

**WAVERLY-SHELL ROCK AREA
UNITED WAY, INC.**

FINANCIAL STATEMENTS

December 31, 2024 and 2023

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Independent Accountant's Review Report

To the Board of Directors
Waverly-Shell Rock Area United Way, Inc.
Waverly, IA 50677

I have reviewed the accompanying financial statements of Waverly-Shell Rock Area United Way, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024 and 2023 and the related statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Waverly-Shell Rock Area United Way, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Keith Oltrogge
Certified Public Accountant

Denver, Iowa
January 31, 2025

WAVERLY-SHELL ROCK AREA UNITED WAY, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

-ASSETS-

	2024		Total	
	Without Donor Restrictions	With Donor Restrictions	Memo Only 2024	Memo Only 2023
CURRENT ASSETS:				
Cash	\$ 257,545	\$ 11,881	\$ 269,426	\$ 206,255
Pledges Receivable, Net of Allowance for Uncollectible Pledges of \$500 and \$500 respectively at December 31, 2024 and 2023	179,500	-	179,500	212,715
Operating lease right-of-use asset	7,200	-	7,200	-
Total Current Assets	<u>\$ 444,245</u>	<u>\$ 11,881</u>	<u>\$ 456,126</u>	<u>\$ 418,970</u>
FIXED ASSETS:				
Equipment	\$ 10,243	\$ -	\$ 10,243	\$ 10,243
Accumulated Depreciation	-9,768	-	-9,768	-9,053
Net Fixed Assets	<u>\$ 475</u>	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ 1,190</u>
TOTAL ASSETS	<u>\$ 444,720</u>	<u>\$ 11,881</u>	<u>\$ 456,601</u>	<u>\$ 420,160</u>

-LIABILITIES AND NET ASSETS-

CURRENT LIABILITIES:				
Payroll Liabilities	\$ 2,157	\$ -	\$ 2,157	\$ 1,815
Due to Agencies	\$ 149,450	\$ -	\$ 149,450	\$ 149,450
Operating lease liability - Current	\$ 7,200	\$ -	\$ 7,200	\$ -
Total Liabilities	<u>\$ 158,807</u>	<u>\$ -</u>	<u>\$ 158,807</u>	<u>\$ 151,265</u>
NET ASSETS	<u>\$ 285,913</u>	<u>\$ 11,881</u>	<u>\$ 297,794</u>	<u>\$ 268,895</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 444,720</u>	<u>\$ 11,881</u>	<u>\$ 456,601</u>	<u>\$ 420,160</u>

The accompanying notes are an integral part of this statement.

WAVERLY-SHELL ROCK AREA UNITED WAY, INC.

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2024 and 2023

	2024		Total	
	Without Donor Restrictions	With Donor Restrictions	Memo Only 2024	Memo Only 2023
PUBLIC SUPPORT AND REVENUES:				
Pledges and Donations	\$ 240,632	\$ 963	\$ 241,595	\$ 189,303
COVID Vaccine Promotion	51,389	-	51,389	41,582
Grants	80,500	-	80,500	47,675
Interest Income	707	4	711	717
Total Public Support and Revenues	\$ 373,228	\$ 967	\$ 374,195	\$ 279,277
EXPENSES:				
Program Services:				
Agency Funding	\$ 135,000	\$ -	\$ 135,000	\$ 135,000
Marketing and Advertising	3,536	-	3,536	4,156
COVID Vaccine Promotion	-	-	-	88,835
Salaries	46,333	-	46,333	43,235
Payroll Taxes	3,630	-	3,630	3,307
Telephone	1,189	-	1,189	903
Travel/Mileage	980	-	980	805
Other Costs	13,130	-	13,130	1,962
Program Sponsorship	74,481	796	75,277	41,799
Total Program Services	\$ 278,279	\$ 796	\$ 279,075	\$ 320,002
Support Services:				
Management and General:				
Salaries	\$ 15,444	\$ -	\$ 15,444	\$ 14,411
Payroll Taxes	1,210	-	1,210	1,103
Benefits	3,089	-	3,089	2,789
Contract Labor	10,000	-	10,000	10,001
Professional Fees	1,500	-	1,500	1,300
Postage	3,671	-	3,671	2,760
Telephone	396	-	396	301
Education	885	-	885	846
Dues and Assessments	4,568	-	4,568	2,556
Miscellaneous	6,227	-	6,227	1,801
Insurance	1,903	-	1,903	1,410
Rent	3,600	-	3,600	-
Office Supplies	12,649	-	12,649	3,538
Travel/Mileage	327	-	327	268
Utilities	37	-	37	-
Depreciation	715	-	715	756
Total Management and General	\$ 66,221	\$ -	\$ 66,221	\$ 43,840
Total Expenses	\$ 344,500	\$ 796	\$ 345,296	\$ 363,842
CHANGE IN NET ASSETS	\$ 28,728	\$ 171	\$ 28,899	\$ -84,565

The accompanying notes are an integral part of this statement.

