaign revenue                           | 477,199      | 446,455                   | 923,654      | 903,300      |
| Designations received from other organizations | 56,493       | -                         | 56,493       | 100,651      |
| Service fees                                   | 204          | -                         | 204          | 88           |
| Fundraising fees                               | 3,540        | -                         | 3,540        | 4,275        |
| Grants and contributions                       | 32,816       | 272,010                   | 304,826      | 186,464      |
| Donations in kind                              | 72,992       | -                         | 72,992       | 57,084       |
| Interest income                                | 61           | 15                        | 76           | 1,010        |
| Miscellaneous income                           | -            | -                         | -            | 103          |
| Net assets released from restriction           | 528,855      | (528,855)                 | -            | -            |
| Total revenue                                  | 1,172,160    | 189,625                   | 1,361,785    | 1,252,975    |
| Expenses                                       |              |                           |              |              |
| Program services                               |              |                           |              |              |
| Net funds awarded/distributed                  | 904,050      | -                         | 904,050      | 955,527      |
| SPARK Early Learning Initiative                | 24,028       | -                         | 24,028       | -            |
| Total program services                         | 928,078      | -                         | 928,078      | 955,527      |
| Support services                               |              |                           |              |              |
| Organizational administration                  | 196,069      | -                         | 196,069      | 178,446      |
| Fundraising                                    | 193,744      | -                         | 193,744      | 255,701      |
| United Way dues                                | 11,188       | -                         | 11,188       | 10,244       |
| Total support services                         | 401,001      | -                         | 401,001      | 444,391      |
| Total expenses                                 | 1,329,079    | -                         | 1,329,079    | 1,399,918    |
| Increase (decrease) in net assets              | (156,919)    | 189,625                   | 32,706       | (146,943)    |
| Transfer to temporarily restricted net assets  | (15,000)     | 15,000                    | -            | -            |
| Net assets, beginning of year                  | 149,038      | 515,013                   | 664,051      | 810,994      |
| Net assets, end of year                        | \$ (22,881)  | \$ 719,638                | \$ 696,757   | \$ 664,051   |

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY  
STATEMENT OF FUNCTIONAL EXPENSES  
for the year ended June 30, 2012  
(With Summarized Financial Information for the year ended June 30, 2011)

|                               | Program Services    |                                    |            | Support Services              |              |         | Total Program and Support Service Expenses |            |            |
|-------------------------------|---------------------|------------------------------------|------------|-------------------------------|--------------|---------|--|------------|------------|
|                               | Allocation Services | SPARK<br>Early Learning Initiative | Total      | Organizational Administration | Fund Raising | UW Dues | Total                                      | 2012       | 2011       |
| FUNCTIONAL EXPENSES           |                     |                                    |            |                               |              |         |  |            |            |
| Allocations / awards          | \$ 777,084          | \$ -                               | \$ 777,084 | \$ -                          | \$ -         | \$ -    | \$ -                                       | \$ 777,084 | \$ 896,445 |
| Less: donor designations      | (27,356)            | -                                  | (27,356)   | -                             | -            | -       | -  | (27,356)   | (26,076)   |
| Total allocations/awards      | 749,728             | -                                  | 749,728    | -                             | -            | -       | -  | 749,728    | 870,369    |
| Payroll expenses              |                     |                                    |            |                               |              |         |  |            |            |
| Salaries                      | 42,054              | 15,346                             | 57,400     | 73,594                        | 94,621       | -       | 168,215                                    | 225,615    | 214,075    |
| Payroll taxes                 | 3,766               | 2,341                              | 6,107      | 6,591                         | 8,474        | -       | 15,065                                     | 21,172     | 18,216     |
| Employee benefits             | 7,845               | -                                  | 7,845      | 13,730                        | 17,652       | -       | 31,382                                     | 39,227     | 37,232     |
| Profit sharing plan           | 2,123               | -                                  | 2,123      | 3,713                         | 4,774        | -       | 8,487                                      | 10,610     | 8,255      |
| Total payroll expenses        | 55,788              | 17,687                             | 73,475     | 97,628                        | 125,521      | -       | 223,149                                    | 296,624    | 277,778    |
| Contract services             | -                   | -                                  | -          | -                             | 839          | -       | 839  | 839        | 2,123      |
| Accounting and legal fees     | 190                 | -                                  | 190        | 52,403                        | 427          | -       | 52,830                                     | 53,020     | 53,757     |
| Supplies                      | 591                 | -                                  | 591        | 1,035                         | 8,273        | -       | 9,308                                      | 9,899      | 11,207     |
| Printing and publications     | 1,146               | 71                                 | 1,217      | 2,006                         | 3,556        | -       | 5,562                                      | 6,779      | 8,270      |
| Postage and shipping          | 418                 | -                                  | 418        | 530                           | 682          | -       | 1,212                                      | 1,630      | -          |
| Telephone                     | 437                 | -                                  | 437        | 764                           | 981          | -       | 1,745                                      | 2,182      | 2,920      |
| Computer and software support | 372                 | -                                  | 372        | 17,647                        | 837          | -       | 18,484                                     | 18,856     | 1,390      |
| Office rent                   | 4,908               | -                                  | 4,908      | 8,589                         | 11,043       | -       | 19,632                                     | 24,540     | 25,550     |
| Utilities and maintenance     | 1,337               | -                                  | 1,337      | 2,340                         | 3,008        | -       | 5,348                                      | 6,685      | 6,182      |
| Meetings                      | 99                  | -                                  | 99         | 129                           | 175          | -       | 304  | 403        | 2,966      |
| Travel                        | 521                 | 160                                | 681        | 912                           | 1,173        | -       | 2,085                                      | 2,766      | 3,380      |
| Insurance                     | 1,095               | -                                  | 1,095      | 1,916                         | 2,463        | -       | 4,379                                      | 5,474      | 5,706      |
| Events expense                | 4,250               | -                                  | 4,250      | -                             | 21,034       | -       | 21,034                                     | 25,284     | 13,220     |
| Advertising                   | 45,161              | 350                                | 45,511     | 4,125                         | 9,295        | -       | 13,420                                     | 58,931     | 75,145     |
| Other professional services   | 36,146              | 5,760                              | 41,906     | 191                           | 246          | -       | 437  | 42,343     | 13,775     |
| Equipment                     | 378                 | -                                  | 378        | 3,256                         | 850          | -       | 4,106                                      | 4,484      | 1,868      |
| Moving expenses               | -                   | -                                  | -          | -                             | -            | -       | -  | -          | 4,534      |
| Dues and subscriptions        | 484                 | -                                  | 484        | 848                           | 1,090        | -       | 1,938                                      | 2,422      | 2,125      |
| Bank fees                     | 79                  | -                                  | 79         | 139                           | 179          | -       | 318  | 397        | 779        |

