

**UNITED WAY OF WILL COUNTY**

**2016 FINANCIAL REPORT**

**UNITED WAY OF WILL COUNTY  
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JUNE 30, 2016**

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## **REPORT OF INDEPENDENT AUDITOR**

The Board of Directors  
United Way of Will County

I have audited the accompanying financial statements of United Way of Will County (the Organization) which is comprised of the statements of financial position as of June 30, 2016 and 2015 and the related statements of activities, changes in net assets, functional expenses and cash flows 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, 2016 and 2015, 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 B Leasing, CPA*

December 6, 2016

**UNITED WAY OF WILL COUNTY**

## Statements of Financial Position

June 30, 2016 and 2015

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Current assets		
Cash and cash equivalents	\$ 746,140	505,896
Short-term investments	1,055,916	1,053,935
Pledges receivable, net	1,357,393	1,428,934
Prepaid expenses and other	10,510	5,037
Restricted deposits	19,452	17,003
Total current assets	3,189,411	3,010,805
Property and equipment, net of accumulated depreciation of \$70,445 (\$67,056 in 2015)	2,785	6,174
	<u>\$ 3,192,196</u>	<u>3,016,979</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 555	32,785
Accrued compensation	31,270	25,401
Pass-through contributions payable to:		
United Way agencies	34,765	29,599
Non-affiliated charitable organizations	3,723	3,061
Deferred support	2,180	4,730
Total current liabilities	72,493	95,576
Net Assets		
Unrestricted	3,046,591	2,835,984
Temporarily restricted	73,112	85,419
Total net assets	3,119,703	2,921,403
	<u>\$ 3,192,196</u>	<u>3,016,979</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, 2016 and 2015

	2016			2015		
	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted
<u>Public Support and Revenue</u>						
Campaign support	\$ 3,114,075	3,114,075		3,052,530	3,052,530	
Allocations from other campaigns	230,901	230,901		252,443	252,443	
In-kind donations	98,190	98,190		98,190	98,190	
Less: Designations to other agencies	( 61,791)	( 61,791)		( 89,808)	( 89,808)	
Estimated uncollectible pledges	( 90,000)	( 90,000)		( 120,000)	( 120,000)	
Prior year pledge adjustments	( 13,686)	( 13,686)		53,821	53,821	
Fundraising events	129,686	129,686		114,717	114,717	
Southwest Suburban Philanthropic Network	5,150		5,150	5,390		5,390
MAPP Project	48,000		48,000	53,000		53,000
Joliet Alliance for Youth	1,675		1,675	1,635		1,635
Realized investment income	2,850	2,850		1,884	1,884	
Net assets released from restriction		29	( 29)		58	( 58)
Total public support and revenue	3,465,050	3,410,254	54,796	3,423,802	3,363,835	59,967
<u>Expenses</u>						
Agency allocations	2,465,111	2,465,111		2,660,978	2,660,978	
Program services	398,193	398,193		362,427	362,427	
Management and general	123,923	123,923		154,612	154,612	
United Way Worldwide dues	33,647	33,647		34,075	34,075	
Fundraising	178,773	178,773		182,827	182,827	
Southwest Suburban Philanthropic Network	1,838		1,838	5,754		5,754
MAPP Project	64,281		64,281	56,693		56,693
Joliet Alliance for Youth	984		984	1,959		1,959
Total Expenses	3,266,750	3,199,647	67,103	3,459,325	3,394,919	64,406
Change in net assets	198,300	210,607	( 12,307)	( 35,523)	( 31,084)	( 4,439)
Net assets, beginning of year	2,921,403	2,835,984	85,419	2,956,926	2,867,068	89,858
Net assets, end of year	\$ 3,119,703	3,046,591	73,112	2,921,403	2,835,984	85,419

