

UNITED WAY OF WILL COUNTY

2015 FINANCIAL REPORT

**UNITED WAY OF WILL COUNTY
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JUNE 30, 2015**

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REPORT OF INDEPENDENT AUDITOR

The Board of Directors
United Way of Will County

I have audited the accompanying statements of financial position of United Way of Will County (the Organization) as of June 30, 2015 and 2014 and the related statements of activities, changes in net assets, cash flows, and functional expenses for the years then ended and the accompanying notes to financial statements.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 error or fraud.

Auditor Responsibility

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

An audit includes 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 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 Organization'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 Organization's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for an audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Will County at June 30, 2015 and 2014, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

My audits have been made for the purpose of expressing an opinion of the basic financial statements taken as a whole. The accompanying supplemental information, as described in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Donald A. Blasing, CPA

November 10, 2015

UNITED WAY OF WILL COUNTY

Statements of Financial Position

June 30, 2015 and 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current assets		
Cash and cash equivalents	\$ 505,896	711,304
Short-term investments	1,053,935	953,001
Pledges receivable, net	1,428,934	1,415,680
Prepaid expenses and other	5,037	2,943
Restricted deposits	17,003	17,680
Total current assets	<u>3,010,805</u>	<u>3,100,608</u>
Property and equipment, net of accumulated depreciation of \$67,056 (\$63,667 in 2014)	<u>6,174</u>	<u>9,563</u>
	<u>\$ 3,016,979</u>	<u>3,110,171</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current liabilities		
Accounts payable	\$ 32,785	2,576
Accrued compensation	25,401	26,867
Pass-through contributions payable to:		
United Way agencies	29,599	81,098
Non-affiliated charitable organizations	3,061	36,314
Deferred support	4,730	6,390
Total current liabilities	<u>95,576</u>	<u>153,245</u>
Net Assets		
Unrestricted	2,835,984	2,867,068
Temporarily restricted	85,419	89,858
Total net assets	<u>2,921,403</u>	<u>2,956,926</u>
	<u>\$ 3,016,979</u>	<u>3,110,171</u>

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

UNITED WAY OF WILL COUNTY

Statements of Activities and Changes in Net Assets

Years Ended June 30, 2015 and 2014

	2015		2014			
	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted
<u>Public Support and Revenue</u>						
Campaign support	\$ 3,052,530	3,052,530		3,237,156		
Allocations from other campaigns	252,443	252,443		267,926		
In-kind donations	98,190	98,190		102,773		
Less: Designations to other agencies	(89,808)	(89,808)		(151,585)		
Estimated uncollectible pledges	(120,000)	(120,000)		(120,000)		
Prior year pledge adjustments	53,821	53,821		82,943		
Fundraising events	108,305	108,305		103,604		
Southwest Suburban Philanthropic Network	5,390		5,390	7,050		7,050
MAPP Project	53,000		53,000	48,000		48,000
Joliet Alliance for Youth	1,635		1,635	1,785		1,785
Realized investment income	1,884	1,884		2,820		
Net assets released from restriction		58	(58)	466		(466)
Total public support and revenue	3,417,390	3,357,423	59,967	3,582,472	3,526,103	56,369
<u>Expenses</u>						
Agency allocations	2,660,978	2,660,978		2,818,375		
Program services	362,427	362,427		355,043		
Management and general	154,612	154,612		148,581		
United Way Worldwide dues	34,075	34,075		35,480		
Fundraising	176,415	176,415		211,113		
Southwest Suburban Philanthropic Network	5,754		5,754	4,609		4,609
MAPP Project	56,693		56,693	56,298		56,298
Joliet Alliance for Youth	1,959		1,959	1,489		1,489
Total Expenses	3,452,913	3,388,507	64,406	3,630,988	3,568,592	62,396
Change in net assets	(35,523)	(31,084)	(4,439)	(48,516)	(42,489)	(6,027)
Net assets, beginning of year	2,956,926	2,867,068	89,858	3,005,442	2,909,557	95,885
Net assets, end of year	\$ 2,921,403	2,835,984	85,419	2,956,926	2,867,068	89,858

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

UNITED WAY OF WILL COUNTY

Statement of Functional Expenses

Year Ended June 30, 2015

	Total	Program Services	Management and General	Fundraising
Agency allocations	\$ 2,660,978	2,660,978		
Compensation	299,800	148,019	93,819	57,962
Employee benefits	112,488	55,538	35,202	21,748
Donated Labor	91,000	60,670		30,330
Professional fees and consultants	45,534	28,890	4,527	12,117
Occupancy	28,283	13,964	8,851	5,468
Consumable supplies	13,127	8,587	886	3,654
Insurance	6,513	3,216	2,038	1,259
Travel and meetings	13,856	6,916	2,552	4,388
National United Way dues	34,075	34,075		
Dues	3,610	1,782	1,130	698
Depreciation	3,389	1,673	1,061	655
Southwest Suburban Philanthropic Network	5,754	5,754		
MAPP Project	56,693	56,693		
Joliet Alliance for Youth	1,959	1,959		
Fundraising Events - Golf Outing	18,845			18,845
Witches Night Out	38,098	26,000		12,098
Other	18,911	7,172	4,546	7,193
Total expenses	\$ 3,452,913	3,121,886	154,612	176,415