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY  
STATEMENT OF FUNCTIONAL EXPENSES, continued  
for the year ended June 30, 2012  
(With Summarized Financial Information for the year ended June 30, 2011)

|                                | Program Services    |                           |                   | Support Services              |                   |                  |                   | Total Program and Support Service Expenses |                     |
|--------------------------------|---------------------|---------------------------|-------------------|-------------------------------|-------------------|------------------|-------------------|--|---------------------|
|                                | SPARK               |                           |                   | Organizational Administration | Fund Raising      | UW Dues          | Total             | 2012                                       | 2011                |
|                                | Allocation Services | Early Learning Initiative | Total             |                               |                   |                  |                   |  |                     |
| FUNCTIONAL EXPENSES, continued |                     |                           |                   |                               |                   |                  |                   |  |                     |
| Penalties and late fees        | 17                  | -                         | 17                | 29                            | 37                | -                | 66                | 83   | 240                 |
| Awards                         | -                   | -                         | -                 | -                             | -                 | -                | -                 | -  | 65                  |
| Miscellaneous expense          | 18                  | -                         | 18                | 31                            | 40                | -                | 71                | 89   | 370                 |
| Depreciation expense           | 887                 | -                         | 887               | 1,551                         | 1,995             | -                | 3,546             | 4,433                                      | 5,955               |
| Other expenses                 | 98,534              | 6,341                     | 104,875           | 98,441                        | 68,223            | -                | 166,664           | 271,539                                    | 241,527             |
| United Way dues                | -                   | -                         | -                 | -                             | -                 | 11,188           | 11,188            | 11,188                                     | 10,244              |
| TOTAL FUNCTIONAL EXPENSES      | <u>\$ 904,050</u>   | <u>\$ 24,028</u>          | <u>\$ 928,078</u> | <u>\$ 196,069</u>             | <u>\$ 193,744</u> | <u>\$ 11,188</u> | <u>\$ 401,001</u> | <u>\$ 1,329,079</u>                        | <u>\$ 1,399,918</u> |

See accompanying notes to financial statements.

FOX VALLEY UNITED WAY  
STATEMENT OF CASH FLOWS  
for the years ended June 30, 2012 and 2011

|  | 2012       | 2011         |
|--|------------|--------------|
| Cash flows from operating activities   |            |              |
| Change in net assets   | \$ 32,706  | \$ (146,943) |
| Adjustments to reconcile change in net assets<br>to net cash from operating activities |            |              |
| Depreciation   | 4,433      | 5,955        |
| Contributed equipment  | (742)      | -            |
| Changes in assets and liabilities  |            |              |
| Contributions receivable   | 7,686      | 47,442       |
| Grant receivable   | (62,315)   | (15,000)     |
| Prepaid expenses   | (2,930)    | (1,750)      |
| Other receivables  | (815)      | (1,143)      |
| Accounts payable   | (3,260)    | (7,586)      |
| Accrued expenses   | (3,386)    | 910          |
| Grants payable   | (15,891)   | (24,230)     |
| Allocations payable  | 11,041     | 2,261        |
| Designations payable   | 6,072      | (5,849)      |
| Net cash used in operating activities  | (27,401)   | (145,933)    |
| Cash flows from investing activities   |            |              |
| Purchase of property and equipment   | -          | (2,695)      |
| Net cash used in investing activities  | -          | (2,695)      |
| Net decrease in cash and cash equivalents  | (27,401)   | (148,628)    |
| Cash and cash equivalents, beginning of year   | 596,235    | 744,863      |
| Cash and cash equivalents, end of year   | \$ 568,834 | \$ 596,235   |

Noncash investing and financing activities:

Contributed equipment of \$742 was capitalized during the year ended June 30, 2012.