WAVERLY-SHELL ROCK AREA UNITED WAY, INC.

STATEMENTS OF CHANGES IN NET ASSETS
For the Years Ended December 31, 2024 and 2023

	2024		Total	
	Without Donor Restrictions	With Donor Restrictions	Memo Only 2024	Memo Only 2023
NET ASSETS AT BEGINNING OF THE YEAR	\$ 257,185	\$ 11,710	\$ 268,895	\$ 353,460
Change in Net Assets	28,728	171	28,899	-84,565
NET ASSETS AT END OF YEAR	\$ 285,913	\$ 11,881	\$ 297,794	\$ 268,895

The accompanying notes are an integral part of this statement.

WAVERLY-SHELL ROCK AREA UNITED WAY, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	2024		Total	
	Without Donor Restrictions	With Donor Restrictions	Memo Only 2024	Memo Only 2023
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in Net Assets	\$ 28,728	\$ 171	\$ 28,899	\$ -84,565
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:				
Depreciation	715	-	715	756
(Increase) Decrease in Pledges Receivable	33,215	-	33,215	-17,154
Increase (Decrease) in payroll liabilities	-342	-	-342	30
Increase (Decrease) in due to agency	-	-	-	14,450
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 62,316	\$ 171	\$ 62,487	\$ -86,483
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Income Reinvested	\$ 684	\$ -	\$ 684	\$ -
Maturity of CD's	-	-	-	8,295
Purchase of Equipment	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 684	\$ -	\$ 684	\$ 8,295
NET INCREASE (DECREASE) IN CASH	\$ 63,000	\$ 171	\$ 63,171	\$ -78,188
CASH AT BEGINNING OF YEAR	194,545	11,710	206,255	284,443
CASH AT END OF YEAR	\$ 257,545	\$ 11,881	\$ 269,426	\$ 206,255
CASH IS COMPRISED OF:				
Cash-checking (Operating Account)			\$ 133,186	\$ 68,359
First Bank Savings			29,912	29,762
Go-Hawk Family Assistance Account			7,724	7,252
Reserve Account			85,119	84,693
Riptide			4,157	4,458
Holiday Shoppe Checking			9,328	11,731
			<u>\$ 269,426</u>	<u>\$ 206,255</u>
SUPPLEMENTAL DISCLOSURES:				
Cash Paid for Interest			-	-

The accompanying notes are an integral part of this statement.

WAVERLY-SHELL ROCK AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Waverly-Shell Rock Area United Way, Inc. (the Organization) is a non-profit Iowa corporation. The Organization strives to meet the human services needs of the community through the development and effective distribution of resources.

Method of Accounting – The financial statements of the Organization have been prepared utilizing the accrual basis of accounting.

Basis of Presentation – The Organization has adopted Accounting Standards for Accounting for Contributions Received and Made and Financial Statements of Not-for-Profit Organizations, and applied these standards on a retroactive basis. These accounting standards established standards for external reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally (donor) imposed restrictions. The accounting standards require that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with the donor imposed restrictions. A description of the two net asset categories is as follows:

Net Assets Without Donor Restrictions – This category of net assets includes unrestricted contributions and expenses associated with the principle activity of the Organization.

Net Assets With Donor Restrictions – This category of net assets includes gifts and income for which donor imposed restrictions have not been met or gifts, trusts and pledges which require, by donor restriction, that the corpus of the gift be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

There are net assets with donor restrictions totaling \$11,881 at December 31, 2024.

