

**UNITED WAY OF WILL COUNTY**  
**2013 FINANCIAL REPORT**

**UNITED WAY OF WILL COUNTY  
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JUNE 30, 2013**

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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, 2013 and 2012 and the related statements of activities, changes in net assets, cash flows, and functional expenses for the years then ended.

### 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, 2013 and 2012, 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 J. Blessing, CPA*

October 30, 2013

**UNITED WAY OF WILL COUNTY**

Statements of Financial Position

June 30, 2013 and 2012

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Current assets		
Cash and cash equivalents	\$ 396,815	390,096
Short-term investments	902,568	951,960
Pledges receivable, net	1,869,207	2,035,315
Prepaid expenses and other	8,314	40,620
Restricted deposits	15,478	11,755
Total current assets	3,192,382	3,429,746
Property and equipment, net of accumulated depreciation of \$82,161 (\$81,617 in 2012)	4,900	
	<u>\$ 3,197,282</u>	<u>3,429,746</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current liabilities		
Accounts payable	\$ 19,878	17,377
Accrued compensation	28,515	25,465
Pass-through contributions payable to:		
United Way agencies	99,069	74,925
Non-affiliated charitable organizations	22,568	81,452
Deferred support	21,810	16,181
Total current liabilities	191,840	215,400
Net Assets		
Unrestricted	2,909,557	3,134,085
Temporarily restricted	95,885	80,261
Total net assets	3,005,442	3,214,346
	<u>\$ 3,197,282</u>	<u>3,429,746</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, 2013 and 2012

	2013			2012		
	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted
<u>Public Support and Revenue</u>						
Campaign support	\$ 3,491,688	3,491,688		3,572,476	3,572,476	
Allocations from other campaigns	249,314	249,314		303,841	303,841	
In-kind donations	104,733	104,733		122,562	122,562	
Less: Designations to other agencies	( 206,721)	( 206,721)		( 222,659)	( 222,659)	
Estimated uncollectible pledges	( 160,000)	( 160,000)		( 130,000)	( 130,000)	
Prior year pledge adjustments	( 92,828)	( 92,828)		( 54,540)	( 54,540)	
Fundraising events	105,077	105,077		97,696	97,696	
Southwest Suburban Philanthropic Network	6,225		6,225	9,345		9,345
MAPP Project	35,011		35,011	56,610		56,610
Joliet Alliance for Youth	1,510		1,510	1,405		1,405
Realized investment income	2,555	2,555		3,075	3,075	
Net assets released from restriction		266	( 266)			
Total public support and revenue	3,536,564	3,494,084	42,480	3,759,811	3,692,451	67,360
<u>Expenses</u>						
Agency allocations	2,970,600	2,970,600		2,736,790	2,736,790	
Program services	273,737	273,737		310,105	310,105	
Management and general	171,087	171,087		168,422	168,422	
United Way Worldwide dues	37,141	37,141		34,324	34,324	
Fundraising	266,047	266,047		248,092	248,092	
Southwest Suburban Philanthropic Network	1,487		1,487	7,382		7,382
MAPP Project	23,084		23,084	37,723		37,723
Joliet Alliance for Youth	2,285		2,285	775		775
Total Expenses	3,745,468	3,718,612	26,856	3,543,613	3,497,733	45,880
Change in net assets	( 208,904)	( 224,528)	15,624	216,198	194,718	21,480
Net assets, beginning of year	3,214,346	3,134,085	80,261	2,998,148	2,939,367	58,781
Net assets, end of year	\$ 3,005,442	2,909,557	95,885	3,214,346	3,134,085	80,261

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

**UNITED WAY OF WILL COUNTY**

Statement of Functional Expenses

Year Ended June 30, 2013

	Total	Program Services	Management and General	Fundraising	Other
Compensation	\$ 290,126	114,278	96,043	79,805	
Employee benefits	107,577	42,373	35,613	29,591	
Donated Labor	91,000	60,670		30,330	
Professional fees and consultants	56,402	13,502	12,995	29,905	
Occupancy	32,817	12,926	10,864	9,027	
Consumable supplies	24,074	11,666	2,744	9,664	
Insurance	7,710	3,037	2,552	2,121	
Travel and meetings	18,738	7,407	4,856	6,475	
Dues	41,331	1,650	1,387	1,153	37,141
Agency allocations	2,970,600	2,970,600			
Depreciation	544	214	180	150	
Other	104,549	6,014	3,853	67,826	26,856
<b>Total expenses</b>	<b>\$ 3,745,468</b>	<b>3,244,337</b>	<b>171,087</b>	<b>266,047</b>	<b>63,997</b>