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

**UNITED WAY OF WILL COUNTY**

Statement of Functional Expenses

Year Ended June 30, 2016

	Total	Program Services	Management and General	Fundraising
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Agency allocations	\$ 2,465,111	2,465,111		
Compensation	316,569	176,239	80,530	59,800
Employee benefits	82,823	46,109	21,069	15,645
Donated labor	91,000	60,670		30,330
Professional fees and consultants	40,204	26,377	3,135	10,692
Occupancy	28,268	15,737	7,191	5,340
Consumable supplies	18,994	10,252	1,399	7,343
Insurance	7,469	4,158	1,900	1,411
Travel and meetings	13,392	8,550	2,712	2,130
National United Way dues	33,647	33,647		
Dues	2,420	1,347	616	457
Depreciation	3,389	1,887	862	640
Southwest Suburban Philanthropic Network	1,838	1,838		
MAPP Project	64,281	64,281		
Joliet Alliance for Youth	984	984		
Fundraising Events - Golf Outing	26,841			26,841
Witches Night Out	51,796	37,000		14,796
Other	<u>17,724</u>	<u>9,867</u>	<u>4,509</u>	<u>3,348</u>
Total expenses	<u>\$ 3,266,750</u>	<u>2,964,054</u>	<u>123,923</u>	<u>178,773</u>

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

	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>
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	25,257			25,257
Witches Night Out	38,098	26,000		12,098
Other	18,911	7,172	4,546	7,193
Total expenses	\$ 3,459,325	3,121,886	154,612	182,827

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



# UNITED WAY OF WILL COUNTY

## Statements of Cash Flows Years Ended June 30, 2016 and 2015

(increase (decrease) in cash and cash equivalents)

	<u>2016</u>	<u>2015</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 198,300	( 35,523)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities -		
Depreciation	3,389	3,389
Reserve for uncollectible pledges	120,000	120,000
Changes in assets and liabilities		
Pledges receivables	( 48,459)	( 133,254)
Prepaid expenses	( 5,473)	( 2,094)
Restricted cash deposits	( 2,449)	677
Accounts payable	( 32,230)	30,209
Accrued compensation	5,869	( 1,466)
Pass-through contributions payable to other entities	5,828	( 84,752)
Deferred support	( 2,550)	( 1,660)
Net cash provided by (used for) operating activities	<u>242,225</u>	<u>( 104,474)</u>
<u>Cash Flows From Investing Activities</u>		
Sales of investments	1,053,935	953,001
Purchases of investments	( 1,055,916)	( 1,053,935)
Net cash used for investing activities	<u>( 1,981)</u>	<u>( 100,934)</u>
Net increase (decrease) in cash and cash equivalents	240,244	( 205,408)
Cash and cash equivalents, beginning of year	<u>505,896</u>	<u>711,304</u>
Cash and cash equivalents, end of year	<u>\$ 746,140</u>	<u>505,896</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, 2016 and 2015

### 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, 2016 and 2015

#### 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, 2016 and 2015, 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, 2016 and 2015, the Organization also reported donated advertising valued at \$7,190 in each year 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, 2016 and 2015, the Organization received raffle prizes and golf outing supplies valued at \$8,515 and \$6,412. This amount was reported as fundraising event 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, 2016 and 2015

#### 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, 2016 and 2015, 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, 2016:

	<u>Amounts Reported</u>	<u>Bank Balance</u>
Checking	\$ 381,075	403,811
Money Market	<u>365,065</u>	<u>365,065</u>
	<u>\$ 746,140</u>	<u>768,876</u>

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

	<u>Amounts Reported</u>	<u>Bank Balance</u>
Checking	\$ 186,684	202,966
Money Market	<u>319,212</u>	<u>319,212</u>
	<u>\$ 505,896</u>	<u>522,178</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, 2016 and 2015, 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, 2016 and 2015

4. Short-Term Investments

At June 30, 2016, short-term investments consisted of nineteen certificates of deposit totaling \$1,055,916. At June 30, 2015, short-term investments consisted of nineteen certificates of deposit totaling \$1,053,935. The investments have been made with local banks and bear interest at rates ranging from 0.05% to 0.64% in 2016 and 0.05% to 1.00% in 2015. 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 \$90,000 and \$120,000 at June 30, 2016 and 2015, 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, 2016 consists of payments from corporations and individuals totaling \$2,180 (\$4,730 at June 30, 2015) 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, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Joliet Alliance for Youth	\$ 1,564	901
MAPP Project	52,135	68,416
Southwest Suburban Philanthropic Network	<u>19,413</u>	<u>16,102</u>
	<u>\$ 73,112</u>	<u>85,419</u>

7. MAPP Project

In 2016 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, 2016, the Organization has recognized MAPP related contributions and expenses of \$355,621 and \$303,486, respectively.



