

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

KANKAKEE, ILLINOIS

ANNUAL FINANCIAL REPORT

June 30, 2018

**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 Untied 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, 2018, and the related statement of support, revenue, and expenses – cash basis for the six months 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

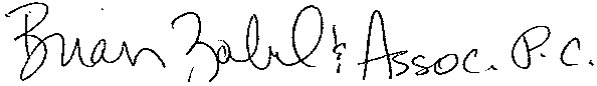
In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of United Way of Kankakee County, Inc. DBA United Way of Kankakee and Iroquois Counties as of June 30, 2018, and its support, revenue, and expenses for the six months 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 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 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
November 8, 2018

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, 2018

<u>ASSETS</u>	<u>2018</u>
Current Assets:	
Cash	\$ 771,683
Accounts Receivable	-
Other Assets	3,704
	<hr/>
Total current assets	775,387
	<hr/>
Fixed Assets:	
Land	-
Building	-
Equipment	4,115
Less: Accumulated Depreciation	(3,649)
	<hr/>
Net Fixed Assets	466
	<hr/>
Total Assets	\$ 775,853
	<hr/> <hr/>
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Accounts Payable	\$ -
	<hr/>
Total Liabilities	-
	<hr/>
Net Assets:	
Temporarily Restricted	158,367
Unrestricted	617,486
	<hr/>
Total net assets	775,853
	<hr/>
Total Liabilities and Net Assets	\$ 775,853
	<hr/> <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 six months ended June 30, 2018

	<u>2018</u>
Revenues:	
Public Support	\$ 326,056
Raffle	60,400
Events	7,320
Other Income	479
	<hr/>
Total Revenue	394,255
	<hr/>
Expenses:	
Program	250,442
Management and General	85,506
Fundraising	43,393
	<hr/>
Total expenses	379,341
	<hr/>
Temporarily Restricted Net Assets	
Contributions:	
United Funds	-
Other Restricted Contributions	-
Net Position Released from Restriction	(37,500)
	<hr/>
Change in Temporarily Restricted Net Position	(37,500)
Change in Net Assets	14,914
	<hr/>
Net assets, beginning of the year	760,939
	<hr/>
Net assets, end of the year	\$ 775,853
	<hr/> <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 Cash Flows

For the six months ended June 30, 2018

	<u>2018</u>
Increases in Cash:	
Cash Flows from Operating Activities:	
Decrease in Net Assets	\$ 14,914
Adjustments to Reconcile Change in Net Assets Provided by Operating Activities:	
Depreciation	169
Changes in Assets and Liabilities:	
Decrease (Increase) in Accounts Receivable	-
Increase (Decrease) in Accounts Payable	-
	<hr/>
Net Cash Provided by Operating Activities	15,083
	<hr/>
Cash Flows from Investing Activities:	
Decrease in cost of investments	(35)
Purchase of Capital Assets	-
	<hr/>
Net Cash (Used) in Investing Activities	(35)
	<hr/>
Net Increase (Decrease) in Cash	15,048
	<hr/>
Cash, Beginning of the Year	756,635
	<hr/>
Cash, End of the Year	\$ 771,683
	<hr/> <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 Functional Expenses - Modified Cash Basis

For the six months ended June 30, 2018

	2018			
	Supporting Services			
	Program Services	Management & General	Fundraising	Total
Agency allocations	250,442	-	-	250,442
Professional fees & contractual services	-	18,500	-	18,500
Salaries and benefits	-	55,491	-	55,491
Occupancy expense	-	6,844	-	6,844
Fundraising event expenses	-	-	43,393	43,393
Miscellaneous	-	4,671	-	4,671
TOTAL EXPENSES	250,442	85,506	43,393	379,341

See Independent Auditors' Report

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

Notes to Financial Statements

June 30, 2018

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.

Financial Statement Presentation

The Organization's financial statements are presented as required by Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, 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.

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

June 30, 2018

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 \$4,173 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.

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.

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

Notes to Financial Statements

June 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Organization has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

As of June 30, 2018, the Organization had no investments.

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.

NOTE 2. FIXED ASSETS

The following is a summary of fixed assets as of June 30, 2018 and December 31, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Equipment	4,115	-	-	4,115
Total assets being depreciated	4,115	-	-	4,115
Less accumulated depreciation for				
Equipment	3,480	169	-	3,649
Total accumulated depreciation	3,480	169	-	3,649
Total capital assets, net	<u>635</u>	<u>(169)</u>	<u>-</u>	<u>466</u>

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

Notes to Financial Statements

June 30, 2018

NOTE 3. RESTRICTED NET ASSETS

At June 30, 2018, the Organization's restricted net assets are as follows:

Temporarily restricted net assets:	
Restricted for agencies assisting individuals living in	
Iroquois County, Illinois	<u>\$ 158,367</u>

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 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, 2018.

NOTE 5. LEASING ARRANGEMENTS

The Organization conducts its operations from facilities that are leased under a three-year non-cancelable operating lease expiring on May 31, 2020.

Rental expense amounted to \$4,650 in the 6 months ended June 30, 2018 for the above lease and separate month to month lease.

NOTE 6. CHANGE IN FISCAL YEAR

During the fiscal year ended June 30, 2018, the Organization changed fiscal years from December 31 to June 30 in order to match the major funding source's during the year.

NOTE 7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 8, 2018, 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 six months ended June 30, 2018

	<u>Kankakee</u>	<u>Iroquois</u>	<u>Total</u>
American Red Cross	10,010	-	10,010
Aunt Martha's	3,185	1,500	4,685
Boy Scouts	1,593	-	1,593
Catholic Charities	24,500	2,750	27,250
Childcare Resource & Referral	1,868	-	1,868
Center of Hope	7,500	-	7,500
Child Network	10,325	-	10,325
Easter Seals	5,915	1,750	7,665
Gigi's Playhouse	1,638	-	1,638
Girl Scouts of Central Illinois	-	1,250	1,250
Good Shepherd Manor	4,550	-	4,550
Harbor House	10,000	1,750	11,750
Helen Wheeler Center	20,475	-	20,475
Iroquois Mental Health	-	5,000	5,000
KCC ALIVE	4,323	750	5,073
KC-CASA	15,925	4,750	20,675
KCCSI	20,250	-	20,250
Options CIL	6,642	3,250	9,892
Onarga Academy	-	2,400	2,400
Path Inc.	5,304	-	5,304
Prairie State	10,010	750	10,760
Salvation Army	-	-	-
The ARC	-	9,250	9,250
United Cerebral Palsy	-	-	-
Volunteer Service	-	2,350	2,350
YMCA	20,492	-	20,492
YWCA	28,437	-	28,437
TOTAL AWARDS	<u>212,942</u>	<u>37,500</u>	<u>250,442</u>

See Independent Auditors' Report