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

**UNITED WAY OF WILL COUNTY**

Statement of Functional Expenses

Year Ended June 30, 2012

	Total	Program Services	Management and General	Fundraising	Other
Compensation	\$ 337,255	145,863	102,925	88,467	
Employee benefits	125,167	54,135	38,199	32,833	
Donated Labor	91,000	60,670		30,330	
Professional fees and consultants	10,296	4,453	3,143	2,700	
Occupancy	39,916	17,264	12,182	10,470	
Consumable supplies	50,438	10,826	1,713	37,899	
Insurance	8,545	3,696	2,608	2,241	
Travel and meetings	17,521	7,881	3,899	5,741	
Dues	41,974	3,309	2,335	2,006	34,324
Agency allocations	2,736,790	2,736,790			
Other	84,711	2,008	1,418	35,405	45,880
Total expenses	\$ 3,543,613	3,046,895	168,422	248,092	80,204

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



**UNITED WAY OF WILL COUNTY**

Statements of Cash Flows

Years Ended June 30, 2013 and 2012

(increase (decrease) in cash and cash equivalents)

<u>Cash Flows From Operating Activities</u>	<u>2013</u>	<u>2012</u>
Change in net assets	\$ ( 208,904)	216,198
Adjustments to reconcile change in net assets to net cash used for operating activities -		
Depreciation	544	
Reserve for uncollectible pledges	160,000	130,000
Changes in assets and liabilities		
Pledges receivables	6,108	( 442,607)
Prepaid expenses	32,306	( 28,147)
Restricted cash deposits	( 3,723)	( 2,568)
Accounts payable	2,501	4,915
Accrued compensation	3,050	46
Pass-through contributions payable to other entities	( 34,740)	81,553
Deferred support	5,629	3,541
Net cash used for operating activities	<u>( 37,229)</u>	<u>( 37,069)</u>
 <u>Cash Flows From Investing Activities</u>		
Purchase of equipment	( 5,444)	
Sales of investments	951,960	854,106
Purchases of investments	( 902,568)	( 951,092)
Net cash provided by (used for) by investing activities	<u>43,948</u>	<u>( 96,986)</u>
 Net in cease (decrease) in cash and cash equivalents	6,719	( 134,055)
 Cash and cash equivalents, beginning of year	<u>390,096</u>	<u>524,151</u>
 Cash and cash equivalents, end of year	<u>\$ 396,815</u>	<u>390,096</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, 2013 and 2012

## 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, 2013 and 2012

### 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 10 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, 2013 and 2012, 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, 2013 and 2012, the Organization also reported donated advertising valued at \$8,400 each year as in-kind donations in the Statement of Activities and as Consumable Supplies in the Statement of Functional Expenses.

During the fiscal years ended June 30, 2013 and 2012, the Organization received raffle prizes and golf outing supplies valued at \$5,333 and \$23,162, respectively. These amounts were reported as in-kind donations income in the Statement of Activities and as Consumable Supplies 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, 2013 and 2012

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 and liability for unrecognized tax benefits. For the year ended June 30, 2013, 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, 2013:

	<u>Amounts Reported</u>	<u>Bank Balance</u>
Checking	\$ 108,017	118,818
Money Market	<u>288,798</u>	<u>288,798</u>
	<u>\$ 396,815</u>	<u>407,616</u>

Cash and cash equivalents consisted of the following at June 30, 2012:

Checking	\$ 331,345	344,754
Money Market	<u>58,751</u>	<u>58,751</u>
	<u>\$ 390,096</u>	<u>403,505</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, 2013 and 2012, 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, 2013 and 2012

4. Short-Term Investments

At June 30, 2013, short-term investments consisted of sixteen certificates of deposit totaling \$901,441. At June 30, 2012, short-term investments consisted of sixteen certificates of deposit totaling \$951,203. The investments have been made with local banks and bear interest at rates ranging from 0.10% to 1.00% in 2013 and 0.05% to 0.35% in 2012. 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.

