

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

KANKAKEE, ILLINOIS

ANNUAL FINANCIAL REPORT

June 30, 2021

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, 2021, and the related statement of support, revenue, and expenses – cash basis for the year 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 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' Responsibility

Our responsibility is to express opinions on these basic 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 of 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 assets, liabilities, and net assets of United Way of Kankakee County, Inc. DBA United Way of Kankakee and Iroquois Counties as of June 30, 2021, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

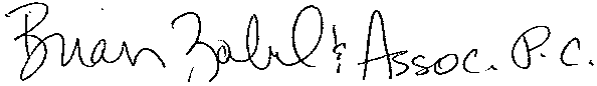
We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions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

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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective January 1, 2018, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statement of Not-for-Profit Entities. Our opinion is not modified with respect to this matter.


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

Morris, Illinois
November 15, 2021

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, 2021

<u>ASSETS</u>	<u>2021</u>
Current Assets:	
Cash	\$ 865,971
Other Assets	-
	<hr/>
Total current assets	865,971
	<hr/>
Fixed Assets:	
Land	-
Building	-
Equipment	4,115
Less: Accumulated Depreciation	(4,115)
	<hr/>
Net Fixed Assets	-
	<hr/>
Total Assets	<u>\$ 865,971</u>
	<hr/>
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
PPP Loan	\$ 29,176
	<hr/>
Total Liabilities	29,176
	<hr/>
Net Assets:	
With donor restrictions	-
Without donor restrictions:	
Board designated	-
Undesignated	836,795
	<hr/>
Total net assets	836,795
	<hr/>
Total Liabilities and Net Assets	<u>\$ 865,971</u>
	<hr/>

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, 2021

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues:			
Public Support	\$ 386,139	\$ -	\$ 386,139
Raffle	2,956	-	2,956
Events	30,558	-	30,558
Contributions			
United Funds	14,040	-	14,040
Other Restricted Contributions	-	-	-
Investment Income	17,159	-	17,159
PPP Forgiveness	-	15,466	15,466
Other Income	-	-	-
Net Assets Released from Restrictions:			
Satisfaction of program restrictions	27,574	(27,574)	-
 Total Revenue	 478,426	 (12,108)	 466,318
Expenses:			
Program Services	190,761	-	190,761
Supporting Services			
Management and General	195,794	-	195,794
Fundraising	21,083	-	21,083
 Total expenses	 407,638	 -	 407,638
 Change in Net Assets	 70,788	 (12,108)	 58,680
Net assets, beginning of the year	766,007	12,108	778,115
Net assets, end of the year	\$ 836,795	\$ -	\$ 836,795

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, 2021

	<u>2021</u>
Increase in Cash:	
Cash Flows from Operating Activities:	
Decrease in Net Assets	\$ 58,680
Adjustments to Reconcile Change in Net Assets Provided by Operating Activities:	
Depreciation	-
Changes in Assets and Liabilities:	
Decrease (Increase) in Other Assets	19,328
Increase (Decrease) in Accounts Payable	<u>(40,966)</u>
Net Cash Provided by Operating Activities	<u>37,042</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>29,176</u>
Net Cash (Used) in Financing Activities	<u>29,176</u>
Net Increase (Decrease) in Cash	<u>66,218</u>
Cash, Beginning of the Year	<u>799,753</u>
Cash, End of the Year	<u><u>\$ 865,971</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, 2021

	2021			
	Supporting Services			
	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Agency allocations	190,761	-	-	190,761
Professional fees & contractual services	-	27,914	-	27,914
Salaries and benefits	-	153,696	-	153,696
Occupancy expense	-	12,864	-	12,864
Fundraising event expenses	-	-	21,083	21,083
Miscellaneous	-	1,320	-	1,320
TOTAL EXPENSES	<u>190,761</u>	<u>195,794</u>	<u>21,083</u>	<u>407,638</u>

See Independent Auditors' Report

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

Notes to Financial Statements

June 30, 2021

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, 2021

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, 2021

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, 2021.

NOTE 2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2021, 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 \$862,490, all of which are available to meet general expenditures within one year of the financial statement date.

	<u>2021</u>
Cash	\$ 862,490
Other Assets	<u>-</u>
Financial Assets at year end	\$ 862,490
Less: Donor-imposed restrictions	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 862,490</u></u>

NOTE 3. NET ASSETS

With Donor Restrictions

At June 30, 2021, 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, 2021

NOTE 3. NET ASSETS (Continued)

With Donor Restrictions (Continued)

The Organization received a loan from Midland States Bank in the amount of \$15,466 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 28, 2020. The Organization applied for and has been notified that \$15,466 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, 2021, there were no board designated net assets.

NOTE 4. FIXED ASSETS

The following is a summary of fixed assets as of June 30, 2021 and 2020:

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

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, 2021. The loan is still outstanding as of June 30, 2021.

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

Notes to Financial Statements

June 30, 2021

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, 2021.

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 \$9,300 in the year ended June 30, 2021.

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 15, 2021, 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, 2021

	Kankakee	Iroquois	Total
American Red Cross	6,548	-	6,548
Boy Scouts	1,059	-	1,059
Catholic Charities	27,415	2,667	30,082
Childcare Resource & Referral	1,619	-	1,619
Center of Hope	4,682	-	4,682
Child Network	9,928	1,430	11,358
Easter Seals	6,103	1,369	7,472
Girl Scouts of Central Illinois	-	659	659
Harbor House	6,477	1,441	7,918
Helen Wheeler Center	19,363	-	19,363
Iroquois Mental Health	-	3,771	3,771
KCC ALIVE	4,013	527	4,540
KC-CASA	-	4,794	4,794
KCCSI	4,324	-	4,324
Options CIL	-	4,230	4,230
Onarga Academy	-	10,593	10,593
Path Inc.	10,609	-	10,609
Prairie State	4,260	851	5,111
The ARC	-	8,378	8,378
Volunteer Service	-	975	975
YMCA	20,306	-	20,306
YWCA	22,370	-	22,370
TOTAL AWARDS	149,076	41,685	190,761

See Independent Auditors' Report