

**UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties**

KANKAKEE, ILLINOIS

ANNUAL FINANCIAL REPORT

June 30, 2022

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way Kankakee County, Inc.
DBA United Way of Kankakee and Iroquois Counties
Kankakee, Illinois

We have audited the accompanying modified cash basis financial statements of United Way Kankakee County, Inc. (a non-profit corporation) DBA United Way of Kankakee and Iroquois Counties which comprise the statement of assets, liabilities, and net assets – cash basis as of June 30, 2022, and the related statement of support, revenue, and expenses – cash basis for the year ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of United Way of Kankakee County, Inc. DBA United Way of Kankakee and Iroquois Counties as of June 30, 2022, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting, which is a basis for accounting other than accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the United Way of Kankakee County, Inc. DBA United Way of Kankakee and Iroquois Counties and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Way of Kankakee County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Way of Kankakee County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The schedule of awards – modified cash basis on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
October 31, 2022

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties

Statement of Assets, Liabilities and Net Assets - Modified Cash Basis

June 30, 2022

<u>ASSETS</u>	<u>2022</u>
Current Assets:	
Cash and Cash Equivalents	\$ 793,295
Accounts Receivable	31,199
Other Assets	<u>-</u>
Total current assets	<u>824,494</u>
Fixed Assets:	
Land	-
Building	-
Equipment	4,115
Less: Accumulated Depreciation	<u>(4,115)</u>
Net Fixed Assets	<u>-</u>
Total Assets	<u>\$ 824,494</u>
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Accounts Payable	<u>\$ 4,469</u>
Total Liabilities	<u>4,469</u>
Net Assets:	
With donor restrictions	-
Without donor restrictions:	
Board designated	-
Undesignated	<u>820,025</u>
Total net assets	<u>820,025</u>
Total Liabilities and Net Assets	<u>\$ 824,494</u>

The accompanying notes are an integral part of these statements.

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties

Statement of Activities and Changes in Net Assets - Modified Cash Basis

For the year ended June 30, 2022

	2022		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues:			
Public Support	\$ 389,020	\$ -	\$ 389,020
Raffle	32,944	-	32,944
Events	13,265	-	13,265
Contributions			
United Funds	27,913	-	27,913
Other Restricted Contributions	-	-	-
Investment Income	3,206	-	3,206
PPP Forgiveness	-	29,176	29,176
Other Income	-	-	-
Net Assets Released from Restrictions:			
Satisfaction of program restrictions	29,176	(29,176)	-
Total Revenue	495,524	-	495,524
Expenses:			
Program Services	208,734	-	208,734
Supporting Services			
Management and General	273,632	-	273,632
Fundraising	29,928	-	29,928
Total expenses	512,294	-	512,294
Change in Net Assets	(16,770)	-	(16,770)
Net assets, beginning of the year	836,795	-	836,795
Net assets, end of the year	<u>\$ 820,025</u>	<u>\$ -</u>	<u>\$ 820,025</u>

The accompanying notes are an integral part of these statements.

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties

Statement of Cash Flows

For the year ended June 30, 2022

	<u>2022</u>
Increase in Cash:	
Cash Flows from Operating Activities:	
Decrease in Net Assets	\$ (16,770)
Adjustments to Reconcile Change in Net Assets Provided by Operating Activities:	
Depreciation	-
Changes in Assets and Liabilities:	
Decrease (Increase) in Other Assets	(31,199)
Increase (Decrease) in Accounts Payable	<u>(24,707)</u>
Net Cash Provided by Operating Activities	<u>(72,676)</u>
Cash Flows from Investing Activities:	
Purchase of Capital Assets	<u>-</u>
Net Cash (Used) in Investing Activities	<u>-</u>
Cash Flows from Financing Activities:	
Issuance of PPP Loan	<u>-</u>
Net Cash (Used) in Financing Activities	<u>-</u>
Net Increase (Decrease) in Cash	<u>(72,676)</u>
Cash, Beginning of the Year	<u>865,971</u>
Cash, End of the Year	<u><u>\$ 793,295</u></u>

The accompanying notes are an integral part of these statements.

UNITED WAY OF KANKAKEE COUNTY, INC.
 DBA United Way of Kankakee and Iroquois Counties
 Statement of Functional Expenses - Modified Cash Basis
 For the year ended June 30, 2022

	2022			Total
	Supporting Services			
	Program Services	Management & General	Fundraising	
Agency allocations	208,734	-	-	208,734
Professional fees & contractual services	-	36,804	-	36,804
Salaries and benefits	-	218,372	-	218,372
Occupancy expense	-	13,172	-	13,172
Fundraising event expenses	-	-	29,928	29,928
Miscellaneous	-	5,284	-	5,284
TOTAL EXPENSES	208,734	273,632	29,928	512,294

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties

Notes to Financial Statements

June 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The mission of United Way of Kankakee County, Inc. DBA United Way of Kankakee and Iroquois Counties is to improve, consistently and measurably, the quality of life for all the people of Kankakee and Iroquois Counties by raising and distributing funds, mobilizing community resources, and encouraging innovation solutions to the community's health and human service needs.

Basis of Accounting

The financial statements of United Way of Kankakee County, Inc. DBA United Way of Kankakee and Iroquois Counties have been prepared in conformity with the modified cash basis of accounting. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of assets, liabilities, and net assets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include property and equipment and related depreciation.

The modified cash basis of accounting differs from generally accepted accounting principles (GAAP) primarily because certain assets and their related revenues (such as contributions receivable) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements.