Short-term investments also included common stock investments with a total fair market value of \$1,127 and \$757 at June 30, 2013 and 2012, respectively.

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 \$160,000 and \$130,000 at June 30, 2013 and 2012, respectively. 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, 2013 consists of payments from corporations and individuals totaling \$21,810 (\$16,181 at June 30, 2012) 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, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Joliet Alliance for Youth	\$ 1,304	2,144
MAPP Project	80,407	68,480
Southwest Suburban Philanthropic Network	<u>14,174</u>	<u>9,637</u>
	<u>\$ 95,885</u>	<u>80,261</u>

7. MAPP Project

In 2013 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, 2013, the Organization has recognized MAPP related contributions and expenses of \$206,621 and \$126,214, respectively.

## UNITED WAY OF WILL COUNTY

### Notes to Financial Statements Years Ended June 30, 2013 and 2012

#### 8. Transactions with Other Nonprofit Organizations

The Organization maintains a bank account for the Joliet Alliance for Youth (JAY). During the 2013 fiscal year, the Organization received revenue and processed disbursements on behalf of JAY of \$1,510 and \$2,285, respectively. During the 2012 fiscal year, the Organization received revenue and processed disbursements on behalf of JAY of \$1,405 and \$775, 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 \$1,304 and \$2,145, respectively at June 30, 2013 and 2012, 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 balances of \$14,174 and \$9,610, respectively at June 30, 2013 and 2012.

#### 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, 2013 and 2012 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 \$19,714 and \$19,701 for the years ended June 30, 2013 and 2012, 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 23 of these local businesses and governmental entities accounted for approximately 69% of the pledge revenue for the 2013 fiscal year.

#### 12. Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2013 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, 2013. Management has performed their analysis through October 30, 2013, 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, 2013 and 2012

	2013	2012
Agape Missions	\$ 44,000	32,750
American Red Cross	116,000	115,000
Aunt Martha's Youth Services	30,100	27,650
Aunt Martha's St. Francis Health Center	5,000	
Big Brothers/Big Sisters	79,000	72,850
Boy Scouts of America	101,000	96,500
Boys' and Girls' Club	200,000	194,150
Campfire III Prairie Council	16,500	15,300
CASA of Will County	7,500	7,000
Catholic Charities/RSVP/Daybreak	314,000	284,400
Center for Correctional Concerns	58,000	52,000
Child Care Resource and Referral	12,500	10,850
Childhood Trauma & Treatment	36,500	34,000
Community Service Council of Northern Will County	40,000	37,250
Cooperative Extension Service (Will County 4H)	16,300	12,000
Cornerstone Services	79,000	69,000
Crisis Line of Will County	92,000	82,000
DuCap	2,000	
Easter Seals	94,500	84,500
Forest Park Community Center	12,000	6,500
Girl Scouts of Chicago & Northwest Indiana	53,400	50,800
Good Shepherd Manor	10,000	10,100
Guardian Angel Community Services	96,000	82,000
H.E.A.R.T. Organization	15,000	11,750
Hill Memorial Center	67,500	66,930
Joliet Area Community Hospice	55,800	55,000
Lambs Fold Women's Center	21,000	24,000
Model Ex-Offender		22,500
National Alliance for Mental Illness	6,000	2,250
Peter Claver Center	72,500	72,500
Prairie State Legal Assistance	27,000	25,000
Senior Service Center of Will County	140,000	127,300
Seratoma Speech & Hearing Center	10,000	5,100
South Suburban Council on Alcoholism & Substance Abuse	31,500	29,150
Spanish Community Center	104,000	104,000
Stepping Stones	94,500	96,800
The Salvation Army	40,000	
Trinity Services & Family Services	168,000	163,000
United Cerebral Palsy	98,300	90,100
Vilaseca Day Care	50,000	45,410
Warren Sharpe Community Center	120,400	109,500
Will County Children's Advocacy Center	5,800	5,500
Will County Community Health Center	15,000	6,900
Will County Habitat for Humanity	34,000	26,000
Will/Grundy Center for Independent Living	34,000	30,000
Will/Grundy Medical Clinic	45,000	42,000
YMCA	200,000	199,500
	<u>\$ 2,970,600</u>	<u>2,736,790</u>

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