See accompanying notes to financial statements.



FOX VALLEY UNITED WAY  
NOTES TO FINANCIAL STATEMENTS

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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 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

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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, 2012 and 2011 was \$4,433 and \$5,955, 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 uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience. The Organization expects to receive contributions receivable at June 30, 2012 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 \$58,931 and \$75,145 for the years ended June 30, 2012 and 2011, respectively.

FOX VALLEY UNITED WAY  
NOTES TO FINANCIAL STATEMENTS, continued

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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, 2011, 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. OTHER RECEIVABLES

Other receivables consist of the following at June 30:

|                                 | <u>2012</u>     | <u>2011</u>     |
|---------------------------------|-----------------|-----------------|
| Accounts receivable - insurance | \$ 2,618        | \$ 1,803        |
| Rent deposit                    | <u>2,000</u>    | <u>2,000</u>    |
|                                 | <u>\$ 4,618</u> | <u>\$ 3,803</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, continued

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4. 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, 2012 and 2011.

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>2012</u>      | <u>2011</u>      |
|-------------------------|------------------|------------------|
| Advertising             | \$ 41,273        | \$ 45,179        |
| Photography and video   | 8,375            | 7,450            |
| Printing                | 1,411            | 2,460            |
| Campaign supplies       | 1,600            | 775              |
| Equipment               | 3,338            | -                |
| Computer support        | 16,995           | -                |
| Repairs and maintenance | -                | 1,220            |
|                         | <u>\$ 72,992</u> | <u>\$ 57,084</u> |

In addition, 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.

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, 2012 and 2011, the Organization contributed 5% of all participants' compensation to the Plan. The Organization's pension plan expense for the fiscal years ended June 30, 2012 and 2011 was \$10,610 and \$8,255, respectively.

FOX VALLEY UNITED WAY  
NOTES TO FINANCIAL STATEMENTS, continued

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7. RENTAL AGREEMENTS

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.

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

|      |           |
|------|-----------|
| 2013 | \$ 25,278 |
| 2014 | 26,031    |
| 2015 | 26,814    |
| 2016 | 6,753     |

Rent expense recorded for the years ended June 30, 2012 and 2011 totaled \$24,540 and \$25,550, respectively.

8. 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, 2012 and 2011, no accumulated income was distributed.

9. TEMPORARILY RESTRICTED NET ASSETS

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

|                                      | <u>2012</u>       | <u>2011</u>      |
|--------------------------------------|-------------------|------------------|
| Food and shelter assistance programs | \$ 20,728         | \$ 21,765        |
| Youth programs                       | 8,800             | 18,000           |
| SPARK early learning initiative      | 191,979           | -                |
| Other specific grant purposes        | 4,361             | 22,979           |
|                                      | <u>\$ 225,868</u> | <u>\$ 62,744</u> |

FOX VALLEY UNITED WAY  
NOTES TO FINANCIAL STATEMENTS, continued

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9. TEMPORARILY RESTRICTED NET ASSETS, continued

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

|   | <u>2012</u>       | <u>2011</u>       |
|---|-------------------|-------------------|
| Youth programs                          | \$ 47,315         | \$ -              |
| Pledges receivable                      | 446,455           | 452,269           |
|   | <u>\$ 493,770</u> | <u>\$ 452,269</u> |
| Total temporarily restricted net assets | <u>\$ 719,638</u> | <u>\$ 515,013</u> |

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

|                                      | <u>2012</u>       | <u>2011</u>       |
|--------------------------------------|-------------------|-------------------|
| Programs benefiting the elderly      | \$ 7              | 56,012            |
| Food and shelter assistance programs | 2,027             | 13,581            |
| Youth programs                       | 9,200             | 65,500            |
| SPARK early learning initiative      | 24,029            | -                 |
| Other specific grant purposes        | 41,323            | 63,447            |
| Campaign funds released              | 452,269           | 494,089           |
|                                      | <u>\$ 528,855</u> | <u>\$ 692,629</u> |

10. 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.

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, 2012, and there were no accruals for interest and penalties at June 30, 2012. The 2009-2011 tax years for federal and state of Illinois income tax returns (the Organization's major tax jurisdictions) remain open and are subject to examination.

FOX VALLEY UNITED WAY  
NOTES TO FINANCIAL STATEMENTS, continued

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11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 13, 2012, the date the financial statements were available to be issued.