New Accounting Pronouncement

For 2018, the Organization began to include in its financial statements informative disclosures similar to those required by GAAP under the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 is the description of the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions. In addition, a statement of functional epees is presented with the financial statements. Certain expenses have been reclassified to conform to the current year presentation. Theses reclassifications have no impact on net assets or the change in net assets as previously reported. Also, information regarding liquidity and availability of resources is presented in the notes to the financial statements.

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties

Notes to Financial Statements

June 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue Recognition

Support is recognized when received. Restricted contributions are recognized as revenue in the same manner as unrestricted contributions when restrictions are met in the year in which amounts are received. Expenditures of restricted contributions are first applied to reduce temporarily restricted net assets at the beginning of the year. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets.

Office Equipment, Furniture and Fixtures

Office furniture and equipment are recorded as cost or fair market value at the date of donation. Generally, acquisitions of property and equipment for \$500 or more are capitalized and depreciated. Depreciation is provided using the straight-line method over an estimated useful life of the assets.

	<u>Years</u>
Equipment	5-10

United Way of America Dues

The Organization pays national and state dues to the United Way of America each year based on the pledge drive results. The amount expense was \$8,507 for national dues and \$0 for state dues. These amounts are netted against public support for financial statement presentation.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

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 other than a private foundation.

Cash and Cash Equivalents

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

Deposits

The Organization's cash deposits exceed amounts insured by the FDIC from time to time throughout the year.

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties

Notes to Financial Statements

June 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect (1) reported amounts of assets and liabilities, including the disclosure of contingent assets and liabilities at the financial statement date and (2) reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

United Way of Kankakee and Iroquois Counties maintains bank accounts at one location. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Deposits exceeded coverage by \$25,192 as of June 30, 2022.

NOTE 2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2022, reduced by donor-imposed restrictions to be used within the one year of the statement of financial position date, resulting in net financial assets of \$824,494, all of which are available to meet general expenditures within one year of the financial statement date.

	<u>2022</u>
Cash	\$ 793,295
Other Assets	<u>31,199</u>
Financial Assets at year end	\$ 824,494
Less: Donor-imposed restrictions	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 824,494</u></u>

NOTE 3. NET ASSETS

With Donor Restrictions

At June 30, 2022, the Organization's net assets with donor restrictions are as follows:

Net assets with donor restrictions:

Restricted for agencies assisting individuals living in
Iroquois County, Illinois

\$ -

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties

Notes to Financial Statements

June 30, 2022

NOTE 3. NET ASSETS (Continued)

With Donor Restrictions (Continued)

The Organization received a loan from Midland States Bank in the amount of \$29,176 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated March 30, 2021. The Organization applied for and has been notified that \$29,176 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected as revenue in the accompanying statement of activities.

Board Designated

As of June 30, 2022, there were no board designated net assets.

NOTE 4. FIXED ASSETS

The following is a summary of fixed assets as of June 30, 2022 and 2021:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets being depreciated				
Equipment	4,115	-	-	4,115
Total assets being depreciated	4,115	-	-	4,115
Less accumulated depreciation for				
Equipment	4,115	-	-	4,115
Total accumulated depreciation	4,115	-	-	4,115
Total capital assets, net	-	-	-	-

NOTE 5. PPP LOAN

The Organization received a second draw from Midland States Bank in the amount of \$29,176 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated March 30, 2022. The Organization applied for and has been notified that \$29,176 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected as revenue in the accompanying statement of activities.

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties

Notes to Financial Statements

June 30, 2022

NOTE 6. COMMITMENTS

Agency awards are made by United Way upon completion of its campaign, usually by the second quarter of the year. These awards cover the funding period beginning July 1 and ending on June 30. Allocations are recognized as an expense in the period in which the payment is made.

The Organization has allocated funds from its campaigns to its agencies to be paid from July 1 to June 30. The balance of allocations due to agencies was paid as of June 30, 2022.

NOTE 7. LEASING ARRANGEMENTS

The Organization conducts its operations from facilities that are leased under a month-to-month operating lease. Rental expense amounted to \$9,525 in the year ended June 30, 2022.

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 31, 2022, the date on which the financial statements were available to be issued.

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Organization could be materially adversely affected. The extent to which the coronavirus (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties

Schedule of Awards - Modified Cash Basis

For the year ended June 30, 2022

	<u>Kankakee</u>	<u>Iroquois</u>	<u>Total</u>
A More Excellent Way Ministries	7,890	-	7,890
American Red Cross	-	-	-
Boy Scouts	-	-	-
Bread Basket of Watseka	-	2,000	2,000
Catholic Charities	25,302	5,670	30,972
Childcare Resource & Referral	-	-	-
Center of Hope	5,000	-	5,000
Child Network	15,600	3,150	18,750
Easter Seals	7,490	3,210	10,700
Fortitude Community Outreach	8,200	-	8,200
Garden of Prayer	6,500	-	6,500
Girl Scouts of Central Illinois	-	700	700
Harbor House	11,620	4,980	16,600
Helen Wheeler Center	20,400	-	20,400
Iroquois Mental Health	2,800	1,200	4,000
Iroquois Mental Hospital	2,000	-	2,000
KCC ALIVE	2,100	900	3,000
KC-CASA	2,500	7,000	9,500
KCCSI	-	-	-
Living Alternatives	6,500	-	6,500
Northern Illinois Food Bank	2,750	-	2,750
Options CIL	-	5,000	5,000
Onarga Academy	-	-	-
Path Inc.	10,609	-	10,609
Prairie State	4,875	1,988	6,863
The ARC	-	-	-
Volunteer Service	-	1,350	1,350
YMCA	28,550	900	29,450
YWCA	-	-	-
TOTAL AWARDS	<u>170,686</u>	<u>38,048</u>	<u>208,734</u>

See Independent Auditors' Report