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

UNITED WAY OF WILL COUNTY

Statement of Functional Expenses

Year Ended June 30, 2014

	Total	Program Services	Management and General	Fundraising
Agency allocations	\$ 2,818,375	2,818,375		
Compensation	289,071	132,355	88,640	68,076
Employee benefits	109,493	50,133	33,575	25,785
Donated Labor	91,000	60,670		30,330
Professional fees and consultants	73,828	47,849	4,851	21,128
Occupancy	28,009	12,824	8,589	6,596
Consumable supplies	14,082	8,328	1,265	4,489
Insurance	7,692	3,522	2,359	1,811
Travel and meetings	16,609	7,793	3,560	5,256
National United Way dues	35,480	35,480		
Dues	4,410	2,019	1,352	1,039
Depreciation	2,239	1,025	687	527
Southwest Suburban Philanthropic Network	4,609	4,609		
MAPP Project	56,298	56,298		
Joliet Alliance for Youth	1,489	1,489		
Fundraising Events - Golf Outing	24,430			24,430
Witches Night Out	31,384	23,000		8,384
Other	22,490	5,525	3,703	13,262
Total expenses	\$ 3,630,988	3,271,294	148,581	211,113

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

UNITED WAY OF WILL COUNTY

Statements of Cash Flows

Years Ended June 30, 2015 and 2014

(increase (decrease) in cash and cash equivalents)

<u>Cash Flows From Operating Activities</u>	<u>2015</u>	<u>2014</u>
Change in net assets	\$ (35,523)	(48,516)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities -		
Depreciation	3,389	2,239
Reserve for uncollectible pledges	120,000	120,000
Changes in assets and liabilities		
Pledges receivables	(133,254)	333,527
Prepaid expenses	(2,094)	5,371
Restricted cash deposits	677	(2,202)
Accounts payable	30,209	(17,302)
Accrued compensation	(1,466)	(1,648)
Pass-through contributions payable to other entities	(84,752)	(4,225)
Deferred support	(1,660)	(15,420)
Net cash provided by (used for) operating activities	<u>(104,474)</u>	<u>371,824</u>
 <u>Cash Flows From Investing Activities</u>		
Purchase of equipment		(6,902)
Sales of investments	953,001	902,568
Purchases of investments	<u>(1,053,935)</u>	<u>(953,001)</u>
Net cash used for investing activities	<u>(100,934)</u>	<u>(57,335)</u>
 Net increase (decrease) in cash and cash equivalents	(205,408)	314,489
 Cash and cash equivalents, beginning of year	<u>711,304</u>	<u>396,815</u>
 Cash and cash equivalents, end of year	<u>\$ 505,896</u>	<u>711,304</u>

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

UNITED WAY OF WILL COUNTY

Notes to Financial Statements
Years Ended June 30, 2015 and 2014

1. Description of Organization

The activities of the United Way of Will County consist of collecting charitable donations under its name and distributing these donations to member agencies. In order to qualify as a member agency of the United Way of Will County, an organization must qualify as a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code. The member agencies must also meet certain criteria established by the United Way Board of Directors as to purpose, program, trusteeship and accountability.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares financial statements in accordance with the Financial Accounting Standards Board (FASB) standards for not-for-profit organizations (ASC 958-205 and subsections). Under these standards, 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.

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, whether by actions of the Organization and/or the passage of time.

Permanently restricted net assets -- Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specified purposes.

Unconditional promises to give cash or other assets are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (i.e. when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Donor-restricted gifts are reported as temporarily restricted even if the restrictions expire during the fiscal year in which the gift was received, and then reclassified to unrestricted net assets. In the absence of donor-imposed restrictions on the use of the assets, gifts of long-lived assets are reported as unrestricted support.

Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, pledges receivable, and current liabilities - The carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those instruments.

Short-term investments - The fair values of investments, which consist primarily of certificates of deposit, are valued at the face value of the instruments.

UNITED WAY OF WILL COUNTY

Notes to Financial Statements
Years Ended June 30, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of checking, savings and money market accounts and short-term investments that have an original maturity of three months or less.

