

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

**Audited
Financial Statements**

**As of and for the year ended
December 31, 2015**

UNITED WAY OF KANKAKEE COUNTY, INC.
DBA United Way of Kankakee and Iroquois Counties
Report on Audit of Financial Statements
As of and For the Year Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Kankakee County, Inc.
DBA United Way of Kankakee and Iroquois Counties
P.O. Box 1286
Kankakee, Illinois 60901

We have audited the accompanying financial statements of United Way of 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 - modified cash basis as of December 31, 2015, and the related statements of activity and changes in net assets - cash basis and functional expenses - cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of United Way of Kankakee County, Inc. DBA United Way of Kankakee and Iroquois Counties as of December 31, 2015, and the changes in its net assets for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. These 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 opinion is not modified with respect to that matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of awards – modified cash basis on page 9 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 or to 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.

Smith, Koelling, Dykstra and Ohm, P.C.

Bourbonnais, Illinois
November 14, 2016

United Way of Kankakee County, Inc.
DBA United Way of Kankakee and Iroquois Counties
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis
December 31, 2015

Assets

Cash	\$ 874,157
Other assets	<u>3,935</u>
Total Current Assets	878,092
Property and equipment, net	<u>2,281</u>
Total Assets	<u>\$ 880,373</u>

Liabilities and Net Assets

Unrestricted net assets	\$ 537,756
Temporarily restricted net assets	<u>342,617</u>
Total Net Assets	<u>\$ 880,373</u>

The accompanying notes are an integral part of the financial statements.

United Way of Kankakee County, Inc.
DBA United Way of Kankakee and Iroquois Counties
Statement of Activity and Changes in Net Assets - Modified Cash Basis
For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Receipts		
Public support		
Individual, corporate, and foundation contributions, net of national and state dues	\$ 775,412	\$ -
Other revenue		
Raffle	86,800	-
Events	29,138	-
Investment income		
Interest and dividends	-	-
Total receipts	<u>891,350</u>	<u>-</u>
Net assets released from restrictions	<u>567,650</u>	<u>(567,650)</u>
Expenditures		
Program	1,162,856	-
Management and general	188,345	-
Fundraising	90,030	-
Total expenditures	<u>1,441,231</u>	<u>-</u>
Change in net assets	17,769	(567,650)
Net assets, beginning of year	<u>519,987</u>	<u>910,267</u>
Net assets, end of year	<u>\$ 537,756</u>	<u>\$ 342,617</u>

The accompanying notes are an integral part of the financial 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 December 31, 2015

	<u>Program</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total Expenses</u>
Agency allocations	\$ 645,035	\$ -	\$ -	\$ 645,035
Professional fees & contractual services	10,684	14,328	-	25,012
Salaries and benefits	-	121,685	-	121,685
Occupancy expense	-	14,619	-	14,619
Fundraising event expenses	-	-	61,822	61,822
Donation to Community Foundation	500,000	-	-	500,000
Miscellaneous	7,137	37,713	28,208	73,058
	<u>\$ 1,162,856</u>	<u>\$ 188,345</u>	<u>\$ 90,030</u>	<u>\$ 1,441,231</u>

The accompanying notes are an integral part of the financial statements.

**United Way of Kankakee County, Inc.
DBA United Way of Kankakee and Iroquois Counties
Notes to Financial Statements
As of and for the year ended December 31, 2015**

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

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 innovative solutions to the community's health and human service needs.

Basis of Accounting

United Way uses the modified cash basis of accounting which is a basis of accounting other than generally accepted accounting principles (GAAP). 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.

This modified cash basis of accounting differs from 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.

Net Assets

The Organization classifies net assets into three categories according to externally (donor) imposed restrictions. A description of the three net asset categories follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by the actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that are maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

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.

United Way of Kankakee County, Inc.
DBA United Way of Kankakee and Iroquois Counties
Notes to Financial Statements
As of and for the year ended December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment additions having a service life beyond one year are valued at cost, or, if donated, at fair market value at date of donation. Equipment is depreciated using the straight-line method over the estimated useful life of the asset, which is 5-10 years for equipment.