Pledges and Contributions – The Organization engages in periodic fundraising campaigns manifested by offering telephone, mail and other fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Organization for enhancement of the programs and operating expenses. Financial contributions are frequently evidenced by pledges received from responding supporters. Contributions including unconditional promises to give are recognized as revenue in the period received or given. However, uncollected pledges are not enforceable against contributors. An allowance for uncollectible contributions receivable is provided based on the Organization's judgment including such factors as prior collection history and type of contribution. All pledges receivable are promises to give within one year of December 31, 2024. Contributions and collected pledges are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Organization. This usage is consistent with appeals for contributions and pledges.

WAVERLY-SHELL ROCK AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments – The Organization elected to adopt Accounting Standards for Accounting for Certain Investments Held by Not-for-Profit Organizations in 1996. Under these accounting standards, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Income Taxes – The Corporation is exempt from Federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The tax exempt status is also recognized by the State of Iowa. Accordingly, no provision for income taxes has been made.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Cash Equivalents – Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Total (Memo Only) – The total column on the comparative statements is captioned “Memo Only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

Property and Equipment – Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. Depreciation is provided on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Equipment	3-5
Furniture and fixtures	10

Contributed Services – A large number of members/directors have contributed significant amounts of time to program services of the Organization. The financial statements do not reflect the value of those contributed services because, although clearly substantial, no reliable basis exists for reasonably determining an appropriate amount.

WAVERLY-SHELL ROCK AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2– FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization’s financial instruments, none of which are held for trading purposes, include cash and investments. The Organization estimates that the fair value of all financial instruments at December 31, 2024 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by investment companies, using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable – net allowances for uncollectable pledges consists of the following at December 31:

Campaign 2025	\$ 179,500
	<u>\$ 179,500</u>

NOTE 4 – CASH AND INVESTMENTS

Interest Rate Risk – The Organization manages interest rate risk with segmented time distribution.

The Organization maintains its cash and investments at one financial institution, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in their accounts. The Organization believes it is not exposed to any significant credit risk. At December 31, 2024, the Organization’s cash exceeded the FDIC limit by \$19,441.

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2024 and 2023.

	2024	2023
Interest Income – without donor restriction	\$ 707	\$ 712
Interest Income – with donor restriction	4	5
Total	<u>\$ 711</u>	<u>\$ 717</u>

WAVERLY-SHELL ROCK AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Equipment	\$	7,343
Furniture and fixtures		2,900
	\$	10,243
Accumulated depreciation		-9,768
Total	\$	475

Depreciation expense was \$715 in 2024.

NOTE 6 – OPERATING LEASES

At December 31, 2024, the Organization leases its offices under operating leases with a 1 year term. The lease is subject to revision or renewal at that time, starting September 1, 2024 for \$900 per month. The exercise of this renewal option is at the sole discretion of the Organization, and only lease options that the organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

The following summarizes the line items in the balance sheet which include amounts for the operating lease as of December 31, 2024:

Operating lease right-of-use asset:	\$	7,200
Operating lease liabilities – current:	\$	7,200

NOTE 7 – RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Organization assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 31, 2025, which is the date the financial statements were available to be issued.

WAVERLY-SHELL ROCK AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 9 – DUE TO AGENCIES

This liability represents the Organization's funding of local agencies, with the funds raised in Campaign 2024 and 2023. The following is a list of the agencies and the amounts designated:

	2025	2024
AIM Mentoring	\$ 8,400	\$ 8,300
Fostering Families Together	4,000	4,100
Bremer County Health Department	3,500	3,300
Friends of the Family	5,000	6,000
Girl Scouts of Eastern Iowa	1,000	1,800
Habitat for Humanity	6,300	7,800
Helping Services for Northeast Iowa	2,800	3,200
Iowa Legal Aid	4,600	4,200
Larrabee Center	7,400	7,200
Lutheran Services in Iowa	2,200	1,900
NE Iowa Community Action	9,500	9,100
Northeast Iowa Food Bank	24,000	24,500
Northstar Community Services	10,400	11,300
Pathways Behavioral Service	25,000	23,800
Riverview Center	7,700	7,900
Together for Youth	7,000	6,300
Helping Hands Clothing Closet	700	500
Ledger Valley	2,000	-
NEIA Area Agency on Aging	3,500	3,800
	<u>\$ 135,000</u>	<u>\$ 135,000</u>

These funds are paid to the Agencies in four equal, quarterly installments.

NOTE 10 – DESIGNATED FUND BALANCES

The following summary of the fund balance designations by the governing board:

	December 31,	
	2024	2023
Three months operating reserve	<u>\$ 85,119</u>	<u>\$ 84,693</u>