## UNITED WAY OF WILL COUNTY

### Notes to Financial Statements Years Ended June 30, 2016 and 2015

#### 8. Transactions with Other Nonprofit Organizations

The Organization maintains a bank account for the Joliet Alliance for Youth (JAY). During the 2016 fiscal year, the Organization received revenue and processed disbursements on behalf of JAY of \$1,675 and \$984, respectively. During the 2015 fiscal year, the Organization received revenue and processed disbursements on behalf of JAY of \$1,585 and \$1,959, 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 \$1,564 and \$901, respectively at June 30, 2016 and 2015, 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 \$17,888 and \$16,102, respectively at June 30, 2016 and 2015.

#### 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, 2016 and 2015 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 \$17,778 and \$19,662 for the years ended June 30, 2016 and 2015, 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 69% of the pledge revenue for the 2016 fiscal year.

#### 12. Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2016 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, 2016. Management has performed their analysis through December 6, 2016, 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, 2016 and 2015

	2016	2015
Agape Missions	\$ 38,040	40,500
American Red Cross	91,000	104,000
Aunt Martha's Youth Services / St. Francis Health	29,256	31,800
Big Brothers/Big Sisters	68,900	73,200
Bounce Back Social Services	2,939	1,000
Boy Scouts of America	80,000	90,800
Boys' and Girls' Club	170,000	181,000
Campfire III Prairie Council	13,750	15,520
Cancer Support Center	7,476	6,458
CASA of Will County	6,760	7,300
Catholic Charities/RSVP/Daybreak	271,588	288,000
Center for Correctional Concerns	48,000	52,000
Center for Disability Services	83,450	90,500
Child Care Resource and Referral	10,000	11,200
Childhood Trauma & Treatment	29,600	32,500
Community Service Council of Northern Will County	31,800	35,000
Cooperative Extension Service (Will County 4H)	13,600	15,000
Cornerstone Services	66,390	72,400
Crisis Line of Will County	79,000	86,700
Easter Seals	79,500	87,000
Forest Park Community Center	11,800	13,000
Girl Scouts of Chicago & Northwest Indiana	43,000	48,500
Good Shepherd Manor	8,500	9,200
Guardian Angel Community Services	92,024	88,300
Harvey Brooks Foundation	3,000	3,000
Hill Memorial Center	60,000	64,000
Joliet Area Community Hospice	47,500	51,600
Kankakee County Community Services	23,000	
Lambs Fold Women's Center	16,800	18,400
National Alliance for Mental Illness	9,550	10,000
Prairie State Legal Assistance	22,380	24,900
Senior Service Center of Will County	90,188	129,000
Seratomia Speech & Hearing Center	8,850	9,500
South Suburban Council on Alcoholism & Substance Abuse	27,750	29,800
Spanish Community Center	88,710	95,200
Stepping Stones	82,000	88,000
The Salvation Army	35,000	37,300
Trinity Services & Family Services	142,000	154,800
Vilaseca Day Care	44,620	47,000
Warren Sharpe Community Center	108,000	112,500
Will County Children's Advocacy Center	5,100	5,300
Will County Community Health Center	13,190	14,000
Will County Habitat for Humanity	28,100	30,500
Will/Grundy Center for Independent Living	31,500	32,500
Will/Grundy Medical Clinic	39,500	41,800
YMCA	162,000	181,000
	<u>\$ 2,465,111</u>	<u>2,660,978</u>

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