Property and Equipment

Property and equipment are recorded at cost. Donated items of office equipment and furnishings are recorded at fair market value at the time of the donation. Depreciation is determined using the straight-line method over the estimated useful lives of the assets (generally 5 to 7 years). Leasehold improvements are amortized over the terms of the leases or the useful lives of the assets, whichever is shorter.

Contributions

Contributions receivable are recognized upon notification of a donor's unconditional promise to give to the Organization. Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value because that amount results in a reasonable estimate of fair value in accordance with the *Contributions Received* section of the FASB ASC. The Organization receives pledges designated to specific partner agencies. It is the policy of the Organization to honor these designations.

Donated Materials and Services

The Organization receives donated services from a variety of unpaid volunteers. During the fiscal years ended June 30, 2015 and 2014, the Organization reported \$91,000 of donated services each year as in-kind donations income in the Statement of Activities and as donated labor in the Statement of Functional Expenses. During the fiscal years ended June 30, 2015 and 2014, the Organization also reported donated advertising valued at \$7,190 and \$6,440, respectively, as in-kind donations in the Statement of Activities and as Consumable Supplies in the Statement of Functional Expenses.

During the fiscal year ended June 30, 2014, the Organization received raffle prizes and golf outing supplies valued at \$5,333. This amount was reported as in-kind donations income in the Statement of Activities and as Golf Outing Expenses expense in the Statement of Functional Expenses.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

UNITED WAY OF WILL COUNTY

Notes to Financial Statements

Years Ended June 30, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions, primarily the reserve for uncollectible pledges and the useful lives of machinery and equipment, that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization, whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Organization has adopted the provisions of the FASB standard on *Accounting for Uncertainty in Income Taxes* (ASC 740-10-25). The Organization does not believe there are any material uncertain tax positions and accordingly, it will not recognize a liability for unrecognized tax benefits. For the year ended June 30, 2015 and 2014, there were no interest or penalties recorded or included in its financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30, 2015:

	<u>Amounts Reported</u>	<u>Bank Balance</u>
Checking	\$ 203,687	220,719
Money Market	<u>319,212</u>	<u>319,212</u>
	<u>\$ 522,899</u>	<u>539,931</u>

Cash and cash equivalents consisted of the following at June 30, 2014:

Checking	\$ 439,720	471,390
Money Market	<u>289,264</u>	<u>289,264</u>
	<u>\$ 728,984</u>	<u>760,654</u>

The reconciled balance may be different from the bank balance due to the existence of deposits in transit and/or outstanding checks. At various times during the fiscal years ended June 30, 2015 and 2014, the Organization had deposits at a financial institution that exceeded the insurance protection provided by the Federal Deposit Insurance Corporation.

UNITED WAY OF WILL COUNTY

Notes to Financial Statements
Years Ended June 30, 2015 and 2014

4. Short-Term Investments

At June 30, 2015, short-term investments consisted of nineteen certificates of deposit totaling \$1,053,935. At June 30, 2014, short-term investments consisted of seventeen certificates of deposit totaling \$953,001. The investments have been made with local banks and bear interest at rates ranging from 0.05% to 1.00% in 2015 and 0.15% to 1.00% in 2014. It is the Organization's policy to make investments in a manner that provides the security of the \$250,000 of insurance protection provided by the Federal Deposit Insurance Corporation.

5. Pledges Receivable and Deferred Support

Pledges receivable consists of corporate, employee, and individual contribution commitments that are estimated to be realized primarily within the next fiscal period. The reserve for uncollectible pledges was \$120,000 at June 30, 2015 and 2014. The reserves have been established based upon historical collection experiences with the donors during the past three campaigns, adjusted for specific changes in the donor's payment patterns in the current fiscal year. These estimates may change as pledges are collected or additional information is received by management.

Deferred support at June 30, 2015 consists of payments from corporations and individuals totaling \$4,730 (\$6,390 at June 30, 2014) which will satisfy subsequent year pledge commitments or will represent sponsorships or entry fees for the golf outing to be held in the subsequent fiscal year.

6. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Joliet Alliance for Youth	\$ 901	1,275
MAPP Project	68,416	72,109
Southwest Suburban Philanthropic Network	<u>16,102</u>	<u>16,474</u>
	<u>\$ 85,419</u>	<u>89,858</u>

7. MAPP Project

In 2015 and prior years, the Organization received contributions from the Will County Community Foundation (\$50,000), various local hospitals and the Will County Health Department to fund the MAPP Project (Mobilizing for Action through Planning and Partnerships) which is a community-driven strategic planning process for improving community health. MAPP is not an agency-based assessment process; rather, it is an interactive process that can improve the efficiency, effectiveness, and ultimately the performance of local public health systems. Through June 30, 2015, the Organization has recognized MAPP related contributions and expenses of \$307,621 and \$239,205, respectively.

