

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

KANKAKEE, ILLINOIS

ANNUAL FINANCIAL REPORT

December 31, 2017

**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 December 31, 2017, 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 December 31, 2017, 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 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 7, 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

DECEMBER 31, 2017

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<u>ASSETS</u>	<u>2017</u>
Current Assets:	
Cash	\$ 756,635
Accounts Receivable	-
Other Assets	<u>3,669</u>
Total current assets	<u>760,304</u>
Fixed Assets:	
Land	-
Building	-
Equipment	4,115
Less: Accumulated Depreciation	<u>(3,480)</u>
Net Fixed Assets	<u>635</u>
Total Assets	<u>\$ 760,939</u>
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Accounts Payable	<u>\$ -</u>
Total Liabilities	<u>-</u>
Net Assets:	
Temporarily Restricted	195,867
Unrestricted	<u>565,072</u>
Total net assets	<u>760,939</u>
Total Liabilities and Net Assets	<u>\$ 760,939</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 December 31, 2017

	<u>2017</u>
Revenues:	
Public Support	\$ 760,101
Raffle	50,032
Events	18,272
Other Income	<u>8,447</u>
Total Revenue	<u>836,852</u>
Expenses:	
Program	567,132
Management and General	188,178
Fundraising	<u>53,492</u>
Total expenses	<u>808,802</u>
Temporarily Restricted Net Assets	
Contributions:	
United Funds	-
Other Restricted Contributions	-
Net Position Released from Restriction	<u>(73,500)</u>
Change in Temporarily Restricted Net Position	(73,500)
Change in Net Assets	<u>28,050</u>
Net assets, beginning of the year	<u>732,889</u>
Net assets, end of the year	<u><u>\$ 760,939</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 Cash Flows

Years Ended December 31, 2017

	<u>2017</u>
Increases in Cash:	
Cash Flows from Operating Activities:	
Decrease in Net Assets	\$ 28,050
Adjustments to Reconcile Change in Net Assets Provided by Operating Activities:	
Depreciation	823
Changes in Assets and Liabilities:	
Decrease (Increase) in Accounts Receivable	-
Increase (Decrease) in Accounts Payable	-
Net Cash Provided by Operating Activities	<u>28,873</u>
Cash Flows from Investing Activities:	
Decrease in cost of investments	266
Purchase of Capital Assets	-
Net Cash (Used) in Investing Activities	<u>266</u>
Net Increase (Decrease) in Cash	<u>29,139</u>
Cash, Beginning of the Year	<u>727,496</u>
Cash, End of the Year	<u><u>\$ 756,635</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 December 31, 2017

	<b>2017</b>			<b>Total</b>
	<b>Program Services</b>	<b>Management &amp; General</b>	<b>Fundraising</b>	
Agency allocations	560,695	-	-	560,695
Professional fees & contractual services	6,437	45,340	-	51,777
Salaries and benefits	-	109,760	-	109,760
Occupancy expense	-	17,977	-	17,977
Fundraising event expenses	-	-	52,492	52,492
Miscellaneous	-	15,101	1,000	16,101
<b>TOTAL EXPENSES</b>	<b>567,132</b>	<b>188,178</b>	<b>53,492</b>	<b>808,802</b>



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

Notes to Financial Statements

December 31, 2017

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**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

December 31, 2017

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**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 \$6,467 for national dues and \$1,140 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

December 31, 2017

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**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 December 31, 2017, 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 December 31, 2017 and 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Equipment	<u>4,115</u>	<u>-</u>	<u>-</u>	<u>4,115</u>
Total assets being depreciated	<u>4,115</u>	<u>-</u>	<u>-</u>	<u>4,115</u>
Less accumulated depreciation for				
Equipment	<u>2,657</u>	<u>823</u>	<u>-</u>	<u>3,480</u>
Total accumulated depreciation	<u>2,657</u>	<u>823</u>	<u>-</u>	<u>3,480</u>
Total capital assets, net	<u>1,458</u>	<u>(823)</u>	<u>-</u>	<u>635</u>

**UNITED WAY OF KANKAKEE COUNTY, INC.**  
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Notes to Financial Statements

December 31, 2017

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**NOTE 3. RESTRICTED NET ASSETS**

At December 31, 2017, the Organization's restricted net assets are as follows:

Temporarily restricted net assets:

Restricted for agencies assisting individuals living in  
Iroquois County, Illinois

\$ 195,867

**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 \$224,040 at December 31, 2017.

**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 \$9,300 in 2017 for the above lease and separate month to month lease.

**NOTE 6. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 7, 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 Year Ended December 31, 2017

	<u>Kankakee</u>	<u>Iroquois</u>	<u>Total</u>
American Red Cross	21,010	-	21,010
Aunt Martha's	6,685	3,000	9,685
Boy Scouts	3,342	-	3,342
Catholic Charities	49,000	5,500	54,500
Childcare Resource & Referral	3,921	-	3,921
Center of Hope	15,000	-	15,000
Child Network	21,325	-	21,325
Easter Seals	12,415	3,500	15,915
Gigi's Playhouse	1,365	-	1,365
Girl Scouts of Central Illinois	-	2,250	2,250
Good Shepherd Manor	9,550	-	9,550
Harbor House	20,000	3,500	23,500
Helen Wheeler Center	42,975	-	42,975
Iroquois Mental Health	-	9,750	9,750
KCC ALIVE	9,072	1,750	10,822
KC-CASA	33,425	9,250	42,675
KCCSI	45,250	-	45,250
Options CIL	13,942	6,250	20,192
Onarga Academy	-	4,800	4,800
Path Inc.	9,725	-	9,725
Prairie State	21,010	1,250	22,260
Salvation Army	40,000	-	40,000
The ARC	-	18,250	18,250
United Cerebral Palsy	5,484	-	5,484
Volunteer Service	-	4,450	4,450
YMCA	43,011	-	43,011
YWCA	59,688	-	59,688
<b>TOTAL AWARDS</b>	<u>487,195</u>	<u>73,500</u>	<u>560,695</u>

See Independent Auditors' Report