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 expensed was \$7,814 for national dues and \$530 for state dues. These amounts are netted against public support for financial statement presentation.

Functional Expenses

All expenses are charged to functions based on the nature of the expense.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision has been made for federal income taxes. United Way's federal Return of Organization Exempt From Income Tax (Form 990) for years ending December 31, 2012, 2013, and 2014 are subject to examination by the IRS, generally for three years after they are filed.

Deposits

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

Use of Estimates

The preparation of financial statements 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.

Note 2 - Property and Equipment

At December 31, 2015 depreciable assets consisted of:

Equipment	\$4,115
Accumulated depreciation	(1,835)
Equipment, net of depreciation	<u>\$2,280</u>

Depreciation expense for the year ending December 31, 2015, was \$823.

**United Way of Kankakee County, Inc.
DBA United Way of Kankakee and Iroquois Counties
Notes to Financial Statements
As of and for the year ended December 31, 2015**

Note 3 - Restricted Net Assets

Details of the Organization's restricted net assets at December 31, 2015 are as follows:

Temporarily restricted net assets:

Restricted for agencies assisting individuals living in Iroquois County, Illinois	<u>\$342,617</u>
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Note 4 – 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 of the current year and ending on June 30 of the following year. 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 \$312,750 at December 31, 2015.

Note 5 – Leasing Arrangements

The Organization conducts its operations from facilities that are leased under a three-year noncancelable operating lease expiring on May 31, 2017.

The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2015:

<u>Year Ending</u>	<u>Amount</u>
2016	\$ 9,300
2017	<u>3,875</u>
	<u>\$13,175</u>

Rental expense amounted to \$11,130 in 2015 for the above lease and second month to month lease.

Note 6 - Subsequent Events

Management has evaluated subsequent events through November 14, 2016, the date on which the financial statements were available to be issued.

**United Way of Kankakee County, Inc.
 DBA United Way of Kankakee and Iroquois Counties
 Schedule of Awards – Modified Cash Basis
 For the Year Ended December 31, 2015**

	<u>Kankakee</u>	<u>Iroquois</u>	<u>Total</u>
American Red Cross	\$ 25,000	\$ -	\$ 25,000
Aunt Martha's	7,750	2,500	10,250
Rainbow Council Boy Scouts	4,125	-	4,125
Catholic Charities	57,500	7,750	65,250
Center of Hope	15,000	-	15,000
Child Network	22,000	-	22,000
Childcare Resource & Referral	4,500	-	4,500
Easter Seals	14,000	3,000	17,000
Good Shepherd Manor	16,250	-	16,250
Harbor House	20,000	3,500	23,500
John R. Tate Advocacy Center	13,750	-	13,750
K.C.C. ALIVE	10,000	2,650	12,650
K.C.-C.A.S.A.	45,000	8,750	53,750
Kankakee County Community Services, Inc.	55,000	-	55,000
Helen Wheeler Center for Community Mental Health	45,000	-	45,000
Options – C.I.L.	16,000	5,500	21,500
Prairie State Legal Aid	25,000	3,000	28,000
Salvation Army	42,750	-	42,750
Girl Scouts of Central Illinois	-	750	750
Center for Disability Services	15,000	-	15,000
Y.M.C.A.	50,750	-	50,750
Y.W.C.A.	61,250	-	61,250
Other	9,760	-	9,760
ARC of Iroquois County	-	14,000	14,000
CUSC #9 Academic Foundation	-	1,650	1,650
Iroquois County Mental Health	-	10,000	10,000
Martinton Community Food	-	2,000	2,000
Volunteer Services Iroquois County	-	2,100	2,100
Clifton Community Food Pantry	-	500	500
Iroquois County Long-Term Disaster Relief	-	<u>2,000</u>	<u>2,000</u>
Total Awards	<u>\$575,385</u>	<u>\$69,650</u>	<u>\$645,035</u>