UNITED WAY OF WILL COUNTY

Notes to Financial Statements
Years Ended June 30, 2015 and 2014

8. Transactions with Other Nonprofit Organizations

The Organization maintains a bank account for the Joliet Alliance for Youth (JAY). During the 2015 fiscal year, the Organization received revenue and processed disbursements on behalf of JAY of \$1,585 and \$1,959, respectively. During the 2014 fiscal year, the Organization received revenue and processed disbursements on behalf of JAY of \$1,785 and \$1,489, respectively. These receipts and disbursements have been reported as temporarily restricted amounts in the accompanying Statements of Activities. Restricted assets included cash and cash equivalents of \$901 and \$1,275, respectively at June 30, 2015 and 2014, related to the JAY activities.

During the 2006 fiscal year, the Organization began processing receipts and disbursements for the Southwest Suburban Philanthropic Network (SWSPN). This group is in the formative stage of development. Restricted deposits included SWSPN related checking account balance of \$16,102 and \$16,405, respectively at June 30, 2015 and 2014.

9. Leases

The Organization leases office space under a month-to-month lease. Rental payments are currently \$2,017 a month. Rent expense for the years ended June 30, 2015 and 2014 was \$24,204 in each year.

10. Retirement Plan

The Organization has established a defined contribution retirement plan for the benefit of the employees. All employees who are more than 21 years of age and have been employed by the Organization for more than one year with more than 1,000 hours of service are eligible to participate. Plan contributions are equal to 7% of covered payroll. Retirement plan contributions were \$19,662 and \$20,125 for the years ended June 30, 2015 and 2014, respectively.

11. Economic Dependence

The Organization receives a substantial number of pledges from employees of local business entities that sometimes provide for a corporate match of amounts contributed by employees. Activity with 26 of these local businesses and governmental entities accounted for approximately 71% of the pledge revenue for the 2015 fiscal year.

12. Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2015 to determine the need for any adjustments to and/or disclosures within the audited statement of financial position and the related statements of activities, functional expenses and cash flows for the year ended June 30, 2015. Management has performed their analysis through November 10, 2015, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNITED WAY OF WILL COUNTY

Schedule of Agency Allocations
Years Ended June 30, 2015 and 2014

	2015	2014
Agape Missions	\$ 40,500	42,000
American Red Cross	104,000	110,000
Aunt Martha's Youth Services / St. Francis Health	31,800	33,500
Big Brothers/Big Sisters	73,200	75,500
Bounce Back Social Services	1,000	
Boy Scouts of America	90,800	94,000
Boys' and Girls' Club	181,000	187,000
Campfire III Prairie Council	15,520	16,000
Cancer Support Center	6,458	2,000
CASA of Will County	7,300	7,200
Catholic Charities/RSVP/Daybreak	288,000	298,000
Center for Correctional Concerns	52,000	54,000
Child Care Resource and Referral	11,200	11,800
Childhood Trauma & Treatment	32,500	34,000
Community Service Council of Northern Will County	35,000	37,500
Cooperative Extension Service (Will County 4H)	15,000	15,500
Cornerstone Services	72,400	74,000
Crisis Line of Will County	86,700	88,000
Easter Seals	87,000	90,000
Forest Park Community Center	13,000	12,500
Girl Scouts of Chicago & Northwest Indiana	48,500	50,000
Good Shepherd Manor	9,200	9,500
Guardian Angel Community Services	88,300	91,000
Harvey Brooks Foundation	3,000	2,000
H.E.A.R.T. Organization		14,500
Hill Memorial Center	64,000	64,500
Joliet Area Community Hospice	51,600	53,000
Lambs Fold Women's Center	18,400	19,000
National Alliance for Mental Illness	10,000	10,000
Peter Claver Center		68,875
Prairie State Legal Assistance	24,900	25,500
Senior Service Center of Will County	129,000	132,500
Seratoma Speech & Hearing Center	9,500	9,500
South Suburban Council on Alcoholism & Substance Abuse	29,800	30,000
Spanish Community Center	95,200	98,000
Stepping Stones	88,000	89,000
The Salvation Army	37,300	38,000
Trinity Services & Family Services	154,800	159,000
United Cerebral Palsy	90,500	92,500
Vilaseca Day Care	47,000	48,000
Warren Sharpe Community Center	112,500	115,000
Will County Children's Advocacy Center	5,300	5,500
Will County Community Health Center	14,000	14,500
Will County Habitat for Humanity	30,500	32,000
Will/Grundy Center for Independent Living	32,500	33,000
Will/Grundy Medical Clinic	41,800	43,000
YMCA	181,000	188,500
	<u>\$ 2,660,978</u>	<u>2,818,375</u>

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